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State of Minnesota HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 847

02/12/2015 Authored by Kelly

The bill was read for the first time and referred to the Committee on Transportation Policy and Finance

1.1 A bill for an act
1.2 relating to transportation; establishing the governor's budget for transportation;
1.3 appropriating money for transportation, Metropolitan Council, and public
1.4 safety activities; establishing a gross receipts motor fuels tax; modifying the
1.5 metropolitan area transit sales tax; amending provisions governing transportation
1.6 finance; authorizing sale and issuance of trunk highway bonds; requiring
1.7 reports; amending Minnesota Statutes 2014, sections 16E.15, subdivision
1.8 2; 117.036, subdivisions 2, 4; 161.231; 161.46, subdivision 2; 162.18, by
1.9 adding a subdivision; 168.013, subdivision 1a; 168D.06; 169.475, by adding
1.10 a subdivision; 296A.11; 296A.12; 296A.16, subdivisions 1, 2, 3, 4, 4a, 4b,
1.11 5; 296A.18, subdivisions 2, 3, 4, 5, 6, 7; 297A.99, subdivision 1; 299D.09;
1.12 360.024; 360.305, subdivision 4; Laws 2012, First Special Session chapter 1,
1.13 article 1, section 4, subdivision 3; proposing coding for new law in Minnesota
1.14 Statutes, chapters 174; 219; 296A; 297A; 473; repealing Minnesota Statutes
1.15 2014, sections 299E.02; 473.4051, subdivision 2.

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

1.17 ARTICLE 1

1.18 TRANSPORTATION APPROPRIATIONS

1.19 Section 1. SUMMARY OF APPROPRIATIONS.

1.20 The amounts shown in this section summarize direct appropriations, by fund, made
1.21 in this act.

Table with 4 columns: Category, 2016, 2017, Total. Rows include General, Airports, C.S.A.H., M.S.A.S., Special Revenue, and Highway User.

2.1	<u>Trunk Highway</u>	<u>1,820,186,000</u>	<u>1,983,355,000</u>	<u>3,803,541,000</u>
2.2	<u>Total</u>	<u>\$ 3,010,540,000</u>	<u>\$ 3,277,269,000</u>	<u>\$ 6,287,809,000</u>

2.3 **Sec. 2. TRANSPORTATION APPROPRIATIONS.**

2.4 The sums shown in the columns marked "Appropriations" are appropriated to
 2.5 the agencies and for the purposes specified in this article. The appropriations are from
 2.6 the trunk highway fund, or another named fund, and are available for the fiscal years
 2.7 indicated for each purpose. The figures "2016" and "2017" used in this article mean that
 2.8 the appropriations listed under them are available for the fiscal year ending June 30, 2016,
 2.9 or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is
 2.10 fiscal year 2017. "The biennium" is fiscal years 2016 and 2017.

2.11		<u>APPROPRIATIONS</u>	
2.12		<u>Available for the Year</u>	
2.13		<u>Ending June 30</u>	
2.14		<u>2016</u>	<u>2017</u>

2.15 **Sec. 3. DEPARTMENT OF**
 2.16 **TRANSPORTATION**

2.17	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 2,760,916,000</u>	<u>\$ 3,024,825,000</u>
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2.18	<u>Appropriations by Fund</u>		
2.19		<u>2016</u>	<u>2017</u>
2.20	<u>General</u>	<u>35,018,000</u>	<u>27,058,000</u>
2.21	<u>Airports</u>	<u>25,109,000</u>	<u>25,109,000</u>
2.22	<u>C.S.A.H.</u>	<u>777,681,000</u>	<u>865,193,000</u>
2.23	<u>M.S.A.S.</u>	<u>199,214,000</u>	<u>222,347,000</u>
2.24	<u>Trunk Highway</u>	<u>1,723,894,000</u>	<u>1,885,118,000</u>

2.25 The amounts that may be spent for each
 2.26 purpose are specified in the following
 2.27 subdivisions.

2.28	<u>Subd. 2. Multimodal Systems</u>	<u>64,762,000</u>	<u>56,978,000</u>
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2.29	<u>Appropriations by Fund</u>		
2.30		<u>2016</u>	<u>2017</u>
2.31	<u>General</u>	<u>32,461,000</u>	<u>24,501,000</u>
2.32	<u>Airports</u>	<u>25,109,000</u>	<u>25,109,000</u>
2.33	<u>Trunk Highway</u>	<u>7,192,000</u>	<u>7,368,000</u>

2.34	<u>(a) Aeronautics</u>	<u>36,419,000</u>	<u>26,459,000</u>
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3.1	<u>Appropriations by Fund</u>		
3.2		<u>2016</u>	<u>2017</u>
3.3	<u>General</u>	<u>9,960,000</u>	<u>-0-</u>
3.4	<u>Trunk Highway</u>	<u>1,350,000</u>	<u>1,350,000</u>
3.5	<u>Airports</u>	<u>25,109,000</u>	<u>25,109,000</u>
3.6	<u>(1) Airport Development and Assistance</u>		<u>19,798,000</u> <u>19,798,000</u>
3.7	<u>This appropriation is from the state</u>		
3.8	<u>airports fund and must be spent according</u>		
3.9	<u>to Minnesota Statutes, section 360.305,</u>		
3.10	<u>subdivision 4.</u>		
3.11	<u>The base appropriation for fiscal years 2017</u>		
3.12	<u>and 2018 is \$14,323,000 for each year.</u>		
3.13	<u>Notwithstanding Minnesota Statutes, section</u>		
3.14	<u>16A.28, subdivision 6, this appropriation</u>		
3.15	<u>is available for five years after the date of</u>		
3.16	<u>appropriation.</u>		
3.17	<u>If the appropriation for either year is</u>		
3.18	<u>insufficient, the appropriation for the other</u>		
3.19	<u>year is available for it.</u>		
3.20	<u>(2) Aviation Support and Services</u>		<u>6,661,000</u> <u>6,661,000</u>
3.21	<u>Appropriations by Fund</u>		
3.22		<u>2016</u>	<u>2017</u>
3.23	<u>Airports</u>	<u>5,311,000</u>	<u>5,311,000</u>
3.24	<u>Trunk Highway</u>	<u>1,350,000</u>	<u>1,350,000</u>
3.25	<u>\$80,000 in each year is from the state airports</u>		
3.26	<u>fund for the Civil Air Patrol.</u>		
3.27	<u>(3) Airplane Purchase</u>		
3.28	<u>\$9,960,000 in fiscal year 2016 is from the</u>		
3.29	<u>general fund to be used in conjunction with</u>		
3.30	<u>the proceeds of the sale of existing airplanes</u>		
3.31	<u>for the replacement of two state airplanes.</u>		
3.32	<u>This is a onetime appropriation.</u>		
3.33	<u>(b) Transit</u>		<u>22,543,000</u> <u>24,567,000</u>

4.1	<u>Appropriations by Fund</u>		
4.2		<u>2016</u>	<u>2017</u>
4.3	<u>General</u>	<u>21,745,000</u>	<u>23,745,000</u>
4.4	<u>Trunk Highway</u>	<u>798,000</u>	<u>822,000</u>
4.5	<u>The base appropriation for fiscal years</u>		
4.6	<u>2018 and 2019 from the general fund is</u>		
4.7	<u>\$27,745,000.</u>		
4.8	<u>\$100,000 in each year is from the general</u>		
4.9	<u>fund for the administrative expenses of the</u>		
4.10	<u>Minnesota Council on Transportation Access</u>		
4.11	<u>under Minnesota Statutes, section 174.285.</u>		
4.12	<u>\$500,000 in each year is from the general fund</u>		
4.13	<u>for noninfrastructure activities in the safe</u>		
4.14	<u>routes to school program under Minnesota</u>		
4.15	<u>Statutes, section 174.40, subdivision 7a.</u>		
4.16	<u>(c) Passenger Rail</u>	<u>500,000</u>	<u>500,000</u>
4.17	<u>This appropriation is from the general</u>		
4.18	<u>fund for passenger rail system planning,</u>		
4.19	<u>alternatives analysis, environmental analysis,</u>		
4.20	<u>design, and preliminary engineering under</u>		
4.21	<u>Minnesota Statutes, sections 174.632 to</u>		
4.22	<u>174.636.</u>		
4.23	<u>(d) Freight</u>	<u>5,300,000</u>	<u>5,452,000</u>
4.24	<u>Appropriations by Fund</u>		
4.25		<u>2016</u>	<u>2017</u>
4.26	<u>General</u>	<u>256,000</u>	<u>256,000</u>
4.27	<u>Trunk Highway</u>	<u>5,044,000</u>	<u>5,196,000</u>
4.28	<u>Subd. 3. State Roads</u>	<u>1,654,665,000</u>	<u>1,814,367,000</u>
4.29	<u>Appropriations by Fund</u>		
4.30		<u>2016</u>	<u>2017</u>
4.31	<u>General</u>	<u>3,000</u>	<u>3,000</u>
4.32	<u>Trunk Highway</u>	<u>1,654,662,000</u>	<u>1,814,364,000</u>
4.33	<u>(a) Operations and Maintenance</u>	<u>286,159,000</u>	<u>299,764,000</u>
4.34	<u>(b) Program Planning and Delivery</u>	<u>249,171,000</u>	<u>274,974,000</u>

5.1 \$130,000 in each year is available for
5.2 administrative costs of the department's
5.3 targeted group business program.

5.4 \$266,000 in each year is available for grants
5.5 to metropolitan planning organizations
5.6 outside the seven-county metropolitan area.

5.7 \$75,000 in each year is available for a
5.8 transportation research contingent account
5.9 to finance research projects that are
5.10 reimbursable from the federal government or
5.11 from other sources. If the appropriation for
5.12 either year is insufficient, the appropriation
5.13 for the other year is available for it.

5.14 \$900,000 in each year is available for
5.15 grants for transportation studies outside
5.16 the metropolitan area to identify critical
5.17 concerns, problems, and issues. These
5.18 grants are available (1) to regional
5.19 development commissions; (2) in regions
5.20 where no regional development commission
5.21 is functioning, to joint powers boards
5.22 established under agreement of two or
5.23 more political subdivisions in the region to
5.24 exercise the planning functions of a regional
5.25 development commission; and (3) in regions
5.26 where no regional development commission
5.27 or joint powers board is functioning, to the
5.28 department's district office for that region.

5.29 \$1,000,000 in each year is available
5.30 for management of contaminated and
5.31 regulated material on property owned by
5.32 the Department of Transportation, including
5.33 mitigation of property conveyances, facility
5.34 acquisition or expansion, chemical release at
5.35 maintenance facilities, and spills on the trunk

6.1 highway system where there is no known
 6.2 responsible party. If the appropriation for
 6.3 either year is insufficient, the appropriation
 6.4 for the other year is available for it.

