

1

A bill for an act

2

relating to transportation; modifying provisions

3

relating to property transactions of Department of

4

Transportation; making clarifying changes; amending

5

Minnesota Statutes 2004, sections 13.44, subdivision

6

3; 117.036; 161.44, by adding a subdivision; 161.442;

7

515B.1-107; 515B.3-102.

8

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

9

Section 1. Minnesota Statutes 2004, section 13.44,

10

subdivision 3, is amended to read:

11

Subd. 3. [REAL PROPERTY; APPRAISAL DATA.] (a) [

12

CONFIDENTIAL OR PROTECTED NONPUBLIC DATA.] Estimated or

13

appraised values of individual parcels of real property which

14

that are made by personnel of the state~~7-its-agencies-and~~

15

~~departments7~~ or a political subdivision or by independent

16

appraisers acting for the state~~7-its-agencies-and-departments7~~

17

or a political subdivision for the purpose of selling or

18

acquiring land through purchase or condemnation are classified

19

as confidential data on individuals or protected nonpublic data.

20

(b) [PRIVATE OR NONPUBLIC DATA.] Appraised values of

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individual parcels of real property that are made by appraisers

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working for fee owners or contract purchasers who have received

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an offer to purchase their property from the state or a

24

political subdivision are classified as private data on

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individuals or nonpublic data.

26

(c) [PUBLIC DATA.] The data made confidential or protected

1 nonpublic ~~by-the-provisions-of~~ under paragraph (a) ~~shall~~ or made
2 private or nonpublic under paragraph (b) become public upon the
3 occurrence of any of the following:

4 (1) ~~the-negotiating-parties-exchange-appraisals;~~

5 ~~(2) the data are submitted to a court-appointed~~

6 condemnation commissioner;

7 ~~(3) (2) the data are presented in court in condemnation~~

8 proceedings; or

9 ~~(4) (3) the negotiating parties enter into an agreement for~~
10 the purchase and sale of the property; ~~or~~

11 ~~(5) the data are submitted to the owner under section~~
12 ~~117.036.~~

13 [EFFECTIVE DATE.] This section is effective the day
14 following final enactment.

15 Sec. 2. Minnesota Statutes 2004, section 117.036, is
16 amended to read:

17 117.036 [APPRAISAL AND NEGOTIATION REQUIREMENTS APPLICABLE
18 TO ACQUISITION OF PROPERTY FOR TRANSPORTATION PURPOSES.]

19 Subdivision 1. [APPLICATION.] This section applies to the
20 acquisition of property for public highways, streets, roads,
21 alleys, airports, mass transit facilities, or for other
22 transportation facilities or purposes.

23 Subd. 2. [APPRAISAL.] (a) Before ~~commencing-an- eminent~~
24 ~~domain-proceeding-under-this-chapter~~ acquiring an interest in
25 real property, the acquiring authority must obtain at least one
26 appraisal for the property proposed to be acquired. In making
27 the appraisal, the appraiser must confer with one or more of the
28 fee owners or contract purchasers of the property, if reasonably
29 possible. Notwithstanding section 13.44 or any other law to the
30 contrary, the acquiring authority must provide the fee owner or
31 contract purchaser with a copy of the appraisal at least 20 days
32 before presenting a petition under section 117.055, the
33 ~~acquiring-authority-must-provide-the-owner-with-a-copy-of-the~~
34 ~~appraisal~~ and inform the ~~owner-of-the-owner's~~ fee owner or
35 contract purchaser of the right to obtain an appraisal under
36 this section. Upon request, the acquiring authority must make

1 available to the fee owner or contract purchaser all appraisals
2 of the property.

3 (b) The fee owner or contract purchaser may obtain an
4 appraisal by a qualified appraiser of the property proposed to
5 be acquired. The fee owner or contract purchaser is entitled to
6 reimbursement for the reasonable costs of the appraisal from the
7 acquiring authority up to a maximum of \$1,500 ~~within-30-days~~
8 ~~after-the~~ if the fee owner or contract purchaser:

9 (1) submits to the acquiring authority a copy of the
10 appraisal and the information necessary for reimbursement,
11 ~~provided-that-the-owner-does-so;~~

12 (2) requests reimbursement within 60 90 days after the
13 ~~owner-receives~~ receiving the appraisal from the authority under
14 paragraph (a) and at least 30 days before a condemnation
15 commissioners' hearing; and

16 (3) ensures that the appraisal is conducted in accordance
17 with the Uniform Standards of Professional Appraisal Practice.
18 The acquiring authority must pay the reimbursement to the fee
19 owner or contract purchaser within 30 days after receiving a
20 copy of the appraisal and the reimbursement information. Upon
21 agreement between the acquiring authority and either the fee
22 owner or contract purchaser, the acquiring authority may pay the
23 reimbursement up to \$1,500 directly to the appraiser.

