

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 1562

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DATE
02/13/2023

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Introduction and first reading
Referred to Transportation

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to transportation; appropriating money related to federal grants technical
1.3 assistance and match requirements.

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

1.5 Section 1. **FEDERAL TRANSPORTATION GRANTS TECHNICAL ASSISTANCE.**

1.6 Subdivision 1. Definition. For purposes of this section, "commissioner" means the
1.7 commissioner of transportation.

1.8 Subd. 2. Technical assistance grants. (a) Subject to an appropriation, the commissioner
1.9 must establish a process to provide grants for technical assistance to a requesting local unit
1.10 of government or Tribal government that seeks to submit an application for a federal
1.11 discretionary grant for a transportation-related purpose.

1.12 (b) A transportation-related purpose includes but is not limited to a project, a program,
1.13 planning, program delivery, administrative costs, ongoing operations, and other related
1.14 expenditures. Technical assistance includes but is not limited to hiring consultants for
1.15 identification of available grants, grant writing, analysis, data collection, technical review,
1.16 legal interpretations necessary to complete an application, planning, pre-engineering,
1.17 application finalization, and similar activities.

1.18 Subd. 3. Prioritization. (a) The commissioner must establish a process for solicitation,
1.19 submission of requests for technical assistance, screening requests, and award of technical
1.20 assistance grants.

1.21 (b) The process must include prioritization of assistance for projects or purposes that:

1.22 (1) address or mitigate the impacts of climate change, including through:

- 2.1 (i) reduction in transportation-related pollution or emissions; and
- 2.2 (ii) improvements to the resiliency of infrastructure that is subject to long-term risks
- 2.3 from natural disasters, weather events, or changing climate conditions;
- 2.4 (2) are located in areas of persistent poverty or historically disadvantaged communities;
- 2.5 (3) are located in townships or cities that are eligible for small cities assistance aid under
- 2.6 Minnesota Statutes, section 162.145;
- 2.7 (4) support grants to Tribal governments; and
- 2.8 (5) provide for geographic balance of grants throughout the state.
- 2.9 (c) The commissioner must establish criteria for areas of persistent poverty and
- 2.10 historically disadvantaged communities based on measures and definitions in federal law,
- 2.11 guidance, and notices of funding opportunity.

2.12 Subd. 4. **Limitations.** (a) A technical assistance grant may not exceed \$30,000.

2.13 (b) The commissioner may not award more than one grant to each unit of government

2.14 in a calendar year. The commissioner may award multiple grants to a Tribal government in

2.15 a calendar year.

2.16 **Sec. 2. INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA)**

2.17 **DISCRETIONARY MATCH.**

2.18 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have

2.19 the meanings given.

2.20 (b) "Commissioner" means the commissioner of transportation.

2.21 (c) "Federal discretionary grant" means federal funds under a discretionary grant program

2.22 enacted or authorized in the Infrastructure Investment and Jobs Act (IIJA), Public Law

2.23 117-58, and federal funds under any subsequent federal appropriations acts directly associated

2.24 with a spending authorization or appropriation under the IIJA.

2.25 (d) "Federal grant recipient" means an entity that receives a federal discretionary grant

2.26 under the applicable federal program.

2.27 Subd. 2. **General requirements.** (a) Subject to an appropriation, the commissioner must

2.28 establish a process to allocate the funds made available for purposes of this section.

2.29 (b) The commissioner must allocate available funds in the order of (1) requests submitted

2.30 by federal grant recipients, followed by (2) announcement or notification of the federal

3.1 grant award. The commissioner may allocate funds for a federal discretionary grant awarded
 3.2 prior to the effective date of this section.

3.3 (c) The commissioner must only allocate available funds:

3.4 (1) to a federal grant recipient for match requirements under federal discretionary grants;

3.5 (2) for a transportation-related purpose, including but not limited to a project, a program,
 3.6 planning, program delivery, administrative costs, ongoing operations, and other related
 3.7 expenditures; and

3.8 (3) in an amount that does not exceed:

3.9 (i) the gap amount remaining from undetermined sources, based on the total cost estimated
 3.10 at the time of the federal grant application submission;

3.11 (ii) the amount necessary for the federal match requirements; and

3.12 (iii) percent of the total cost estimated at the time of the federal grant application
 3.13 submission, up to a maximum of \$.....

3.14 Subd. 3. **Uses of funds.** (a) From available funds under this section, the commissioner
 3.15 may:

3.16 (1) expend funds for the trunk highway system;

3.17 (2) allocate funds among any transportation modes and programs, including but not
 3.18 limited to local roads and bridges, transit, active transportation, aeronautics, alternative fuel
 3.19 corridors, electric vehicle infrastructure, and climate-related programs; and

3.20 (3) make grants to a federal grant recipient, which as appropriate includes but is not
 3.21 limited to federally recognized Tribal governments, local units of government, and
 3.22 metropolitan planning organizations.

3.23 (b) Funds under this section are available regardless of the eligible uses of federal funds
 3.24 under the federal discretionary grant award.

3.25 Subd. 4. **Public information.** The commissioner must maintain information on a public
 3.26 website that details funds allocated under this section. The information must include:

3.27 (1) a summary of federal grant recipients, projects including a general status, and the
 3.28 amounts of match funding requested and provided;

3.29 (2) identification of any unfunded requests; and

3.30 (3) a fiscal review that provides breakouts by type of project or purpose, transportation
 3.31 mode, federal program, and region of the state.

4.1 Subd. 5. **Expiration.** This section expires June 30, 2029.

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

4.3 Sec. 3. **APPROPRIATIONS; FEDERAL GRANTS MAXIMIZATION.**

4.4 (a) \$1,000,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are appropriated
4.5 from the general fund to the commissioner of transportation for federal transportation grants
4.6 technical assistance under section 1. This is a onetime appropriation.

4.7 (b) \$214,400,000 in fiscal year 2024 is appropriated from the general fund to the
4.8 commissioner of transportation for federal discretionary grant matches under section 2. This
4.9 is a onetime appropriation and is available until June 30, 2027. Any unspent portion cancels
4.10 to the highway user tax distribution fund.

4.11 (c) \$42,000,000 in fiscal year 2024 is appropriated from the general fund to the
4.12 commissioner of transportation for federal discretionary grant matches for trunk highway
4.13 projects. This is a onetime appropriation and is available until June 30, 2027. Any unspent
4.14 portion cancels to the trunk highway fund.

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