6.5 **(c) State Road Construction Total** 910,328,000 975,628,000

6.6 **(1) Economic Recovery Funds - Federal**
 6.7 **Highway Aid** 1,000,000 -0-

6.8 To complete projects using funds
 6.9 made available to the commissioner
 6.10 of transportation under title XII of the
 6.11 American Recovery and Reinvestment Act
 6.12 of 2009, Public Law 111-5 and implemented
 6.13 under Minnesota Statutes, section 161.36,
 6.14 subdivision 7.

6.15 **(2) State Road Construction** 910,328,000 975,628,000

6.16	<u>Appropriations by Fund</u>	
6.17	<u>2016</u>	<u>2017</u>
6.18	<u>Federal Highway</u>	
6.19	<u>Aid</u>	<u>455,970,000</u> <u>462,570,000</u>
6.20	<u>Highway User Taxes</u>	<u>454,358,000</u> <u>513,058,000</u>

6.21 The commissioner of transportation shall
 6.22 notify the chairs and ranking minority
 6.23 members of the legislative committees with
 6.24 jurisdiction over transportation finance of
 6.25 any significant events that should cause these
 6.26 estimates to change.

6.27 This appropriation is for the actual
 6.28 construction, reconstruction, and
 6.29 improvement of trunk highways, including
 6.30 design-build contracts, internal department
 6.31 costs associated with delivering the
 6.32 construction program, and consultant usage
 6.33 to support these activities. This includes the
 6.34 cost of actual payment to landowners for
 6.35 lands acquired for highway rights-of-way,

7.1 payment to lessees, interest subsidies, and
7.2 relocation expenses.

7.3 The base appropriation in fiscal years 2018
7.4 and 2019 is \$975,628,000.

7.5 \$10,000,000 in each year is available for
7.6 the transportation economic development
7.7 program under Minnesota Statutes, section
7.8 174.12. These appropriations are available
7.9 until expended.

7.10 The commissioner may expend up to one-half
7.11 of one percent of the federal appropriations
7.12 under this paragraph as grants to opportunity
7.13 industrialization centers and other nonprofit
7.14 job training centers for job training programs
7.15 related to highway construction.

7.16 The commissioner may transfer up to
7.17 \$15,000,000 each year to the transportation
7.18 revolving loan fund.

7.19 The commissioner may collect receipts for
7.20 the partners' share of partnership projects.

7.21 These receipts are appropriated to the
7.22 commissioner for these projects.

7.23 **(d) Highway Debt Service** 203,681,000 258,515,000

7.24 \$194,181,000 the first year and \$249,015,000
7.25 the second year are for transfer to the state
7.26 bond fund. If this appropriation is insufficient
7.27 to make all transfers required in the year
7.28 for which it is made, the commissioner of
7.29 management and budget shall notify the
7.30 Committee on Finance of the senate and
7.31 the Committee on Ways and Means of the
7.32 house of representatives of the amount of the
7.33 deficiency and shall then transfer that amount
7.34 under the statutory open appropriation. Any

8.1 excess appropriation cancels to the trunk
8.2 highway fund.

8.3 **(e) Statewide Radio Communications** 5,326,000 5,486,000

8.4 Appropriations by Fund

8.5		<u>2016</u>	<u>2017</u>
8.6	<u>General</u>	<u>3,000</u>	<u>3,000</u>
8.7	<u>Trunk Highway</u>	<u>5,323,000</u>	<u>5,483,000</u>

8.8 The general fund appropriation is to equip
8.9 and operate the Roosevelt signal tower for
8.10 Lake of the Woods weather broadcasting.

8.11 **Subd. 4. Local Roads** 979,395,000 1,090,040,000

8.12 Appropriations by Fund

8.13		<u>2016</u>	<u>2017</u>
8.14	<u>General</u>	<u>2,500,000</u>	<u>2,500,000</u>
8.15	<u>C.S.A.H.</u>	<u>777,681,000</u>	<u>865,193,000</u>
8.16	<u>M.S.A.S.</u>	<u>199,214,000</u>	<u>222,347,000</u>

8.17 **(a) County State-aid Roads** 777,681,000 865,193,000

8.18 This appropriation is from the county
8.19 state-aid highway fund under Minnesota
8.20 Statutes, section 161.081, and chapter 162,
8.21 and is available until spent.

8.22 If the commissioner of transportation
8.23 determines that a balance remains in the
8.24 county state-aid highway fund following
8.25 the appropriations and transfers made in
8.26 this subdivision, and that the appropriations
8.27 made are insufficient for advancing county
8.28 state-aid highway projects, an amount
8.29 necessary to advance the projects, not to
8.30 exceed the balance in the county state-aid
8.31 highway fund, is appropriated in each year
8.32 to the commissioner. Within two weeks
8.33 of a determination under this contingent
8.34 appropriation, the commissioner of
8.35 transportation shall notify the commissioner

9.1 of management and budget and the chairs
 9.2 and ranking minority members of the
 9.3 legislative committees with jurisdiction over
 9.4 transportation finance concerning funds
 9.5 appropriated.

9.6 **(b) Pedestrian, Bike, and Safe Routes to School** 2,500,000 2,500,000

9.7 This appropriation is from the general fund
 9.8 for infrastructure activities in the safe routes
 9.9 to school program under Minnesota Statutes,
 9.10 section 174.40, and grants for other bicycle
 9.11 and pedestrian infrastructure that encourages
 9.12 active transportation choices.

9.13 **(c) Municipal State Aid Roads** 199,214,000 222,347,000

9.14 This appropriation is from the municipal
 9.15 state-aid street fund under Minnesota
 9.16 Statutes, chapter 162, and is available until
 9.17 spent.

9.18 If the commissioner of transportation
 9.19 determines that a balance remains in the
 9.20 municipal state-aid street fund following the
 9.21 appropriations and transfers made in this
 9.22 subdivision, and that the appropriations made
 9.23 are insufficient for advancing municipal
 9.24 state-aid street projects, an amount necessary
 9.25 to advance the projects, not to exceed
 9.26 the balance in the municipal state-aid
 9.27 street fund, is appropriated in each year
 9.28 to the commissioner. Within two weeks
 9.29 of a determination under this contingent
 9.30 appropriation, the commissioner of
 9.31 transportation shall notify the commissioner
 9.32 of management and budget and the chairs
 9.33 and ranking minority members of the
 9.34 legislative committees with jurisdiction over

10.1 transportation finance concerning funds
 10.2 appropriated.

10.3 **Subd. 5. Agency Management** 62,094,000 63,440,000

10.4 Appropriations by Fund

	<u>2016</u>	<u>2017</u>
10.5 <u>General</u>	<u>54,000</u>	<u>54,000</u>
10.6 <u>Trunk Highway</u>	<u>62,040,000</u>	<u>63,386,000</u>

10.8 **(a) Agency Services**

10.9 Appropriations by Fund

	<u>2016</u>	<u>2017</u>
10.10 <u>Trunk Highway</u>	<u>43,322,000</u>	<u>44,119,000</u>

10.12 **(b) Tort Claims** 600,000 600,000

10.13 This appropriation is to the commissioner of
 10.14 transportation. If the appropriation for either
 10.15 year is insufficient, the appropriation for the
 10.16 other year is available for it.

10.17 **(c) Buildings** 18,772,000 19,321,000

10.18 Appropriations by Fund

	<u>2016</u>	<u>2017</u>
10.19 <u>General</u>	<u>54,000</u>	<u>54,000</u>
10.20 <u>Trunk Highway</u>	<u>18,718,000</u>	<u>19,267,000</u>

10.22 Any money appropriated to the commissioner
 10.23 of transportation for building construction
 10.24 for any fiscal year before 2016 is available
 10.25 to the commissioner of transportation
 10.26 during the biennium to the extent that the
 10.27 commissioner spends the money on the
 10.28 building construction projects for which the
 10.29 money was originally encumbered during the
 10.30 fiscal year for which it was appropriated.

10.31 If the appropriation for either year is
 10.32 insufficient, the appropriation for the other
 10.33 year is available for it.

10.34 **Subd. 6. Transfers**

11.1 With the approval of the commissioner of
 11.2 management and budget, the commissioner
 11.3 of transportation may transfer unencumbered
 11.4 balances among the appropriations from the
 11.5 trunk highway fund and the state airports
 11.6 fund made in this section. No transfer
 11.7 may be made from the appropriation for
 11.8 state road construction. No transfer may
 11.9 be made from the appropriations for debt
 11.10 service to any other appropriation. Transfers
 11.11 under this subdivision may not be made
 11.12 between funds. Transfers between programs
 11.13 must be reported immediately to the chairs
 11.14 and ranking minority members of the
 11.15 legislative committees with jurisdiction over
 11.16 transportation finance.

11.17 The commissioner of transportation shall
 11.18 transfer from the flexible highway account in
 11.19 the county state-aid highway fund the entire
 11.20 amount in each year to the county turnback
 11.21 account in the county state-aid highway
 11.22 fund. The funds transferred are for highway
 11.23 turnback purposes under Minnesota Statutes,
 11.24 section 161.081, subdivision 3.

11.25 **Subd. 7. Previous State Road Construction**
 11.26 **Appropriations**

11.27 Any money appropriated to the commissioner
 11.28 of transportation for state road construction
 11.29 for any fiscal year before fiscal year 2016
 11.30 is available to the commissioner during the
 11.31 biennium to the extent that the commissioner
 11.32 spends the money on the state road
 11.33 construction project for which the money
 11.34 was originally encumbered during the fiscal
 11.35 year for which it was appropriated.

12.1 **Subd. 8. Contingent Appropriation**

12.2 The commissioner of transportation, with
 12.3 the approval of the governor and the
 12.4 written approval of at least five members
 12.5 of a group consisting of the members of
 12.6 the Legislative Advisory Commission
 12.7 under Minnesota Statutes, section 3.30,
 12.8 and the ranking minority members of the
 12.9 legislative committees with jurisdiction over
 12.10 transportation finance, may transfer all or
 12.11 part of the unappropriated balance in the
 12.12 trunk highway fund to an appropriation (1)
 12.13 for trunk highway design, construction, or
 12.14 inspection in order to take advantage of an
 12.15 unanticipated receipt of income to the trunk
 12.16 highway fund or to take advantage of federal
 12.17 advanced construction funding, (2) for trunk
 12.18 highway maintenance in order to meet an
 12.19 emergency, or (3) to pay tort or environmental
 12.20 claims. Nothing in this subdivision
 12.21 authorizes the commissioner to increase the
 12.22 use of federal advanced construction funding
 12.23 beyond amounts specifically authorized.
 12.24 Any transfer as a result of the use of federal
 12.25 advanced construction funding must include
 12.26 an analysis of the effects on the long-term
 12.27 trunk highway fund balance. The amount
 12.28 transferred is appropriated for the purpose of
 12.29 the account to which it is transferred.

