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### Overview

This bill, as proposed to be amended by the delete-all, is the transportation finance omnibus (note: this summary is revised as of March 23, 2017). Among the provisions, it:

- ▶ contains budget appropriations for MnDOT as well as the transportation-related divisions of the Metropolitan Council and the Department of Public Safety, including (1) appropriations over base for aeronautics, airports projects, and various freight rail activities, (2) elimination of the passenger rail appropriation, and (2) general fund reductions for the Metropolitan Council
- ▶ authorizes a total of \$1.3 billion in trunk highway bonds, consisting of \$300 million for the Corridors of Commerce program and \$250 million annually over four years for general state road construction
- ▶ reallocates a net total of \$450 million for the 2018-19 biennium in state sales tax revenue, which is from (1) general sales tax revenue from motor vehicle leases, (2) a short-term motor vehicle rental tax, (3) general sales tax revenue from short-term motor vehicle rentals, and (4) a portion of general sales tax revenue from motor vehicle repair and replacement parts
- ▶ creates a new Transportation Priorities Fund that mainly contains the reallocated sales tax revenue, and that specifies a formula-based allocation of funds among modes
- ▶ includes various transit finance provisions, including requiring legislative approval of light rail transit projects, directing funds from local option sales taxes to fund all Metropolitan Council net transitway operating costs, limiting the use of certificates of

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participation, modifying an allocation formula for suburban transit providers, and setting a farebox recovery goal

- ▶ makes a variety of changes to transportation policy and finance, including reallocating revenue from a motor vehicle registration and titling fee, establishing special plates and trunk highway system memorials, modifying project selection processes, creating a surcharge on electric vehicles, modifying motor vehicle weight limits, modifying aspects of the Minnesota Rail Service Improvement program, establishing light rail transit project development requirements, amending outdoor sign regulations, providing for some MnDOT agency initiatives, and requiring a number of studies and legislative reports.

## Article 1: Transportation Appropriations

### Overview

This article establishes the transportation budget for fiscal years 2018-19.

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- 1 **Road and Bridge Act.** Names the bill the “Road and Bridge Act.”
- 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 biennial budget for MnDOT.

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

**Subd. 2. Multimodal systems.** Appropriates money for non-highway transportation modes including aeronautics, transit, and freight. Changes from base appropriations include:

- ▶ increased funds for airport development (with a new Civil Air Patrol appropriation split out);
- ▶ a number of specific airports projects, funded from the state airports fund;
- ▶ \$150,000 each year as grants to a Twin Cities metropolitan area transportation management organization;
- ▶ elimination of the appropriation for passenger rail;
- ▶ about \$5 million in funding for the Minnesota Rail Service Improvement (MRSI) program, along with a \$1 million grant to Grand Rapids for a rail line study; and
- ▶ allocations totaling \$9 million annually to freight rail safety, warning devices, and quiet zones (associated with new programs being established in the bill).

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**Subd. 3. State roads.** Appropriates money for the state trunk highway system, including: operations and maintenance; program planning and delivery (with a new planning and research 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 local road and bridge assistance. Allows for increases in the state-aid appropriations if there are additional funds and certain conditions are met. Changes from base appropriations include funding for county roads in the Twin Cities metropolitan area (which replaces motor vehicle lease sales tax revenue), the Small Cities Assistance program, and the Local Bridge program.

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

**Subd. 6. Transfers.** Authorizes transfers of funds among the MnDOT appropriations in some circumstances, and sets this authority as superseding a general statutory transfer provision. Directs transfer of funds in the flexible highway account for county and municipal turnback projects.

**Subd. 7. State road construction appropriations carryforward.** Allows MnDOT to use previous year trunk highway construction appropriations in the budget biennium if used for the original purpose, with required reporting.

**Subd. 8. Contingent appropriation.** Allows additional trunk highway fund money to be appropriated to MnDOT in some circumstances, upon approval by a legislative group.

**Subd. 9. Requirements for certain legal activities.** Prevents MnDOT from using the department's staff attorneys for activities related to data practices requests and requires the work to be done under an agreement with the Office of the Attorney General.