24 Subd. 3. [NEGOTIATION.] In addition to the appraisal
25 requirements under subdivision 2, before commencing an eminent
26 domain proceeding, the acquiring authority must make a good
27 faith attempt to negotiate personally with the fee owner or
28 contract purchaser of the property in order to acquire the
29 property by direct purchase instead of the use of eminent domain
30 proceedings. In making this negotiation, the acquiring
31 authority must consider the appraisals in its possession,
32 including any appraisal obtained and furnished by the fee owner
33 or contract purchaser if available, and other information that
34 may be relevant to a determination of damages under this chapter.

35 Subd. 4. [CONDEMNATION COMMISSIONERS' HEARING.] (a)
36 Notwithstanding section 13.44, an owner's appraisal may not be

1 used or considered in a condemnation commissioners' hearing
2 conducted under section 117.085, nor may the owner's appraiser
3 testify, unless a copy of the owner's appraiser's written report
4 is provided to the acquiring authority at least five days before
5 the hearing.

6 (b) Notwithstanding section 13.44, the acquiring
7 authority's appraisal may not be used or considered in a
8 condemnation commissioners' hearing conducted under section
9 117.085, nor may the acquiring authority's appraiser testify,
10 unless a copy of the acquiring authority's appraiser's written
11 report is provided to the owner or contract purchaser at least
12 five days before the hearing.

13 Sec. 3. Minnesota Statutes 2004, section 161.44, is
14 amended by adding a subdivision to read:

15 Subd. 9a. [APPROPRIATION.] (a) Proceeds from the sale or
16 lease of real estate and buildings under this section and
17 sections 161.23 and 161.41 must be paid into the trunk highway
18 fund and are appropriated to the commissioner to pay:

19 (1) for the actual cost of selling or leasing the real
20 estate or buildings; and

21 (2) the fees required to be paid under this section and
22 section 161.23.

23 (b) Proceeds are available until expended.

24 Sec. 4. Minnesota Statutes 2004, section 161.442, is
25 amended to read:

26 161.442 [RECONVEYANCE TO FORMER OWNER.]

27 Notwithstanding sections 161.23, 161.41, 161.411, 161.43,
28 161.44, or any other statute, the commissioner of
29 transportation, with the consent of the owner, or for good cause
30 and with the consent of the court, may transfer, sell, or convey
31 real property including fixtures, and interests in real property
32 including easements, to the owner from whom the property was
33 acquired by the state for trunk highway purposes through a
34 pending eminent domain action. The transfer of title may be by
35 stipulation, partial dismissal, bill of sale, or conveyance.
36 Any resulting change in the state's acquisition must be

1 explained in the final certificate for that action. This
2 provision does not confer on a landowner the right to compel a
3 reconveyance without the consent of the commissioner.

4 [EFFECTIVE DATE.] This section is effective the day
5 following final enactment.

6 Sec. 5. Minnesota Statutes 2004, section 515B.1-107, is
7 amended to read:

8 515B.1-107 [EMINENT DOMAIN.]

9 (a) If a unit is acquired by eminent domain, or if part of
10 a unit is acquired by eminent domain leaving the unit owner with
11 a remnant which may not practically or lawfully be used for any
12 material purpose permitted by the declaration, the award shall
13 compensate the unit owner and secured party in the unit as their
14 interests may appear, whether or not any common element interest
15 is acquired. Upon acquisition, unless the order or final
16 certificate otherwise provides, that unit's allocated interests
17 are automatically reallocated among the remaining units in
18 proportion to their respective allocated interests prior to the
19 taking, and the association shall promptly prepare, execute, and
20 record an amendment to the declaration reflecting the
21 allocations. Any remnant of a unit remaining after part of a
22 unit is taken under this subsection is thereafter a common
23 element.

24 (b) Except as provided in subsection (a), if part of a unit
25 is acquired by eminent domain, the award shall compensate the
26 unit owner and secured party for the reduction in value of the
27 unit and its interest in the common elements, whether or not any
28 common elements are acquired. Upon acquisition, unless the
29 order or final certificate otherwise provides, (i) that unit's
30 allocated interests are reduced in proportion to the reduction
31 in the size of the unit, or on any other basis specified in the
32 declaration and (ii) the portion of the allocated interests
33 divested from the partially acquired unit are automatically
34 reallocated to that unit and to the remaining units in
35 proportion to the respective allocated interests of those units
36 before the taking, with the partially acquired unit

1 participating in the reallocation on the basis of its reduced
2 allocated interests.