12.30 **Sec. 4. METROPOLITAN COUNCIL**
 12.31 **TRANSIT**

<u>\$</u>	<u>76,626,000</u>	<u>\$</u>	<u>76,626,000</u>
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12.32 **Transit**

<u>76,626,000</u>	<u>76,626,000</u>
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12.33 This appropriation is for transit system
 12.34 operations.

13.1 **Sec. 5. PUBLIC SAFETY**

13.2	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>172,998,000</u>	<u>\$</u>	<u>175,818,000</u>
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13.3 Appropriations by Fund

	<u>2016</u>	<u>2017</u>
13.4		
13.5	<u>13,039,000</u>	<u>13,158,000</u>
13.6	<u>96,292,000</u>	<u>98,237,000</u>
13.7	<u>10,428,000</u>	<u>10,449,000</u>
13.8	<u>53,239,000</u>	<u>53,974,000</u>

13.9 The amounts that may be spent for each
 13.10 purpose are specified in the following
 13.11 subdivisions.

13.12	<u>Subd. 2. Administration and Related Services</u>	<u>12,787,000</u>	<u>12,889,000</u>
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13.13 Appropriations by Fund

	<u>2016</u>	<u>2017</u>
13.14		
13.15	<u>4,967,000</u>	<u>4,974,000</u>
13.16	<u>6,435,000</u>	<u>6,530,000</u>
13.17	<u>1,385,000</u>	<u>1,385,000</u>

13.18 \$380,000 in each year is from the general
 13.19 fund for payment of public safety officer
 13.20 survivor benefits under Minnesota Statutes,
 13.21 section 299A.44. If the appropriation for
 13.22 either year is insufficient, the appropriation
 13.23 for the other year is available for it.

13.24 \$1,367,000 in each year is from the general
 13.25 fund to be deposited in the public safety
 13.26 officer's benefit account. This money
 13.27 is available for reimbursements under
 13.28 Minnesota Statutes, section 299A.465.

13.29 \$600,000 in each year is from the general
 13.30 fund and \$100,000 in each year is from the
 13.31 trunk highway fund for soft body armor
 13.32 reimbursements under Minnesota Statutes,
 13.33 section 299A.38.

13.34 \$792,000 in each year is from the general
 13.35 fund for transfer by the commissioner of

14.1 management and budget to the trunk highway
 14.2 fund on December 31, 2015, and December
 14.3 31, 2016, respectively, in order to reimburse
 14.4 the trunk highway fund for expenses not
 14.5 related to the fund. These represent amounts
 14.6 appropriated out of the trunk highway
 14.7 fund for general fund purposes in the
 14.8 administration and related services program.

14.9 \$610,000 in each year is from the highway
 14.10 user tax distribution fund for transfer by the
 14.11 commissioner of management and budget
 14.12 to the trunk highway fund on December 31,
 14.13 2015, and December 31, 2016, respectively,
 14.14 in order to reimburse the trunk highway
 14.15 fund for expenses not related to the fund.

14.16 These represent amounts appropriated out
 14.17 of the trunk highway fund for highway
 14.18 user tax distribution fund purposes in the
 14.19 administration and related services program.

14.20 \$716,000 in each year is from the highway
 14.21 user tax distribution fund for transfer by the
 14.22 commissioner of management and budget to
 14.23 the general fund on December 31, 2015, and
 14.24 December 31, 2016, respectively, in order to
 14.25 reimburse the general fund for expenses not
 14.26 related to the fund. These represent amounts
 14.27 appropriated out of the general fund for
 14.28 operation of the criminal justice data network
 14.29 related to driver and motor vehicle licensing.

14.30 Subd. 3. State Patrol 98,289,000 100,261,000

	<u>Appropriations by Fund</u>	
	<u>2016</u>	<u>2017</u>
14.33 <u>General</u>	<u>8,072,000</u>	<u>8,184,000</u>
14.34 <u>Trunk Highway</u>	<u>89,410,000</u>	<u>91,249,000</u>
14.35 <u>Highway User</u>	<u>807,000</u>	<u>828,000</u>

15.1	<u>(a) Patrolling Highways</u>		<u>82,231,000</u>	<u>83,857,000</u>
15.2	<u>Appropriations by Fund</u>			
15.3		<u>2016</u>	<u>2017</u>	
15.4	<u>General</u>	<u>37,000</u>	<u>37,000</u>	
15.5	<u>Trunk Highway</u>	<u>81,387,000</u>	<u>82,992,000</u>	
15.6	<u>Highway User</u>	<u>807,000</u>	<u>828,000</u>	
15.7	<u>\$975,000 is appropriated from the trunk</u>			
15.8	<u>highway fund to the commissioner of public</u>			
15.9	<u>safety in fiscal year 2016 to purchase a single</u>			
15.10	<u>engine aircraft for the State Patrol.</u>			
15.11	<u>(b) Commercial Vehicle Enforcement</u>		<u>8,023,000</u>	<u>8,257,000</u>
15.12	<u>(c) Capitol Security</u>		<u>8,035,000</u>	<u>8,147,000</u>
15.13	<u>This appropriation is from the general fund.</u>			
15.14	<u>The commissioner may not (1) spend</u>			
15.15	<u>any money from the trunk highway fund</u>			
15.16	<u>for capitol security or (2) permanently</u>			
15.17	<u>transfer any state trooper from the patrolling</u>			
15.18	<u>highways activity to capitol security.</u>			
15.19	<u>Subd. 4. Driver and Vehicle Services</u>		<u>60,105,000</u>	<u>60,823,000</u>
15.20	<u>Appropriations by Fund</u>			
15.21		<u>2016</u>	<u>2017</u>	
15.22	<u>Highway User</u>	<u>8,236,000</u>	<u>8,236,000</u>	
15.23	<u>Special Revenue</u>	<u>51,868,000</u>	<u>52,586,000</u>	
15.24	<u>Trunk Highway</u>	<u>1,000</u>	<u>1,000</u>	
15.25	<u>\$59,000 in each year is appropriated from</u>			
15.26	<u>the vehicle services operating account in</u>			
15.27	<u>the special revenue fund under Minnesota</u>			
15.28	<u>Statutes, section 299A.705, subdivision 1, to</u>			
15.29	<u>the commissioner of public safety to create</u>			
15.30	<u>a Data Services Unit within the Division of</u>			
15.31	<u>Driver and Vehicle Services.</u>			
15.32	<u>\$31,000 in each year is appropriated from</u>			
15.33	<u>the driver services operating account in</u>			
15.34	<u>the special revenue fund under Minnesota</u>			

16.1 Statutes, section 299A.705, subdivision 2, to
 16.2 the commissioner of public safety to create
 16.3 a Data Services Unit within the Division of
 16.4 Driver and Vehicle Services.

16.5 \$1,200,000 in each year is appropriated from
 16.6 the vehicle services operating account in
 16.7 the special revenue fund under Minnesota
 16.8 Statutes, section 299A.705, subdivision 1, to
 16.9 the commissioner of public safety to pay for
 16.10 increased costs incurred to purchase, deliver,
 16.11 and mail license plates, registration stickers,
 16.12 and registration notices under Minnesota
 16.13 Statutes, section 168.381, subdivision 4,
 16.14 paragraph (c).

16.15 Subd. 5. **Traffic Safety** 446,000 457,000

16.16 Subd. 6. **Pipeline Safety** 1,371,000 1,388,000

16.17 This appropriation is from the pipeline safety
 16.18 account in the special revenue fund.

16.19 **ARTICLE 2**

16.20 **BONDING**

16.21 Section 1. **BOND APPROPRIATIONS.**

16.22 The sums shown in the column under "Appropriations" are appropriated from the
 16.23 bond proceeds account in the trunk highway fund to the state agencies or officials indicated,
 16.24 to be spent for public purposes. Appropriations of bond proceeds must be spent as
 16.25 authorized by the Minnesota Constitution, articles XI and XIV. Unless otherwise specified,
 16.26 money appropriated in this article for a capital program or project may be used to pay state
 16.27 agency staff costs that are attributed directly to the capital program or project in accordance
 16.28 with accounting policies adopted by the commissioner of management and budget.

16.29 **SUMMARY**

16.30 Department of Transportation \$ 2,000,000,000
 16.31 Department of Management and Budget 2,000,000
 16.32 **TOTAL** **\$ 2,002,000,000**

16.33 **APPROPRIATIONS**

17.1 **Sec. 2. DEPARTMENT OF**
 17.2 **TRANSPORTATION** **\$ 2,000,000,000**

17.3 (a) Of the appropriation in this section,
 17.4 \$200,000,000 each year for eight years is
 17.5 to the commissioner of transportation for
 17.6 the corridors of commerce program under
 17.7 Minnesota Statutes, section 161.088, and
 17.8 \$100,000,000 each year for four years
 17.9 is to the commissioner of transportation
 17.10 for the construction, reconstruction, and
 17.11 improvement of trunk highways, including
 17.12 design-build contracts and use of consultants
 17.13 to support these activities. In total, the
 17.14 appropriations under this section are
 17.15 available in the amounts of:

17.16 \$300,000,000 in fiscal year 2016;

17.17 \$300,000,000 in fiscal year 2017;

17.18 \$300,000,000 in fiscal year 2018;

17.19 \$300,000,000 in fiscal year 2019;

17.20 \$200,000,000 in fiscal year 2020;

17.21 \$200,000,000 in fiscal year 2021;

17.22 \$200,000,000 in fiscal year 2022; and

17.23 \$200,000,000 in fiscal year 2023.

17.24 The commissioner may use up to 17 percent
 17.25 of the amount each year for program delivery.

17.26 (b) In any fiscal year covered by this
 17.27 appropriation, the commissioner may
 17.28 identify projects based on previous selection
 17.29 processes or may perform a new selection.

17.30 (c) The appropriation in this section cancels
 17.31 as specified under Minnesota Statutes, section
 17.32 16A.642, except that the commissioner of
 17.33 management and budget shall count the start

18.1 of authorization for issuance of state bonds
 18.2 as the first day of the fiscal year during
 18.3 which the bonds are available to be issued as
 18.4 specified under paragraph (a), and not as the
 18.5 date of enactment of this section.

18.6 Sec. 3. **BOND SALE EXPENSES** **\$** **2,000,000**

18.7 This appropriation is to the commissioner
 18.8 of management and budget for bond
 18.9 sale expenses under Minnesota Statutes,
 18.10 sections 16A.641, subdivision 8, and 167.50,
 18.11 subdivision 4, and is effective through 2024.

18.12 Sec. 4. **BOND SALE AUTHORIZATION.**

18.13 To provide the money appropriated in this article from the bond proceeds account in
 18.14 the trunk highway fund, the commissioner of management and budget shall sell and issue
 18.15 bonds of the state in an amount up to \$2,002,000,000 in the manner, upon the terms, and
 18.16 with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the
 18.17 Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested
 18.18 by the commissioner of transportation. The proceeds of the bonds, except accrued interest
 18.19 and any premium received from the sale of the bonds, must be deposited in the bond
 18.20 proceeds account in the trunk highway fund.