**5 Metropolitan Council.** Establishes the biennial budget for state funding of the transportation functions of the Metropolitan Council. Allocates \$1.5 million in fiscal year 2018 to suburban transit providers for suburb-to-suburb transit service.

Sets a declining amount for base appropriations in fiscal years 2020 and 2021, so that there would be no general fund appropriation starting in fiscal year 2021. The amount of annual reduction in the 2018-19 budget and in the out years matches the sum of (1) forecasted growth in revenue from the portion of the motor vehicle sales tax (MVST) allocated to the council; and (2) transitway operating funding required to be provided by the Counties Transit Improvement Board or counties individually, which is a directive in article 3 of bill.

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- 6**      **Department of Public Safety.** Establishes the 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 other division-wide administrative and technology services. Creates separate appropriations for programs administered through the commissioner’s office (which in past budgets has been funded as riders), consisting of aid to local government for public safety officer survivor benefits, officer health benefits, and soft body armor reimbursements.
- Subd. 3. State Patrol.** Appropriates money for the State Patrol, including patrolling highways, commercial vehicle enforcement, and capitol security. Appropriates \$5.75 million from the general fund for a helicopter purchase. 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 and vehicle services, primarily from special revenue resulting from vehicle and driver licensing fees. Makes a onetime appropriation of \$8 million annually for the Minnesota Licensing and Registration System (MNLARS), from the operating accounts for driver and vehicle services.
- Subd. 5. Traffic safety.** Appropriates funds for the traffic safety office.
- Subd. 6. Pipeline safety.** Appropriates special revenue funds for the pipeline safety office.
- 7**      **Appropriation cancellation.** Cancels \$1.1 million in previous general fund appropriations for the Port Development Assistance program administered by MnDOT. MnDOT appropriations in the bill include similar funding under the program for Red Wing and Winona (as a rider in the freight budget activity).
- 8**      **Appropriations budget.** Requires MnDOT and the Department of Public Safety to produce budget narratives and proposals for the 2020-21 biennium that match the budget structure set in the bill.
- 9**      **Effect of Appropriations.** Establishes that the same appropriation enacted in separate bills do not count more than once.
- 10**     **State Roads.** Appropriates an additional \$105 million to MnDOT from the trunk highway fund for state road construction in fiscal year 2017. Sets a conditional effective date of the day following submission by MnDOT to the legislature of unredacted communications and materials related to a 2016 Legislative Advisory Commission (LAC) request by MnDOT for the federal funds that are being appropriated in this section.

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### Article 2: Transportation Bonds

#### Overview

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

- 1 **Bond appropriations.** Provides for bond proceeds appropriations.
- 2 **Department of transportation.** Appropriates \$1.3 billion over fiscal years 2018-21 to MnDOT from trunk highway bond proceeds. Provides for bond cancellation timing. Appropriations are as follows:
  - ▶ \$300 million in fiscal year 2018 for the Corridors of Commerce program
  - ▶ \$250 million each year in fiscal years 2018-21 for general state road construction
- 3 **Bond sale expenses.** Appropriates \$1.3 million 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 bond proceeds appropriations in this article.
- 5 **Effective date.** Makes the article effective July 1, 2017.

### Article 3: Transportation-Related Taxes

#### Overview

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

- 1 **Motor vehicle lease sales tax revenue.** Changes the allocation of the sales tax collected upfront on motor vehicle leases, so that the entire amount is allocated to a new Transportation Priorities Fund being created in the bill. Amounts reflecting the forecasted allocations under current law to greater Minnesota transit and Twin Cities metropolitan area counties are appropriated in the transportation budget (with matching amount in fiscal year 2018 and an increase in fiscal year 2019).

The new 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.
- 2 **Deposit of revenues.** Allocates revenue from specified state sales taxes to the Transportation Priorities Fund, for fiscal year 2018 and after. The revenue currently goes to the general fund.

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Paragraph (g) directs revenue from the rental sales tax (imposed at 9.2 percent) on short-term motor vehicle rentals to the Transportation Priorities Fund.

Paragraph (h) directs revenue from the state's general sales tax (imposed at 6.5 percent) attributed to short-term motor vehicle rentals to the Transportation Priorities Fund.