18.21 Sec. 5. **EFFECTIVE DATE.**

18.22 This article is effective July 1, 2015.

18.23 **ARTICLE 3**

18.24 **MOTOR FUELS GROSS RECEIPTS TAX**

18.25 Section 1. **[296A.085] MOTOR FUELS GROSS RECEIPTS TAX.**

18.26 Subdivision 1. **Imposition.** In addition to other taxes imposed on the use of motor
 18.27 fuels under this chapter, a motor fuels gross receipts tax is imposed on the first licensed
 18.28 distributor receiving motor fuel for use in motor vehicles. The motor fuels gross receipts
 18.29 tax is imposed at the rate of six and one-half percent of the average wholesale price of
 18.30 gasoline for Minnesota as calculated in subdivisions 3 and 4. The motor fuels gross
 18.31 receipts tax is imposed on all motor fuel, in either a liquid or gaseous form.

19.1 Subd. 2. Exemptions. Subdivision 1 does not apply to gasoline, denatured ethanol,
19.2 special fuel, or alternative fuel purchased by an entity described in section 296A.07,
19.3 subdivision 4, or 296A.08, subdivision 3.

19.4 Subd. 3. Calculation of tax amount per gallon. (a) The tax imposed under this
19.5 section must be calculated by converting the motor fuels gross receipts tax amount
19.6 into a tax rate per gallon. The commissioner of revenue will determine and publish the
19.7 motor fuels gross receipts tax amount per gallon annually. The amount is determined by
19.8 multiplying the previous calendar year's average wholesale gasoline price for Minnesota,
19.9 for all grades of a gallon of gasoline, by six and one-half percent. The wholesale price
19.10 used shall not include any tax or fee that can be assessed by the state of Minnesota or the
19.11 United States government. The wholesale price published by the United States Energy
19.12 Information Administration must be used to determine the motor fuels gross receipts tax
19.13 amount per gallon. The minimum average wholesale price to be used for this calculation
19.14 is \$2.50 per gallon. The motor fuels gross receipts tax amount per gallon will be in effect
19.15 for fuel received during a 12-month period from the next July 1 to June 30. By May 1
19.16 of each year, the commissioner will publish the upcoming fiscal year's motor fuels gross
19.17 receipts tax amounts per gallon and the current gasoline excise tax amount per gallon.
19.18 All amounts will be stated in cents per gallon rounded to the nearest one-tenth of a cent,
19.19 disregarding amounts less than .05 cents and increasing amounts of .05 cents to .099
19.20 cents to the next highest one-tenth of a cent.

19.21 (b) For the period of October 1, 2015, through June 30, 2016, the motor fuels gross
19.22 receipts tax amount per gallon of gasoline is six and one-half percent of the greater of
19.23 \$2.50 or the average wholesale gasoline price for Minnesota, for all grades of a gallon of
19.24 gasoline, for calendar year 2014, as published by the United States Energy Information
19.25 Administration. The commissioner must publish the rates before August 1, 2015.

19.26 Subd. 4. Calculation of tax amount per gallon for other motor fuels. (a) The
19.27 motor fuels gross receipts tax on other motor fuels must be computed at the following
19.28 tax rate:

19.29 (1) the tax rate per gallon of E85 is 71 percent of the motor fuels gross receipts tax
19.30 amount per gallon for gasoline, rounded to the nearest tenth of a cent per gallon;

19.31 (2) the tax rate per gallon of M85 is 57 percent of the motor fuels gross receipts tax
19.32 amount per gallon for gasoline, rounded to the nearest tenth of a cent per gallon;

19.33 (3) the tax rate per gallon of Liquefied Petroleum Gas (LPG) is 75 percent of the
19.34 motor fuels gross receipts tax amount per gallon for gasoline, rounded to the nearest
19.35 tenth of a cent per gallon;

20.1 (4) the tax rate per gallon of Liquid Natural Gas (LNG) is 60 percent of the motor
 20.2 fuels gross receipts tax amount per gallon for gasoline, rounded to the nearest tenth of a
 20.3 cent per gallon; and

20.4 (5) the tax rate per thousand cubic feet of Compressed Natural Gas (CNG) is the
 20.5 same as the motor fuels gross receipts tax amount per gallon of gasoline.

20.6 (b) The tax rate per gallon of all other special fuel used as a motor fuel is the
 20.7 same as the motor fuels gross receipts tax amount per gallon of gasoline as specified in
 20.8 subdivision 3.

20.9 Subd. 5. **Administrative provisions.** The motor fuels gross receipts tax shall be
 20.10 paid and filed on a return, as prescribed by the commissioner, in the same manner and time
 20.11 as prescribed for gasoline tax as set forth in section 296A.15.

20.12 Subd. 6. **Deposit of revenues.** The commissioner shall deposit the revenues from
 20.13 the motor fuels gross receipts tax into the highway user tax distribution fund.

20.14 **EFFECTIVE DATE.** This section is effective the day following final enactment,
 20.15 and applies to motor fuels received after September 30, 2015.

20.16 Sec. 2. Minnesota Statutes 2014, section 296A.11, is amended to read:

20.17 **296A.11 SELLER MAY COLLECT TAX.**

20.18 A person who directly or indirectly pays a gasoline or special fuel tax or motor fuels
 20.19 gross receipts tax as provided in this chapter and who does not in fact use the gasoline or
 20.20 special fuel in motor vehicles in this state or receive, store, or withdraw it from storage
 20.21 to be used personally for the purpose of producing or generating power for propelling
 20.22 aircraft, but sells or otherwise disposes of the same, except as provided in section 296A.16,
 20.23 subdivision 3, is hereby authorized to collect, from the person to whom the gasoline or
 20.24 special fuel is so sold or disposed of, the tax so paid, and is hereby required, upon request,
 20.25 to make, sign, and deliver to such person an invoice of such sale or disposition. The sums
 20.26 collected must be held as a special fund in trust for the state of Minnesota.

20.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

20.28 Sec. 3. Minnesota Statutes 2014, section 296A.12, is amended to read:

20.29 **296A.12 GASOLINE AND SPECIAL FUEL TAX AND MOTOR FUELS**
 20.30 **GROSS RECEIPTS TAX IN LIEU OF OTHER TAXES.**

20.31 Gasoline and special fuel excise taxes and motor fuels gross receipts tax shall be
 20.32 in lieu of all other taxes imposed upon the business of selling or dealing in gasoline or
 20.33 special fuel, whether imposed by the state or by any of its political subdivisions, but are in

21.1 addition to all ad valorem taxes now imposed by law. Nothing in this chapter is construed
 21.2 as prohibiting the governing body of any city of this state from licensing and regulating
 21.3 ~~such~~ a business where its authority is conferred by state law or city charter.

21.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

21.5 Sec. 4. Minnesota Statutes 2014, section 296A.16, subdivision 1, is amended to read:

21.6 Subdivision 1. **Credit or refund of gasoline or special fuel tax paid.** The
 21.7 commissioner shall allow the distributor credit or refund of the excise and motor fuels
 21.8 gross receipts tax paid on gasoline and special fuel:

21.9 (1) exported or sold for export from the state, other than in the supply tank of a
 21.10 motor vehicle or of an aircraft;

21.11 (2) sold to the United States government to be used exclusively in performing its
 21.12 governmental functions and activities or to any "cost plus a fixed fee" contractor employed
 21.13 by the United States government on any national defense project;

21.14 (3) if the fuel is placed in a tank used exclusively for residential heating;

21.15 (4) destroyed by accident while in the possession of the distributor;

21.16 (5) in error;

21.17 (6) in the case of gasoline only, sold for storage in an on-farm bulk storage tank, if
 21.18 the tax was not collected on the sale; and

21.19 (7) in such other cases as the commissioner may permit, consistent with the provisions
 21.20 of this chapter and other laws relating to the gasoline and special fuel excise taxes.

21.21 **EFFECTIVE DATE.** This section is effective October 1, 2015.

21.22 Sec. 5. Minnesota Statutes 2014, section 296A.16, subdivision 2, is amended to read:

21.23 Subd. 2. **Fuel used in other vehicle; claim for refund.** Any person who buys and
 21.24 uses gasoline for a qualifying purpose other than use in motor vehicles, snowmobiles
 21.25 except as provided in clause (2), or motorboats, or special fuel for a qualifying purpose
 21.26 other than use in licensed motor vehicles, and who paid the excise and motor fuels gross
 21.27 receipts tax directly or indirectly through the amount of the tax being included in the price
 21.28 of the gasoline or special fuel, or otherwise, shall be reimbursed and repaid the amount
 21.29 of the tax paid upon filing with the commissioner a claim for refund in the form and
 21.30 manner prescribed by the commissioner, and containing the information the commissioner
 21.31 shall require. By signing any such claim which is false or fraudulent, the applicant shall
 21.32 be subject to the penalties provided in this chapter for knowingly making a false claim.
 21.33 The claim shall set forth the total amount of the gasoline so purchased and used by the

22.1 applicant other than in motor vehicles, or special fuel purchased and used by the applicant
 22.2 other than in licensed motor vehicles, and shall state when and for what purpose it was
 22.3 used. When a claim contains an error in computation or preparation, the commissioner
 22.4 is authorized to adjust the claim in accordance with the evidence shown on the claim or
 22.5 other information available to the commissioner. The commissioner, on being satisfied
 22.6 that the claimant is entitled to the payments, shall approve the claim and transmit it to the
 22.7 commissioner of management and budget. The words "gasoline" or "special fuel" as used
 22.8 in this subdivision do not include aviation gasoline or special fuel for aircraft. Gasoline or
 22.9 special fuel bought and used for a "qualifying purpose" means:

22.10 (1) Gasoline or special fuel used in carrying on a trade or business, used on a farm
 22.11 situated in Minnesota, and used for a farming purpose. "Farm" and "farming purpose"
 22.12 have the meanings given them in section 6420(c)(2), (3), and (4) of the Internal Revenue
 22.13 Code as defined in section 289A.02, subdivision 7.

22.14 (2) Gasoline or special fuel used for off-highway business use.

22.15 (i) "Off-highway business use" means any use off the public highway by a person in
 22.16 that person's trade, business, or activity for the production of income.

22.17 (ii) Off-highway business use includes use of a passenger snowmobile off the public
 22.18 highways as part of the operations of a resort as defined in section 157.15, subdivision 11;
 22.19 and use of gasoline or special fuel to operate a power takeoff unit on a vehicle, but not
 22.20 including fuel consumed during idling time.

22.21 (iii) Off-highway business use does not include use as a fuel in a motor vehicle
 22.22 which, at the time of use, is registered or is required to be registered for highway use under
 22.23 the laws of any state or foreign country; or use of a licensed motor vehicle fuel tank in lieu
 22.24 of a separate storage tank for storing fuel to be used for a qualifying purpose, as defined in
 22.25 this section. Fuel purchased to be used for a qualifying purpose cannot be placed in the
 22.26 fuel tank of a licensed motor vehicle and must be stored in a separate supply tank.

22.27 (3) Gasoline or special fuel placed in the fuel tanks of new motor vehicles,
 22.28 manufactured in Minnesota, and shipped by interstate carrier to destinations in other
 22.29 states or foreign countries.

22.30 **EFFECTIVE DATE.** This section is effective October 1, 2015.

22.31 Sec. 6. Minnesota Statutes 2014, section 296A.16, subdivision 3, is amended to read:

22.32 Subd. 3. **Destruction by accident; refund to dealer.** Notwithstanding the
 22.33 provisions of subdivision 1, the commissioner shall allow a dealer a refund of:

23.1 (1) the excise and motor fuels gross receipts tax paid by the distributor on gasoline,
23.2 undyed diesel fuel, or undyed kerosene destroyed by accident while in the possession of
23.3 the dealer; or

23.4 (2) the excise and motor fuels gross receipts tax paid by a distributor or special fuels
23.5 dealer on other special fuels destroyed by accident while in the possession of the dealer.

23.6 **EFFECTIVE DATE.** This section is effective October 1, 2015.

23.7 Sec. 7. Minnesota Statutes 2014, section 296A.16, subdivision 4, is amended to read:

23.8 Subd. 4. **Refrigerator units; refunds.** Notwithstanding the provisions of
23.9 subdivision 1, the commissioner shall allow a special fuel dealer a refund of the excise and
23.10 motor fuels gross receipts tax paid on fuel sold directly into a supply tank of a refrigeration
23.11 unit with a separate engine and used exclusively by that refrigeration unit. A claim for
23.12 refund may be filed as provided in this section.

23.13 **EFFECTIVE DATE.** This section is effective October 1, 2015.

23.14 Sec. 8. Minnesota Statutes 2014, section 296A.16, subdivision 4a, is amended to read:

23.15 Subd. 4a. **Undyed kerosene; refunds.** Notwithstanding subdivision 1, the
23.16 commissioner shall allow a refund of the excise and motor fuels gross receipts tax paid
23.17 on undyed kerosene used exclusively for a purpose other than as fuel for a motor vehicle
23.18 using the streets and highways. To obtain a refund, the person making the sale to an end
23.19 user must meet the Internal Revenue Service requirements for sales from a blocked pump.
23.20 A claim for a refund may be filed as provided in this section.

23.21 **EFFECTIVE DATE.** This section is effective October 1, 2015.

23.22 Sec. 9. Minnesota Statutes 2014, section 296A.16, subdivision 4b, is amended to read:

23.23 Subd. 4b. **Racing gasoline; refunds.** Notwithstanding subdivision 1, the
23.24 commissioner shall allow a licensed distributor a refund of the excise and motor fuels
23.25 gross receipts tax paid on leaded gasoline of 110 octane or more that does not meet ASTM
23.26 specification D4814 for gasoline and that is sold in bulk for use in nonregistered motor
23.27 vehicles. A claim for a refund may be filed as provided for in this section.

23.28 **EFFECTIVE DATE.** This section is effective October 1, 2015.

23.29 Sec. 10. Minnesota Statutes 2014, section 296A.16, subdivision 5, is amended to read:

24.1 Subd. 5. **Qualifying service station credit.** Notwithstanding any other provision of
 24.2 law to the contrary, the combined excise and motor fuels gross receipts tax imposed on
 24.3 gasoline, undyed diesel fuel, or undyed kerosene delivered to a qualified service station
 24.4 may not exceed, or must be reduced to, a rate not more than three cents per gallon above
 24.5 the state tax rate imposed on such products sold by a service station in a contiguous state
 24.6 located within the distance indicated in this subdivision. A distributor shall be allowed a
 24.7 credit or refund for the amount of reduction computed in accordance with this subdivision.
 24.8 For purposes of this subdivision, a "qualifying service station" means a service station
 24.9 located within 7.5 miles, measured by the shortest route by public road, from a service
 24.10 station selling like product in the contiguous state.

24.11 **EFFECTIVE DATE.** This section is effective October 1, 2015.

24.12 Sec. 11. Minnesota Statutes 2014, section 296A.18, subdivision 2, is amended to read:

24.13 Subd. 2. **Motorboat.** Approximately 1-1/2 percent of all gasoline received in this
 24.14 state and 1-1/2 percent of all gasoline produced or brought into this state, except gasoline
 24.15 used for aviation purposes, is being used as fuel for the operation of motorboats on the
 24.16 waters of this state and of the total revenue derived from the imposition of the gasoline
 24.17 fuel tax and motor fuels gross receipts tax on gasoline for uses other than for aviation
 24.18 purposes, 1-1/2 percent of the revenue is the amount of tax on fuel used in motorboats
 24.19 operated on the waters of this state. The amount of unrefunded tax paid on gasoline used
 24.20 for motor boat purposes as computed in this chapter shall be paid into the state treasury
 24.21 and credited to a water recreation account in the special revenue fund for acquisition,
 24.22 development, maintenance, and rehabilitation of sites for public access and boating
 24.23 facilities on public waters; lake and river improvement; and boat and water safety.

24.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

24.25 Sec. 12. Minnesota Statutes 2014, section 296A.18, subdivision 3, is amended to read:

24.26 Subd. 3. **Snowmobile.** Approximately one percent of all gasoline received in and
 24.27 produced or brought into this state, except gasoline used for aviation purposes, is being
 24.28 used as fuel for the operation of snowmobiles in this state, and of the total revenue derived
 24.29 from the imposition of the gasoline fuel tax and motor fuels gross receipts tax on gasoline
 24.30 for uses other than for aviation purposes, one percent of such revenues is the amount of
 24.31 tax on fuel used in snowmobiles operated in this state.

24.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.

25.1 Sec. 13. Minnesota Statutes 2014, section 296A.18, subdivision 4, is amended to read:

25.2 Subd. 4. **All-terrain vehicle.** Approximately 0.27 of one percent of all gasoline
25.3 received in or produced or brought into this state, except gasoline used for aviation
25.4 purposes, is being used for the operation of all-terrain vehicles in this state, and of the
25.5 total revenue derived from the imposition of the gasoline fuel tax and motor fuels gross
25.6 receipts tax on gasoline, 0.27 of one percent is the amount of tax on fuel used in all-terrain
25.7 vehicles operated in this state.

25.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

25.9 Sec. 14. Minnesota Statutes 2014, section 296A.18, subdivision 5, is amended to read:

25.10 Subd. 5. **Off-highway motorcycles.** Approximately 0.046 of one percent of
25.11 all gasoline received or produced in or brought into this state, except gasoline used for
25.12 aviation purposes, is being used for the operation of off-highway motorcycles in this state,
25.13 and of the total revenue derived from the imposition of the gasoline fuel tax and motor
25.14 fuels gross receipts tax on gasoline for uses other than for aviation purposes, 0.046 of one
25.15 percent is the amount of tax on fuel used in off-highway motorcycles operated in this state.

25.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

25.17 Sec. 15. Minnesota Statutes 2014, section 296A.18, subdivision 6, is amended to read:

25.18 Subd. 6. **Off-road vehicle.** Approximately 0.164 of one percent of all gasoline
25.19 received or produced in or brought into this state, except gasoline used for aviation
25.20 purposes, is being used for the off-road operation of off-road vehicles, as defined in
25.21 section 84.797, in this state, and of the total revenue derived from the imposition of the
25.22 gasoline fuel tax and motor fuels gross receipts tax on gasoline for uses other than aviation
25.23 purposes, 0.164 of one percent is the amount of tax on fuel used for off-road operation
25.24 of off-road vehicles in this state.

25.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

25.26 Sec. 16. Minnesota Statutes 2014, section 296A.18, subdivision 7, is amended to read:

25.27 Subd. 7. **Forest road.** Approximately 0.116 percent of the total annual unrefunded
25.28 revenue from the gasoline fuel tax and motor fuels gross receipts tax on all gasoline and
25.29 special fuel received in, produced, or brought into this state, except gasoline and special
25.30 fuel used for aviation purposes, is derived from the operation of motor vehicles on state
25.31 forest roads and county forest access roads. This revenue, together with interest and
25.32 penalties for delinquency in payment, paid or collected pursuant to the provisions of

26.1 this chapter, is appropriated from the highway user tax distribution fund and must be
 26.2 transferred and credited in equal installments on July 1 and January 1 to the state forest
 26.3 road account established in section 89.70. Of this amount, 0.0605 percent is annually
 26.4 derived from motor vehicles operated on state forest roads and 0.0555 percent is annually
 26.5 derived from motor vehicles operated on county forest access roads in this state. An
 26.6 amount equal to 0.0555 percent of the unrefunded revenue must be annually transferred to
 26.7 counties for the management and maintenance of county forest roads.

26.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

26.9 **ARTICLE 4**

26.10 **METROPOLITAN AREA TRANSIT SALES AND USE TAX**

26.11 Section 1. Minnesota Statutes 2014, section 297A.99, subdivision 1, is amended to read:

26.12 Subdivision 1. **Authorization; scope.** (a) A political subdivision of this state may
 26.13 impose a general sales tax (1) under section 297A.992, (2) under section 297A.9925, (3)
 26.14 under section 297A.993, (~~3~~) (4) if permitted by special law, or (~~4~~) (5) if the political
 26.15 subdivision enacted and imposed the tax before January 1, 1982, and its predecessor
 26.16 provision.

26.17 (b) This section governs the imposition of a general sales tax by the political
 26.18 subdivision. The provisions of this section preempt the provisions of any special law:

26.19 (1) enacted before June 2, 1997, or

26.20 (2) enacted on or after June 2, 1997, that does not explicitly exempt the special law
 26.21 provision from this section's rules by reference.

26.22 (c) This section does not apply to or preempt a sales tax on motor vehicles or a
 26.23 special excise tax on motor vehicles.

26.24 (d) A political subdivision may not advertise or expend funds for the promotion of a
 26.25 referendum to support imposing a local option sales tax.

26.26 (e) Notwithstanding paragraph (d), a political subdivision may expend funds to:

26.27 (1) conduct the referendum;

26.28 (2) disseminate information included in the resolution adopted under subdivision 2;

26.29 (3) provide notice of, and conduct public forums at which proponents and opponents
 26.30 on the merits of the referendum are given equal time to express their opinions on the
 26.31 merits of the referendum;

26.32 (4) provide facts and data on the impact of the proposed sales tax on consumer
 26.33 purchases; and

27.1 (5) provide facts and data related to the programs and projects to be funded with
 27.2 the sales tax.