Paragraph (i) provides for transfer of a portion of general sales tax revenue representing the sale and purchase of motor vehicle repair parts, to go to the Transportation Priorities Fund. Specifies amounts to transfer for fiscal years 2018 to 2021 (starting at \$156.8 million and increasing to \$287.7 million in fiscal year 2021). For fiscal year 2022 and after, 4.293 percent of total general sales tax revenue is required to be transferred.

- 3 **Priority of fund uses.** Directs the Counties Transit Improvement Board (CTIB) to fully fund operations and capital maintenance on existing transitways that the board has previously funded. The amount that must be provided by CTIB is reduced based on agreement with any counties that were part of CTIB but have withdrawn (see section 5 in this article). Effective the day following final enactment and applies to operating costs in state fiscal year 2018 and after.
- 4 **Allocation; termination.** Makes a conforming change.
- 5 **Allocation for certain transitways.** Establishes a requirement to cover transitway operating and capital maintenance costs for a county (1) that was formerly part of CTIB, (2) that is imposing the local option transportation sales tax (under Minnesota Statutes, section 297A.993), and (3) in which a CTIB-funded transitway line is located. The amount provided by each county, or counties in conjunction with CTIB if CTIB has not dissolved, must be determined by the entities involved so that 100 percent of the Metropolitan Council's transitway operating costs are covered.
- 6 **Motor vehicle parts sales taxes estimation.** Directs the Department of Revenue to report on an estimate of general sales tax revenue that is attributable to the sale and purchase of motor vehicle repair and replacement parts, including tires, accessories, affixed equipment, and fluids. The report is due by January 15, 2019.
- 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.

## Article 4: Transportation Policy and Finance

### Overview

This article contains various transportation finance and policy provisions.

- 1 **Metropolitan area transit account.** Sets Metro Mobility as the first priority in use of funds from motor vehicle sales tax revenue appropriated to the Metropolitan Council.
- 2 **Deposit of revenue.** Redirects revenue from a \$10 fee imposed on motor vehicle registration and title transfers, so that starting in fiscal year 2021 the funds go to the

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Transportation Priorities Fund being established in this bill instead of going to the Environmental Fund.

- 3** **Public service corporation exceptions.** Provides that taking of real property for construction or expansion of a light rail transit or bus rapid transit is subject, in addition to compensation for the taking, to eminent domain provisions for other forms of compensation. This includes attorneys' fees; appraisals; challenges to the public use, necessity, or authority for a taking; compensation for loss of going concern; minimum compensation; certain other limitations; and reestablishment and relocation benefits. Provides that LRT and BRT appraisal fee awards are up to \$1,500 for one- and two-family homes and \$5,000 for other property types (unless reimbursed under another provision). Effective from January 1, 2017.
- 4** **Trunk highway appeal process.** Directs MnDOT to establish a process outside of administrative rulemaking that provides for the appeal of driveway access permit denial or revocation for owners or occupants of land that abuts a trunk highway. Establishes some features for the process.
- 5** **Flexible highway account; turnback accounts.** Amends a formula for allocating a portion of funds in the flexible highway account, to set a percentage instead of using a calculation of revenues. (The calculation based on allocating "new" funds to transportation that had resulted from the MVST constitutional dedication and 2008 legislative changes increasing the gas tax and changing the motor vehicle registration tax, and the percentage roughly matches the calculated amount).
- 6** **Project eligibility.** Prevents MnDOT from requiring that projects proposed for the Corridors of Commerce program must be ready for commencing construction in less than three years.
- 7** **Project selection process; criteria.** Clarifies that all candidate projects submitted by stakeholder groups for the Corridors of Commerce program must be evaluated if the project meets eligibility requirements. Makes technical changes.
- 8** **Legislative report; evaluation.** Adds required information to be provided in the legislative report on the Corridors of Commerce program, including various project selection details. Lengthens the cycle in some situations for when a program effectiveness evaluation must be included in the report. No longer requires report submission when no additional projects have been selected into the program in the past year and an effectiveness evaluation is not due.
- 9** **Route No. 259.** Makes a conforming change as part of a county turnback, to remove statutory reference to a route that is being removed from the trunk highway system.
- 10** **Chip A. Imker Memorial Highway.** Designates a stretch of Trunk Highway 65 around Cambridge as the "Chip A. Imker Memorial Highway." Directs MnDOT to develop a signage design.
- 11** **Medal of Honor recipient Kenneth L. Olson Highway.** Designates a portion of Trunk Highway 23 in the city and surrounding town of Paynesville as the "Medal of Honor recipient Kenneth L. Olson Highway." Directs MnDOT to develop a signage design.