27.3 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
 27.4 September 30, 2015.

27.5 Sec. 2. **[297A.9925] METROPOLITAN AREA TRANSIT SALES AND USE**
 27.6 **TAX; RATE; IMPOSITION; USES; PRIORITIES.**

27.7 Subdivision 1. **Definitions.** For purposes of this section, the following terms have
 27.8 the following meanings:

27.9 (1) "metropolitan area" or "area" has the meaning defined in section 473.121,
 27.10 subdivision 2;

27.11 (2) "Metropolitan Council" or "council" means the Metropolitan Council established
 27.12 by section 473.123; and

27.13 (3) "local governmental unit" means any county, city, town, school district, special
 27.14 district, or other political subdivisions or public corporation, other than the council or a
 27.15 metropolitan agency, lying in whole or in part within the metropolitan area.

27.16 Subd. 2. **Metropolitan area transit sales tax imposition; rate.** Notwithstanding
 27.17 section 297A.99, subdivisions 1, 2, and 3, 477A.016, or any other law, a metropolitan area
 27.18 transit sales and use tax is imposed at a rate of one-half of one percent on retail sales and
 27.19 uses taxable under this chapter occurring within the metropolitan area.

27.20 Subd. 3. **Administration; collection; enforcement.** Except as otherwise provided
 27.21 in this section, the provisions of section 297A.99, subdivisions 4 and 6 to 12a, govern the
 27.22 administration, collection, and enforcement of the tax authorized under this section.

27.23 Subd. 4. **Uses; consistency with transportation policy plan.** (a) The Metropolitan
 27.24 Council shall utilize the proceeds of the metropolitan area transit sales and use tax imposed
 27.25 under subdivision 2 for transit purposes within the metropolitan area. This may include,
 27.26 but is not limited to, transit operations, capital improvements, design, engineering and
 27.27 environmental work, acquisition of real property, transit planning and feasibility studies,
 27.28 and to provide grants to local governmental units for transit purposes or for bicycle and
 27.29 pedestrian projects as specified in subdivision 5.

27.30 (b) Projects funded with the metropolitan area transit sales and use tax proceeds
 27.31 must be consistent with the long-range transportation policy plan adopted by the council
 27.32 under section 473.146.

27.33 Subd. 5. **Priorities.** (a) The council shall allocate revenues from the taxes imposed
 27.34 under this section in accordance with the transit system development and financial plan
 27.35 required under section 473.1462, and in conformance with the following priority order:

28.1 (1) payment of debt service necessary on bonds or other obligations issued under
 28.2 subdivision 6;

28.3 (2) operating and capital costs to preserve existing bus services that are in
 28.4 conformance with regional transit performance standards as specified in the council's
 28.5 transportation policy plan;

28.6 (3) 100 percent of the net operating costs of existing arterial bus rapid transit lines
 28.7 and 50 percent of the net operating costs of other existing transitways;

28.8 (4) grants required under paragraph (b);

28.9 (5) operating and capital costs for the expansion and modernization of regional bus
 28.10 services, including replacement services provided under section 473.388, in accordance
 28.11 with the regional service improvement plan adopted by the council;

28.12 (6) operating and capital costs for expansion and improvement of regional
 28.13 transitways; and

28.14 (7) any other costs payable in accordance with subdivision 4.

28.15 (b) After accounting for the amounts necessary for paragraph (a), clauses (1) , (2),
 28.16 and (3), the council shall make five percent of the remaining revenues available through
 28.17 grants to local units of government within the metropolitan area for bicycle and pedestrian
 28.18 projects. The council shall establish a grant program, criteria, and oversight procedures
 28.19 for regional bicycle and pedestrian project grants on at least a biennial schedule.

28.20 Subd. 6. **Revenue bonds.** (a) In addition to other authority granted in this section,
 28.21 the council may, by resolution, authorize the issuance and sale of revenue bonds, notes,
 28.22 or other obligations to provide funds to implement the council's regional transit system
 28.23 development and financial plan and to refund bonds issued under this subdivision.

28.24 (b) The bonds shall be payable from and secured by a pledge of the revenues
 28.25 identified in the transit system development and financial plan, including without
 28.26 limitation all or any part of revenues received from the metropolitan area transit sales and
 28.27 use tax imposed under subdivision 2, and associated investment earnings on debt proceeds.
 28.28 The council may by resolution authorize the issuance of the bonds as general obligations
 28.29 of the council. The bonds shall be sold, issued, and secured in the manner provided in
 28.30 chapter 475, and the council shall have the same powers and duties as a municipality and
 28.31 its governing body in issuing bonds under chapter 475, except that no election shall be
 28.32 required and the net debt limitations in chapter 475 shall not apply to such bonds. The
 28.33 proceeds of the bonds may also be used to fund necessary reserves and to pay credit
 28.34 enhancement fees, issuance costs, and other financing costs during the life of the debt.

28.35 (c) The bonds may be secured by a bond resolution, or a trust indenture entered into
 28.36 by the council with a corporate trustee within or outside the state, which shall define the

29.1 revenues and bond proceeds pledged for the payment and security of the bonds. The
 29.2 pledge shall be a valid charge on the revenues received under section 297A.99, subdivision
 29.3 11. Neither the state, nor any municipality or political subdivision except the council,
 29.4 nor any member or officer or employee of the council, is liable on the obligations. No
 29.5 mortgage or security interest in any tangible real or personal property shall be granted to
 29.6 the bondholders or the trustee, but they shall have a valid security interest in the revenues
 29.7 and bond proceeds received by the council and pledged to the payment of the bonds. In the
 29.8 bond resolution or trust indenture, the council may make such covenants as it determines
 29.9 to be reasonable for the protection of the bondholders.

29.10 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
 29.11 September 30, 2015, and applies in the counties of Anoka, Carver, Dakota, Hennepin,
 29.12 Ramsey, Scott, and Washington.

29.13 Sec. 3. **[473.1462] REGIONAL TRANSIT SYSTEM DEVELOPMENT AND**
 29.14 **FINANCIAL PLAN.**

29.15 Subdivision 1. **Annual regional transit system development and financial plan.**
 29.16 By December 15, 2015, and annually thereafter, the council shall prepare and adopt a
 29.17 comprehensive regional transit system development and financial plan that describes and
 29.18 accounts for the transit system operating and capital investments planned to occur over
 29.19 at least the next ten calendar years. The council's adopted annual transit operating and
 29.20 capital budgets must be consistent with the transit system development and financial
 29.21 plan. The transit system development and financial plan may be amended as needed. The
 29.22 council shall annually submit the plan for review by the Legislative Commission on
 29.23 Metropolitan Government under section 3.8841.

29.24 Subd. 2. **Details on transit operations and capital investments; transit revenues.**
 29.25 The regional transit system development and financial plan must contain detail on the
 29.26 transit operations and capital investments expected for all regional public transit services
 29.27 funded in whole or in part by the council, including but not limited to regular route bus
 29.28 services including services operated by the council and replacement service providers under
 29.29 section 473.388; Metro Mobility special transportation services provided under section
 29.30 473.386; other dial-a-ride and vanpool services provided by the council; and all regional
 29.31 transitway operations and capital investments with detail provided for each existing or
 29.32 new transitway line. The plan must also account for all transit revenues expected to be
 29.33 available to the council including but not limited to metropolitan area transit sales and use
 29.34 tax revenue available from the tax imposed under section 297A.9925, subdivision 2; transit
 29.35 fare revenues; metropolitan area transit state general fund appropriations; motor vehicle

30.1 sales tax revenues available through the metropolitan transit assistance account under
 30.2 section 16A.88, subdivision 2; federal transit funds; regional transit capital bonds issued
 30.3 by the council pursuant to authorizations under section 473.39; and sales tax revenues
 30.4 allocated to the council by the joint powers board under section 297A.992. The regional
 30.5 transit system development and financial plan must be consistent with the adopted regional
 30.6 transportation policy plan and provide detail on the specific transit operations and capital
 30.7 investments expected in each year of the plan. The plan may account for the use of debt
 30.8 financing and the issuance of bonds as authorized under section 297A.9925, subdivision 6.

30.9 **EFFECTIVE DATE.** This section is effective July 1, 2015, and applies in the
 30.10 counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

30.11 Sec. 4. **REPEALER.**

30.12 Minnesota Statutes 2014, section 473.4051, subdivision 2, is repealed.

30.13 **EFFECTIVE DATE.** This section is effective July 1, 2015.

30.14 **ARTICLE 5**

30.15 **TRANSPORTATION POLICY AND FINANCE**

30.16 Section 1. Minnesota Statutes 2014, section 16E.15, subdivision 2, is amended to read:

30.17 Subd. 2. **Software sale fund.** (a) Except as provided in ~~paragraph~~ paragraphs (b)
 30.18 and (c), proceeds of from the sale or licensing of software products or services by the chief
 30.19 information officer must be credited to the MN.IT services revolving fund. If a state
 30.20 agency other than the Office of MN.IT Services has contributed to the development of
 30.21 software sold or licensed under this section, the chief information officer may reimburse
 30.22 the agency by discounting computer services provided to that agency.

30.23 (b) ~~Proceeds of from~~ the sale or licensing of software products or services developed
 30.24 by the Pollution Control Agency, or custom developed by a vendor for the agency, must be
 30.25 credited to the environmental fund.

30.26 (c) Proceeds from the sale or licensing of software products or services developed
 30.27 by the Department of Transportation, or custom developed by a vendor for the agency,
 30.28 using trunk highway funds, must be credited to the trunk highway fund.

30.29 Sec. 2. Minnesota Statutes 2014, section 117.036, subdivision 2, is amended to read:

30.30 Subd. 2. **Appraisal.** (a) Before commencing an eminent domain proceeding under
 30.31 this chapter for an acquisition greater than \$25,000, the acquiring authority must obtain at
 30.32 least one appraisal for the property proposed to be acquired. In making the appraisal, the

31.1 appraiser must confer with one or more of the owners of the property, if reasonably possible.
 31.2 For acquisitions less than \$25,000, the acquiring authority may obtain a minimum damage
 31.3 acquisition report in lieu of an appraisal. In making the minimum damage acquisition
 31.4 report, the qualified person with appraisal knowledge must confer with one or more of
 31.5 the owners of the property, if reasonably possible. Notwithstanding section 13.44, the
 31.6 acquiring authority must provide the owner with a copy of (1) each appraisal for property
 31.7 acquisitions over \$25,000, or (2) the minimum damage acquisition report for properties
 31.8 under \$25,000, the acquiring authority has obtained for the property at the time an offer is
 31.9 made, but no later than 60 days before presenting a petition under section 117.055, and
 31.10 The acquiring authority must also inform the owner of the right to obtain an appraisal under
 31.11 this section. Upon request, the acquiring authority must make available to the owner all
 31.12 appraisals of the property for properties over \$25,000, or the minimum damage acquisition
 31.13 report for properties under \$25,000. If the acquiring authority is considering both a full
 31.14 and partial taking of the property, the acquiring authority shall obtain and provide the
 31.15 owner with appraisals for both types of takings for properties over \$25,000 for both types
 31.16 of takings, or minimum damage acquisition reports for properties under \$25,000.