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- 12 Corporal Benjamin S. Kopp Bridge.** Designates a bridge over U.S. Highway 52, which is Brandel Drive in the city of Coates, as the “Corporal Benjamin S. Kopp Bridge.” Directs MnDOT to develop a signage design.
- 13 Rules; eligibility.** Eliminates a MnDOT bid preference eligibility cut-off after eight years that applies to veteran-owned small businesses as well as small targeted group businesses, so that there is no longer a time limit for eligible entities.
- 14 Spending on trunk highway system.** Requires MnDOT fiscal tracking on local government spending for trunk highway work.
- 15 Conveyance to highest bidder in certain cases.** Amends the excess trunk highway land conveyance process used in some situations, by authorizing MnDOT to offer sale of land to the abutting landowners based on appraised market value instead of through bidding or auction procedures.
- 16 Services of licensed real estate broker.** Amends a provision on MnDOT use of a real estate broker to sell lands, so that brokers are authorized once lands are withdrawn from sale.
- 17 Unsold lands.** Amends the excess trunk highway land conveyance process when real estate property remains unsold after an offer to the highest bidder, to permit MnDOT to make offers to anyone willing to pay at least the minimum public sale bid amount. Requires real estate that is for sale to be listed on an unsold property inventory.
- 18 Small cities assistance account.** Moves the account for the Small Cities Assistance program to be within the Transportation Priorities Fund.
- 19 Passenger automobile; hearse.** Extends a “hold harmless” provision that prevents an increase in vehicle registration taxes, to include a surcharge on electric vehicles being established in the bill.
- 20 All-electric vehicle.** Sets an \$85 surcharge on electric vehicles as part of annual motor vehicle registration. The surcharge is effective for registrations on and after January 1, 2018.
- 21 Disability plates; application.** Adds motorized bicycles (commonly known as mopeds) as a type of vehicle for which a person can apply for disability plates. Effective January 1, 2018.
- 22 Plate design; furnished by commissioner.** Provides for a single disability plate on motorized bicycles. Effective January 1, 2018.
- 23 Plate transfer.** Makes a conforming change. Effective January 1, 2018.
- 24 [168.1256] Special retired law enforcement plates.** Creates a new special plate for retired law enforcement. Sets eligibility and provides for plate design and transfers. The new plate would go into effect January 1, 2018.
- 25 [168.1257] Special law enforcement memorial plates.** Creates a new law enforcement memorial special license plate. Sets eligibility, provides for plate design and transfers, requires an annual donation to the Minnesota law enforcement memorial account, and appropriates donated funds. The new plate would go into effect January 1, 2018.
- 26 [168.1294] Special “Start seeing motorcycles” plates.** Creates a new “start seeing motorcycles” special plate. Sets eligibility, provides for plate design and transfers, and



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requires an annual donation to the motorcycle safety fund. The new plate would go into effect January 1, 2018.

- 27 Deputy registrars.** Permits deputy registrars to store motor vehicle transaction records electronically after 60 days have passed, subject to a federal policy and Department of Public Safety requirements as well as creation of an audit trail. Makes deputy registrars responsible for associated costs.
- 28 Application, issuance, form, bond, and notice.** Permits deputy registrars to issue a duplicate certificate of title for a motor vehicle, (which is in addition to the current administration of duplicate title applications). Directs the Department of Public Safety to allow duplicate title issuance by deputies, starting August 1, 2018. Makes technical changes. Effective August 1, 2018.
- 29 All-electric vehicle.** Defines an “all-electric vehicle” for the chapter of statutes on motor vehicle regulations, as one that is exclusively powered by an electric motor.
- 30 Scope of privilege.** Makes a conforming change.
- 31 Identifying certificate.** Makes a conforming change.
- 32 [169.8295] Weight limits; vehicles transporting milk.** Increases weight limits by ten percent in some circumstances for transporting fluid milk in straight trucks (that is, vehicles that are not truck tractor-semitrailer configurations), without a special permit required.
- 33 Requirements; restrictions.** Allows commercial vehicles hauling fluid milk under a six- or a seven-axle overweight vehicle permit issued by MnDOT to be operated on the Interstate system, as permitted under federal law.
- 34 [169.869] Special construction materials permit.** Authorizes a special permit to exceed motor vehicle weight limits in order to haul construction materials on six- and seven-axle vehicles. Specifies permit fees, authorizes operation on all road systems under the permit, sets conditions, and allocates permit revenue. Effective January 1, 2018.
- 35 Two-wheeled vehicle endorsement fee.** Eliminates some of the general fund allocation of fee revenue from two-wheeled vehicle endorsements on driver’s licenses, which has the effect of increasing funds going to the motorcycle safety fund.
- 36 Application.** Permits driver’s license agents to store motor vehicle transaction records electronically after 60 days, subject to a federal policy and Department of Public Safety requirements as well as creation of an audit trail. Makes the agents responsible for associated costs.
- 37 Certain convictions not recorded.** Amends a provision that keeps some speeding convictions from appearing on a person’s driving record, so that the exemption does not apply to commercial learner’s permit holders.
- 38 Abandoned and discontinued.** Defines a term for the chapter on outdoor advertising next to trunk highways.
- 39 Conforming.** Defines a term for the chapter on outdoor advertising along trunk highways.
- 40 Commercial or industrial activity.** Modifies the types of business activity that are not included as “commercial or industrial activity” in unzoned commercial or industrial areas, so

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that the activity category excludes vehicle-mounted advertising, businesses that no longer exist or are not operating, and businesses that are for installation of outdoor advertising. This has the effect of preventing, in some situations, local zoning and local permits regulating advertising for the excluded business activity categories.

- 41 Nonconforming.** Defines a term for the chapter on outdoor advertising along trunk highways.
- 42 Off-premise.** Defines a term for the chapter on outdoor advertising along trunk highways.
- 43 Scenic area.** Modifies a definition of scenic area to include federally designated scenic byways.
- 44 Scenic byways.** Defines a term for the chapter on outdoor advertising along trunk highways.
- 45 Authority.** Amends the topics that MnDOT is directed to address in administrative rules, to (1) permit rulemaking on legal nonconforming signs, and (2) eliminate required rulemaking on permits and permits renewals for installing advertising devices in scenic areas. Makes clarifying changes.
- 46 Forms; content.** Modifies a requirement on advertising permit applications. Clarifies that a permit is necessary for accessing land under state jurisdiction to maintain advertising devices.
- 47 Seed sign exemption.** Establishes an exemption from the general restriction on advertising devices next to trunk highways, so that crop varietal and seed corn signs are permitted under specified circumstances.
- 48 Violations; removal.** Explicitly authorizes MnDOT to remove advertising devices that violate the general restriction on advertising devices next to trunk highways.
- 49 Removal of advertising device for noncompliance.** Updates noncompliant advertising device removal authority, places liability for removal costs on the part of the advertising device owner, amends notice procedures, and sets a temporary storage requirement.
- 50 [173.155] Changeable electronic variable message signs.** Establishes regulations governing changeable electronic message signs, including prohibiting full motion or moving images, limiting message transition frequency, and regulating sign brightness levels.
- 51 Stationary structure.** Prohibits advertising devices that are mobile or mounted with wheels.
- 52 Permanent business.** Requires businesses in unzoned commercial and industrial areas to be in existence for at least three months before an advertising device permit can be issued.
- 53 [173.265] Outdoor advertising devices; removal; maintenance.** Governs maintenance and removal of advertising devices that are next to the National Highway System. Authorizes MnDOT to remove destroyed or abandoned advertising devices. Limits advertising device owners to maintenance as opposed to more substantial alterations or repairs to the device.
- 54 Revision of statewide multimodal transportation plan.** Lengthens the revision cycle for the Statewide Multimodal Transportation Plan to be every five years instead of every four, with the next update due January 15, 2022.