31.17 (b) The owner may obtain an appraisal by a qualified appraiser of the property
 31.18 proposed to be acquired. The owner is entitled to reimbursement for the reasonable costs
 31.19 of the appraisal from the acquiring authority up to a maximum of \$1,500 for single family
 31.20 and two-family residential property and minimum damage acquisitions and \$5,000 for
 31.21 other types of property, provided that the owner submits to the acquiring authority the
 31.22 information necessary for reimbursement, including a copy of the owner's appraisal,
 31.23 at least five days before a condemnation commissioners' hearing. For purposes of this
 31.24 paragraph subdivision, a "minimum damage acquisition" means an interest in property
 31.25 that a qualified person with appraisal knowledge having an understanding of the local real
 31.26 estate market indicates can be acquired for a cost of \$10,000 \$25,000 or less.

31.27 (c) The acquiring authority must pay the reimbursement to the owner within 30
 31.28 days after receiving a copy of the appraisal and the reimbursement information. Upon
 31.29 agreement between the acquiring authority and the owner, the acquiring authority may pay
 31.30 the reimbursement directly to the appraiser.

31.31 Sec. 3. Minnesota Statutes 2014, section 117.036, subdivision 4, is amended to read:

31.32 Subd. 4. **Use of appraisal at commissioners' hearing.** An appraisal or
 31.33 minimum damage acquisition report must not be used or considered in a condemnation
 31.34 commissioners' hearing, nor may the appraiser who prepared the appraisal or the person
 31.35 who prepared the minimum damage acquisition report testify, unless a copy of the

32.1 appraiser's written report or the minimum damage acquisition report is provided to the
 32.2 opposing party at least five days before the hearing.

32.3 Sec. 4. Minnesota Statutes 2014, section 161.231, is amended to read:

32.4 **161.231 APPROPRIATION; PROCEEDS FROM ~~LEASED~~ STATE**
 32.5 **PROPERTY.**

32.6 There is appropriated annually from the fund or account in the state treasury to which
 32.7 the ~~rental~~ money from the sale, lease, conveyance, or disposal of state leased property
 32.8 is credited a sufficient amount of money to carry out the state's obligations under the
 32.9 provisions of sections 15.16, 117.135, 117.226, 161.16, 161.202, 161.23, subdivision 3,
 32.10 161.24, 161.241, 161.43, 161.433, 161.44, 161.442, and 272.68, subdivision 3, including
 32.11 the inventorying, marketing, and property management activities required to sell, lease,
 32.12 rent, permit, convey, or otherwise dispose of the land or the interest in the land. At the
 32.13 discretion of the commissioner of transportation, money in the account at the end of each
 32.14 biennium may cancel to the trunk highway fund.

32.15 Sec. 5. Minnesota Statutes 2014, section 161.46, subdivision 2, is amended to read:

32.16 Subd. 2. **Relocation of facilities; reimbursement.** (a) Whenever the commissioner
 32.17 shall determine the relocation of any utility facility is necessitated by the construction of a
 32.18 project on the routes of federally aided state trunk highways, including urban extensions
 32.19 thereof, which routes are included within the National System of Interstate Highways, the
 32.20 owner or operator of such utility facility shall relocate the same in accordance with the
 32.21 order of the commissioner. After the completion of such relocation the cost thereof shall
 32.22 be ascertained and paid by the state out of trunk highway funds; provided, however, the
 32.23 amount to be paid by the state for such reimbursement shall not exceed the amount on
 32.24 which the federal government bases its reimbursement for said interstate system.

32.25 (b) Notwithstanding paragraph (a), any utility facility installed after August 1, 2015,
 32.26 is not eligible for relocation reimbursement.

32.27 Sec. 6. Minnesota Statutes 2014, section 162.18, is amended by adding a subdivision
 32.28 to read:

32.29 Subd. 6. **Traffic signal timing optimization.** (a) A road authority that has
 32.30 ownership of a traffic signal on a principal arterial or roadway with an average daily traffic
 32.31 greater than 20,000 vehicles per day must complete an inventory of all the traffic signals
 32.32 under its ownership and submit it to the Department of Transportation district engineer.

33.1 The inventory shall include age of all signals, control equipment, communications,
 33.2 detection type, timing plans in operation, and date of last timing optimization.

33.3 (b) Based on the information from the inventory, a road authority subject to paragraph
 33.4 (a) must develop a plan to implement a traffic signal system optimization plan that
 33.5 re-evaluates traffic signal timing at least once every five years. Each road authority with a
 33.6 traffic signal optimization plan must annually certify compliance with its signal timing plan.
 33.7 Local road authorities with traffic signals meeting the requirements of this section must
 33.8 submit the traffic signal certification as part of the annual maintenance expenditure report.

33.9 **EFFECTIVE DATE.** This section is effective the day following final enactment. The
 33.10 initial inventory under paragraph (a) must be submitted on or before December 30, 2015.

33.11 Sec. 7. Minnesota Statutes 2014, section 168.013, subdivision 1a, is amended to read:

33.12 Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined
 33.13 in section 168.002, subdivision 24, and hearses, except as otherwise provided, the tax
 33.14 shall be an amount equal to a combination of the following:

33.15 (1) \$10 for those vehicles with registration periods beginning on or before June 30,
 33.16 2018, and \$20 for those vehicles with registration periods on or after July 1, 2018, plus

33.17 (2) an additional tax equal to the following:

33.18 (i) 1.25 percent of the base value: for those vehicles with registration periods ending
 33.19 on or before June 30, 2015;

33.20 (ii) 1.35 percent of the base value for those vehicles with registration periods
 33.21 beginning on or after July 1, 2015, and before July 1, 2016;

33.22 (iii) 1.45 percent of the base value for those vehicles with registration periods
 33.23 beginning on or after July 1, 2016, and before July 1, 2017; and

33.24 (iv) 1.50 percent of the base value for those vehicles with registration periods
 33.25 beginning on or after July 1, 2017.

33.26 (b) Subject to the classification provisions herein, "base value" means the
 33.27 manufacturer's suggested retail price of the vehicle including destination charge using list
 33.28 price information published by the manufacturer or determined by the registrar if no
 33.29 suggested retail price exists, and shall not include the cost of each accessory or item of
 33.30 optional equipment separately added to the vehicle and the suggested retail price.

33.31 (c) If the manufacturer's list price information contains a single vehicle identification
 33.32 number followed by various descriptions and suggested retail prices, the registrar shall
 33.33 select from those listings only the lowest price for determining base value.

33.34 (d) If unable to determine the base value because the vehicle is specially constructed,
 33.35 or for any other reason, the registrar may establish such value upon the cost price to the

34.1 purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales
34.2 or use tax or any local sales or other local tax.

34.3 (e) The registrar shall classify every vehicle in its proper base value class as follows:

34.4	FROM	TO
34.5	\$ 0	\$ 199.99
34.6	\$ 200	\$ 399.99

34.7 and thereafter a series of classes successively set in brackets having a spread of \$200
34.8 consisting of such number of classes as will permit classification of all vehicles.

34.9 (f) The base value for purposes of this section shall be the middle point between
34.10 the extremes of its class.

34.11 (g) The registrar shall establish the base value, when new, of every passenger
34.12 automobile and hearse registered prior to the effective date of Extra Session Laws 1971,
34.13 chapter 31, using list price information published by the manufacturer or any nationally
34.14 recognized firm or association compiling such data for the automotive industry. If unable
34.15 to ascertain the base value of any registered vehicle in the foregoing manner, the registrar
34.16 may use any other available source or method. The registrar shall calculate tax using base
34.17 value information available to dealers and deputy registrars at the time the application for
34.18 registration is submitted. The tax on all previously registered vehicles shall be computed
34.19 upon the base value thus determined taking into account the depreciation provisions of
34.20 paragraph (h).

34.21 (h) The annual additional tax must be computed upon a percentage of the base value
34.22 as follows: during the first year of vehicle life, upon 100 percent of the base value; for the
34.23 second year, 90 percent of such value; for the third year, 80 percent of such value; for the
34.24 fourth year, 70 percent of such value; for the fifth year, 60 percent of such value; for the
34.25 sixth year, 50 percent of such value; for the seventh year, 40 percent of such value; for the
34.26 eighth year, 30 percent of such value; for the ninth year, 20 percent of such value; for the
34.27 tenth year, ten percent of such value; for the 11th and each succeeding year, the sum of \$25.

34.28 (i) In no event shall the annual additional tax be less than \$25.

34.29 ~~(j) For any vehicle previously registered in Minnesota, the annual additional tax~~
34.30 ~~due under this subdivision must not exceed the smallest amount of annual additional~~
34.31 ~~tax previously paid or due on the vehicle.~~

34.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.

34.33 Sec. 8. Minnesota Statutes 2014, section 168D.06, is amended to read:

34.34 **168D.06 FUEL LICENSE FEES.**

35.1 License fees paid to the commissioner under the International Fuel Tax Agreement
 35.2 must be deposited in the vehicle services operating account in the special revenue fund
 35.3 under section 299A.705. The commissioner shall charge an annual fuel license fee of
 35.4 \$15, ~~and~~ an annual application filing fee of \$13 for quarterly reporting of fuel tax, and a
 35.5 reinstatement fee of \$100 to reinstate a revoked International Fuel Tax Agreement license.

35.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

35.7 Sec. 9. Minnesota Statutes 2014, section 169.475, is amended by adding a subdivision
 35.8 to read:

35.9 **Subd. 4. Repeat offenses; additional penalties.** Any person who commits a second
 35.10 or subsequent violation of subdivision 2 must pay a \$50 fine for each violation.

35.11 **EFFECTIVE DATE.** This section is effective August 1, 2015, and applies to
 35.12 offenses committed on or after that date.

35.13 Sec. 10. **[174.57] SNOW AND ICE CONTROL.**

35.14 The commissioner of transportation, upon written notification to the commissioner
 35.15 of management and budget and the chairs and ranking minority members of the house
 35.16 of representatives and senate committees having jurisdiction over transportation finance,
 35.17 may transfer all or part of the unappropriated balance in the trunk highway fund to pay for
 35.18 snow and ice control expenditures in years when the Department of Transportation spends
 35.19 more than 110 percent of its budget for snow and ice control. The amount transferred is
 35.20 appropriated for the purposes of the account to which it is transferred.