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- 55 Statewide highway investment plan.** Amends the revision cycle for the Minnesota State Highway Investment Plan to be within one year of each revision to the Statewide Multimodal Transportation Plan, rather than in conjunction with a revision to that plan. Makes technical changes.
- 56 Capacity and major highway projects; planning and programming.** Directs MnDOT to develop a project selection process for capacity expansion projects and major projects that the agency has not already committed to undertake. Specifies elements that the process must cover.
- 57 Certification and disbursal for project of political subdivision.** Makes technical and clarifying changes.
- 58 Bridge costs in smaller cities.** Makes technical and clarifying changes.
- 59 Fracture-critical bridges.** Makes technical and clarifying changes.
- 60 Bridge grant program; rulemaking.** Sets a \$7 million cap on grants for bridge projects under the Local Bridge Replacement and Rehabilitation program administered by MnDOT.
- 61 [174.54] Transportation priorities fund.** Establishes a new Transportation Priorities Fund for transportation finance, which handles distribution of revenue from sales taxes being reallocated to transportation purposes in the bill. Provides for formula-based distribution of the funds starting in fiscal year 2020 (the funds are appropriated in similar proportions in the transportation budget).
- Subd. 1. Fund established.** Creates the fund.
- Subd. 2. Financial reports.** Sets financial reporting requirements.
- Subd. 3. Fund allocation; net funds.** Sets percentages for allocating available funds on an ongoing basis starting in fiscal year 2020, including allocation to the highway user tax distribution fund; Small Cities Assistance program; the Local Bridge program; freight rail activities for safety, grade crossings, and quiet zones; Twin Cities metropolitan area county roads (see subdivision 5); and Greater Minnesota transit.
- Subd. 4. Fund allocation; debt service.** Directs transfer of a portion of available funds in amounts that cover the debt service on some of the trunk highway bonding authorized in article 2. This is for \$1 billion in trunk highway bonding for state road construction. (Debt on the \$300 million trunk highway bonding for Corridors of Commerce would come from the trunk highway fund.)
- Subd. 5. Fund allocation; certain metropolitan area county roads.** Establishes a proportional allocation formula, based on county population, for distributing funds among Twin Cities metropolitan area counties excluding Hennepin and Ramsey. This substantially re-creates the formula in current law for allocating a portion of motor vehicle lease sales tax revenue.
- 62 Report required.** Modifies requirements and details for a MnDOT legislative report that primarily addresses large-scale trunk highway projects. Shortens the timeframe for projects to include in the report. Makes clarifying changes and technical changes.
- 63 Report contents; major highway projects.** See the previous section.

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- 64**     **Availability of information.** Requires the information on major highway projects specified in the legislative report to also be available on the department's website.
- 65**     **[174.57] Snow and ice control; appropriation.** Creates a contingent statutory appropriation of up to 50 percent of the unappropriated balance in the Trunk Highway Fund, for snow and ice expenditures when costs of this activity exceed 110 percent of the biennial expenditure level. Requires legislative reporting.
- 66**     **Metropolitan area transit investment.** Expands the required information for a legislative report on transit in the Twin Cities metropolitan area to make it more comprehensive, changes the lead agency to be the Metropolitan Council, and makes it required annually.
- 67**     **[219.016] Oil and other hazardous materials rail safety.** Establishes a hazardous materials rail safety program, identifying: uses of funds under the program (including limiting to capital costs of improvements); counties, cities, and towns as the eligible recipients of grants; and grantmaking criteria. The program is funded in the MnDOT freight area of the appropriations article.
- 68**     **Establishment of quiet zones.** Establishes a public highway-rail grade crossing quiet zone program, identifying: uses of funds under the program (including limiting to capital costs of improvements); counties, cities, and towns as the eligible recipients of grants; and grantmaking criteria. The program is funded in the MnDOT freight area of the appropriations article.
- 69**     **When installation required; procedure.** Establishes that rail companies must install yield signs in addition to crossbuck railroad warning signs at highway-rail crossings that are not equipped with flashing lights (or lights and gates). Requires yield sign installation before the end of 2019.
- 70**     **Exemptions for pipeline welding trucks.** Creates an exemption from motor carrier regulations for pipeline welding trucks, drivers, and employers. (Under a federal definition, these are pickup trucks that weigh 15,000 pounds or less, are owned by a welder, and are equipped with a pipeline construction or maintenance welding rig.) The exemption covers various regulatory provisions for intrastate commerce.
- 71**     **Rail service improvement account; appropriation.** Permits MnDOT administrative costs to come out of the Minnesota rail service improvement (MRSI) account. Moves the account to the Transportation Priorities Fund. Makes technical changes.
- 72**     **Grants.** Broadens grantmaking authority under the MRSI program to provide for improvements that support economic development. Eliminates reference to a federal program that no longer exists.
- 73**     **Grants; freight railroad preservation and improvement.** Creates a new category of freight railroad rehabilitation and infrastructure improvement grants under the MRSI program. Sets requirements for the grants.
- 74**     **Training program.** Modifies a salary provision for State Patrol trainees so that the salary must be at least 70 percent of the basic salary for State Patrol troopers, which replaces the current law cap of 70 percent.

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- 75**     **Legislative approval of light rail projects.** Prevents a regional railroad authority from spending any funds for study, project development, or construction of a light rail transit project, unless the project is specifically authorized by the legislature. Effective the day after enactment.
- 76**     **Legislative approval of light rail projects.** Prevents a county or city in the Twin Cities metropolitan area from spending any funds for study, project development, or construction of a light rail transit project, unless the project is specifically authorized by the legislature. Effective the day after enactment.
- 77**     **Budget.** Amends requirements for budgets created by the Metropolitan Council, including mandating that the budget must identify state general fund appropriations that reflect base appropriations.
- 78**     **Development guide; transportation.** Directs the Metropolitan Council to set a farebox recovery objective of 40 percent by 2022. The recovery ratio is calculated as the average across all regular route bus, bus rapid transit, light rail transit, and commuter rail lines of the council (so it excludes dial-a-ride and Metro Mobility service). Effective the day after enactment.
- 79**     **Financial assistance.** Amends a formula that is used by the Metropolitan Council to allocate a portion of revenue from the motor vehicle sales tax (MVST) to suburban transit providers (opt-outs) and to distribute the revenue among the providers. It increases the percent share of MVST used in the calculation, which has the effect of increasing the minimum amount required to be allocated to and among the opt-outs.
- 80**     **Limitation on certain debt obligations.** Prevents the Metropolitan Council from using certificates of participation or other obligations that are backed by MVST revenue.
- 81**     **[473.3985] Legislative approval of light rail projects.** Prevents the Metropolitan Council from spending any funds for study, project development, or construction of a light rail transit project, unless the project is specifically authorized by the legislature. Effective the day after enactment.
- 82**     **Project development requirements; co-location.** Requires the council to establish standards and criteria for co-location of freight rail and light rail transit. Lists criteria and standards that must be included. Effective the day after enactment.
- 83**     **Project development requirements; alternatives and benefits analysis.** Requires the responsible authority for a light rail transit project to perform an alternatives and benefits analysis before beginning an environmental analysis or preliminary engineering. Lists topics to be included. Effective the day after enactment.
- 84**     **Capital costs.** Prevents the Metropolitan Council and local units of government from planning on a state share for the capital costs of a light rail transit project, unless funds are made available through a law.
- 85**     **[473.4052] Right-of-way use; contracts.** Provides explicit authority for the Metropolitan Council or a county in the seven-county metropolitan area to contract with a railroad for joint or shared use of the right-of-way. Limits the liability of railroads when operating under a joint or shared use contract under some circumstances involving incidents within the shared

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corridor that include both freight rail and light rail. The liability of railroads is limited to the damage caps for local units of government, with an adjustment to match the level of insurance carried.