35.21 Sec. 11. **[219.016] RAILROAD COMPANY ASSESSMENT; ACCOUNT;**
 35.22 **APPROPRIATION.**

35.23 (a) As provided in this section, the commissioner shall annually assess railroad
 35.24 companies that are (1) defined as common carriers under section 218.011; (2) classified by
 35.25 federal law or regulation as Class I Railroads or Class I Rail Carriers; and (3) operating in
 35.26 this state.

35.27 (b) The assessment must be by a division of the annual appropriation to the grade
 35.28 crossing safety improvement account in equal proportion between carriers based on route
 35.29 miles operated in Minnesota, assessed in equal amounts for 365 days of the calendar year.

35.30 (c) The assessments must be deposited in the rail grade crossing safety improvement
 35.31 account, which is created in the special revenue fund. Money in the account is
 35.32 appropriated to the commissioner for the development, administration, and construction of

36.1 highway-rail grade crossing improvements on rail corridors transporting crude oil, and
 36.2 other selected routes, including those carrying hazardous materials. Improvements may
 36.3 include upgrades to existing protection systems, the closing of crossings and necessary
 36.4 roadwork, as well as reconstruction of at-grade crossings to full grade separations. Funds
 36.5 in the account are available until expended.

36.6 Sec. 12. Minnesota Statutes 2014, section 299D.09, is amended to read:

36.7 **299D.09 ESCORT SERVICE; APPROPRIATION; RECEIPTS.**

36.8 (a) Fees charged for escort services provided by the State Patrol are annually
 36.9 appropriated to the commissioner of public safety to administer and provide these services.

36.10 (b) The fee charged for services provided by the State Patrol with a vehicle is \$79.28
 36.11 an hour. The fee charged for services provided without a vehicle is \$59.28 an hour
 36.12 shall be set to recover actual costs as determined by the commissioner of public safety
 36.13 by July 1 each year.

36.14 (c) The fees charged for State Patrol flight services are \$140 an hour for a fixed wing
 36.15 aircraft, \$490 an hour for a helicopter, and \$600 an hour for the Queen Air in fiscal year
 36.16 2012; and \$139.64 an hour for a fixed wing aircraft, \$560.83 an hour for a helicopter, and
 36.17 \$454.84 an hour for the Queen Air in fiscal year 2013 and thereafter.

36.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

36.19 Sec. 13. Minnesota Statutes 2014, section 360.024, is amended to read:

36.20 **360.024 AIR TRANSPORTATION SERVICE CHARGE.**

36.21 The commissioner shall charge users of air transportation services provided by the
 36.22 commissioner for direct operating costs, excluding pilot salary and aircraft acquisition
 36.23 costs. All receipts for these services shall be deposited in the air transportation services
 36.24 account in the state airports fund and are appropriated to the commissioner to pay these
 36.25 direct air service operating costs.

36.26 Sec. 14. Minnesota Statutes 2014, section 360.305, subdivision 4, is amended to read:

36.27 **Subd. 4. Costs allocated; local contribution; hangar construction account.** (a)
 36.28 ~~Except as otherwise provided in this subdivision~~ Annually by June 1, the commissioner
 36.29 of transportation shall ~~require as a condition of assistance by the state that the~~ establish
 36.30 local contribution rates which will apply to a political subdivision, municipality, or public
 36.31 corporation ~~make a substantial contribution to the cost of the construction, improvement,~~
 36.32 ~~maintenance, or operation of the airport, in connection with which the assistance of the~~

37.1 ~~state is sought. These costs are referred to as project costs~~ when applying for state or
 37.2 federal funding assistance to construct, improve, maintain, or operate an airport, or to
 37.3 acquire land for airport facilities or clear zones. If the commissioner does not establish
 37.4 local contribution rates by June 1, the previous rates apply.

37.5 ~~(b) For any airport, whether key, intermediate, or landing strip, where only state and~~
 37.6 ~~local funds are to be used, the contribution shall be not less than one-fifth of the sum of:~~

37.7 ~~(1) the project costs;~~

37.8 ~~(2) acquisition costs of the land and clear zones, which are referred to as acquisition~~
 37.9 ~~costs. The commissioner may pay all costs beyond the local contribution. Local~~

37.10 contribution rates shall not be less than five percent of the total cost of the activity or
 37.11 acquisition, except that the commissioner may require less than five percent for research
 37.12 projects, radio or navigational aids, activities, or acquisitions for which federal funds are
 37.13 available to cover more than 90 percent of the total cost, or as otherwise necessary to
 37.14 respond to an emergency.

37.15 ~~(c) For any airport where federal, state, and local funds are to be used, the~~
 37.16 ~~contribution shall not be less than five percent of the sum of the project costs and~~
 37.17 ~~acquisition costs. The commissioner's establishment of local contribution rates is not~~
 37.18 ~~subject to the rulemaking requirements of chapter 14.~~

37.19 ~~(d) The commissioner may pay the total cost of radio and navigational aids.~~

37.20 ~~(e) Notwithstanding paragraph (b) or (c), the commissioner may pay all of the~~
 37.21 ~~project costs of a new landing strip, but not an intermediate airport or key airport, or may~~
 37.22 ~~pay an amount equal to the federal funds granted and used for a new landing strip plus~~
 37.23 ~~all of the remaining project costs; but the total amount paid by the commissioner for the~~
 37.24 ~~project costs of a new landing strip, unless specifically authorized by an act appropriating~~
 37.25 ~~funds for the new landing strip, shall not exceed \$200,000.~~

37.26 ~~(f) Notwithstanding paragraph (b) or (c), the commissioner may pay all the project~~
 37.27 ~~costs for research and development projects, including, but not limited to noise abatement;~~
 37.28 ~~provided that in no event shall the sums expended under this paragraph exceed five~~
 37.29 ~~percent of the amount appropriated for construction grants.~~

37.30 ~~(g) (d)~~ To receive aid under this section for project costs or for acquisition costs, the
 37.31 municipality must enter into an agreement with the commissioner giving assurance that
 37.32 the airport will be operated and maintained in a safe, serviceable manner for aeronautical
 37.33 purposes only for the use and benefit of the public:

37.34 (1) for 20 years after the date that the municipality receives any state funds for
 37.35 project construction or improvement costs are received by the municipality; and

38.1 (2) for 99 years after the date ~~that~~ the municipality receives any state funds for land
 38.2 acquisition costs ~~are received by the municipality~~. If any land acquired with state funds
 38.3 ceases to be used for aviation purposes, the municipality shall repay the state airports fund
 38.4 the same percentage of the appraised value of the property as that percentage of the costs
 38.5 of acquisition and participation provided by the state to acquire the land.

38.6 The agreement may contain other conditions as the commissioner deems reasonable.

38.7 ~~(h)~~ (e) The commissioner shall establish a hangar construction revolving account,
 38.8 which shall be used for the purpose of financing the construction of hangar buildings to
 38.9 be constructed by municipalities owning airports. All municipalities owning airports are
 38.10 authorized to enter into contracts for the construction of hangars, and contracts with
 38.11 the commissioner for the financing of hangar construction for an amount and period of
 38.12 time as may be determined by the commissioner and municipality. All receipts from the
 38.13 financing contracts shall be deposited in the hangar construction revolving account and
 38.14 are reappropriated for the purpose of financing construction of hangar buildings. ~~The~~
 38.15 ~~commissioner may pay from the hangar construction revolving account 80 percent of the~~
 38.16 ~~cost of financing construction of hangar buildings. For purposes of this paragraph, the~~
 38.17 ~~construction of hangars shall include their design.~~ The commissioner shall transfer up to
 38.18 \$4,400,000 from the state airports fund to the hangar construction revolving account.

38.19 ~~(i)~~ (f) The commissioner may ~~pay a portion of the purchase price of any~~ contribute
 38.20 to costs incurred by any municipality for airport maintenance and operations, safety
 38.21 equipment, ~~and of the actual airport snow removal costs incurred by any municipality.~~
 38.22 ~~The portion to be paid by the state shall not exceed two-thirds of the cost of the purchase~~
 38.23 ~~price or snow removal. To receive aid a municipality must enter into an agreement of the~~
 38.24 ~~type referred to in paragraph (g).~~

38.25 ~~(j)~~ (g) This subdivision applies only to project costs or acquisition costs of
 38.26 municipally owned airports incurred after June 1, 1971.

38.27 Sec. 15. Laws 2012, First Special Session chapter 1, article 1, section 4, subdivision 3,
 38.28 is amended to read:

38.29 Subd. 3. **Program Planning and Delivery** 11,000,000

38.30 From the trunk highway fund for the purposes
 38.31 stated in Minnesota Statutes, section 12A.16,
 38.32 subdivision 2. This is in addition to
 38.33 the appropriation made in Laws 2011,
 38.34 First Special Session chapter 3, article 1,

39.1 section 3, subdivision 3, paragraph (b). This
39.2 appropriation is available until June 30, 2018.

39.3 Sec. 16. **COST PARTICIPATION POLICY.**

39.4 The commissioner of transportation, in consultation with representatives of local
39.5 units of government, shall create and adopt a policy concerning cost participation
39.6 for cooperative construction projects and maintenance responsibilities between the
39.7 Department of Transportation and local units of government. The policy must minimize
39.8 the share of cooperative project costs to be funded by the local units of government while
39.9 complying in all respects with the state constitutional requirements concerning allowable
39.10 uses of the trunk highway fund. The policy should provide and include sufficient flexibility
39.11 for unique projects and locations if doing so results in a lower total project cost. The policy
39.12 must be completed and adopted by the commissioner no later than September 1, 2015.

39.13 Sec. 17. **REPEALER.**

39.14 Minnesota Statutes 2014, section 299E.02, is repealed.

APPENDIX
Article locations in 15-2196

ARTICLE 1	TRANSPORTATION APPROPRIATIONS	Page.Ln 1.17
ARTICLE 2	BONDING	Page.Ln 16.19
ARTICLE 3	MOTOR FUELS GROSS RECEIPTS TAX	Page.Ln 18.23
ARTICLE 4	METROPOLITAN AREA TRANSIT SALES AND USE TAX	Page.Ln 26.9
ARTICLE 5	TRANSPORTATION POLICY AND FINANCE	Page.Ln 30.14

APPENDIX
Repealed Minnesota Statutes: 15-2196

299E.02 INTERAGENCY AGREEMENT; APPROPRIATION.

The commissioner of public safety shall execute interagency agreements with agency tenants in the Capitol complex whereby fees for the provision of security services are charged. Fees charged for security services provided by the Capitol Complex Security Division of the Department of Public Safety must be deposited in an account in the special revenue fund and are annually appropriated to the commissioner of public safety to provide these services.

473.4051 LIGHT RAIL TRANSIT CONSTRUCTION AND OPERATION.

Subd. 2. **Operating costs.** After operating revenue and federal money have been used to pay for light rail transit operations, 50 percent of the remaining operating costs must be paid by the state.