- 86** **Transportation project selection process.** Directs MnDOT to develop best practices for highway project selection processes, for both the standard highway program and specialty programs (such as Corridors of Commerce). Sets requirements for best practices development. The best practices must start to be implemented by January 1, 2018, and a legislative report is required by March 1, 2018.
- 87** **Corridors of Commerce project selection.** Identifies a segment of U.S. Highway 212, from Chaska to Montevideo, as eligible to be evaluated in the next round of project selection in the Corridors of Commerce program.
- 88** **Transportation policy plan update.** Requires the council to revise the transportation policy plan by December 31, 2017 (which has the effect of adding in a farebox recovery requirement that is being established in the bill). Effective the day after enactment.
- 89** **Requirements for certain light rail transit projects.** Subject to a specific law authorizing the project, makes light rail transit project development requirements being established in the bill apply to light rail transit projects currently in development. Effective the day after enactment.
- 90** **Electronic storage standards.** Directs the Department of Public Safety to develop standards by August 1, 2017, on secure electronic storage of data as well as paper destruction procedures for deputy registrars and driver's license agents. The authority to develop the standards expires August 1, 2018.
- 91** **Conveyance of land; Town of Wilma.** Directs MnDOT to convey a parcel of state land for \$100 to the Pine County town of Wilma, for use by the Duxbury Volunteer Fire Department.
- 92** **Conveyance for historical purposes; McKinstry surplus lands.** Permits MnDOT to convey to the Minnesota Historical Society, without payment, portions of McKinstry Mounds and McKinstry Village land in Koochiching County.
- 93** **Department of Transportation contract cancellation and loan forgiveness.** Eliminates required repayment to MnDOT of \$4.3 million from a loan that was under an agreement with the Minnesota Valley Regional Rail Authority in 2002.
- 94** **Department of Transportation efficiencies.** Directs MnDOT to implement agency efficiencies that amount to at least 15 percent of the increased trunk highway fund appropriations in the budget. Specifies that resulting funds are for trunk highway construction and maintenance.
- 95** **Marked Trunk Highway 316 safety in Hastings; moratorium and report.** Establishes a moratorium on MnDOT changing the speed limit on a short segment of Trunk Highway 316 in Hastings. Directs MnDOT to provide a legislative report on safety the segment, which is due by March 1, 2018.
- 96** **Deficient bridge weight limits; study and analysis.** Directs MnDOT to complete a study and analysis by November 15, 2017, on deficient bridges in areas of the state where fluid milk is transported. Specifies details for the study.

**Section**

- 97**      **Trunk Highway 65 improvement study.** Requires MnDOT to study congestion and safety on a segment of Trunk Highway 65 north of County Highway 10 in Blaine and Ham Lake.
- 98**      **Highway construction costs and cost inflation study.** Requires MnDOT to contract for a study of highway construction costs, inflation, and cost estimating, with a legislative report due by February 15, 2018.
- 99**      **Report on dedicated fund expenditures.** Directs MnDOT and the Department of Public Safety to produce an updated legislative report on expenditures and transfers out of the trunk highway fund and the highway user tax distribution fund, which is due by February 15, 2018.
- 100**     **Legislative Route No. 123 removed.** Provides county turnback of Trunk Highway 112 (running from Le Sueur to Le Center) following agreement between MnDOT and Le Sueur County.
- 101**     **Legislative Route No. 225 removed.** Provides a county turnback of Trunk Highway 225 (running from Ponsford to Trunk Highway 34 near Osage in Becker County) following agreement between MnDOT and Becker County.
- 102**     **Revisor's instruction.** Changes codification of (1) a motor vehicle registration and title fee, to move it to the chapter of statutes on vehicle registration and plates; and (2) a transit legislative report, to move it to the chapter of statutes that governs the Metropolitan Council.
- 103**     **Legislative Route No. 101 removed; repealer.** Repeals a duplicative statutory route.
- 104**     **Repealer.** Paragraph (a) repeals a provision establishing that 50 percent of net light rail transit operating costs come from state sources.
- Paragraph (b) eliminates administrative rules that (1) regulate advertising in scenic areas, and (2) establish application and expiration dates for advertising permits.