3 (c) If part of the common elements is acquired by eminent
4 domain, the association shall accept service of process on
5 behalf of all unit owners and the portion of the award
6 attributable to the common elements taken shall be paid to the
7 association. Unless the declaration provides otherwise, any
8 portion of the award attributable to the acquisition of a
9 limited common element shall be equally divided among the owners
10 of the units to which that limited common element was allocated
11 at the time of acquisition and their secured parties, as their
12 interests may appear or as provided by the declaration.

13 (d) In any eminent domain proceeding the units shall be
14 treated as separate parcels of real estate for valuation
15 purposes, regardless of the number of units subject to the
16 proceeding.

17 (e) Any distribution to a unit owner from the proceeds of
18 an eminent domain award shall be subject to any limitations
19 imposed by the declaration or bylaws.

20 (f) The court order or final certificate containing the
21 final awards shall be recorded in every county in which any
22 portion of the common interest community is located.

23 Sec. 6. Minnesota Statutes 2004, section 515B.3-102, is
24 amended to read:

25 515B.3-102 [POWERS OF UNIT OWNERS' ASSOCIATION.]

26 (a) Except as provided in subsection (b), and subject to
27 the provisions of the declaration or bylaws, the association
28 shall have the power to:

29 (1) adopt, amend and revoke rules and regulations not
30 inconsistent with the articles of incorporation, bylaws and
31 declaration, as follows: (i) regulating the use of the common
32 elements; (ii) regulating the use of the units, and conduct of
33 unit occupants, which may jeopardize the health, safety or
34 welfare of other occupants, which involves noise or other
35 disturbing activity, or which may damage the common elements or
36 other units; (iii) regulating or prohibiting animals; (iv)

1 regulating changes in the appearance of the common elements and
2 conduct which may damage the common interest community; (v)
3 regulating the exterior appearance of the common interest
4 community, including, for example, balconies and patios, window
5 treatments, and signs and other displays, regardless of whether
6 inside a unit; (vi) implementing the articles of incorporation,
7 declaration and bylaws, and exercising the powers granted by
8 this section; and (vii) otherwise facilitating the operation of
9 the common interest community;

10 (2) adopt and amend budgets for revenues, expenditures and
11 reserves, and levy and collect assessments for common expenses
12 from unit owners;

13 (3) hire and discharge managing agents and other employees,
14 agents, and independent contractors;

15 (4) institute, defend, or intervene in litigation or
16 administrative proceedings (i) in its own name on behalf of
17 itself or two or more unit owners on matters affecting the
18 common elements or other matters affecting the common interest
19 community or, (ii) with the consent of the owners of the
20 affected units on matters affecting only those units;

21 (5) make contracts and incur liabilities;

22 (6) regulate the use, maintenance, repair, replacement and
23 modification of the common elements and the units;

24 (7) cause improvements to be made as a part of the common
25 elements, and, in the case of a cooperative, the units;

26 (8) acquire, hold, encumber, and convey in its own name any
27 right, title, or interest to real estate or personal property,
28 but (i) common elements in a condominium or planned community
29 may be conveyed or subjected to a security interest only
30 pursuant to section 515B.3-112, or (ii) part of a cooperative
31 may be conveyed, or all or part of a cooperative may be
32 subjected to a security interest, only pursuant to section
33 515B.3-112;

34 (9) grant public utility and transportation easements
35 through, over or under the common elements, and, subject to
36 approval by resolution of unit owners other than declarant or

1 its affiliates at a meeting duly called, grant other public or
2 private easements, leases and licenses through, over or under
3 the common elements;

4 (10) impose and receive any payments, fees, or charges for
5 the use, rental, or operation of the common elements, other than
6 limited common elements, and for services provided to unit
7 owners;

8 (11) impose charges for late payment of assessments and,
9 after notice and an opportunity to be heard, levy reasonable
10 fines for violations of the declaration, bylaws, and rules and
11 regulations of the association;

12 (12) impose reasonable charges for the review, preparation
13 and recordation of amendments to the declaration, resale
14 certificates required by section 515B.4-107, statements of
15 unpaid assessments, or furnishing copies of association records;

16 (13) provide for the indemnification of its officers and
17 directors, and maintain directors' and officers' liability
18 insurance;

19 (14) provide for reasonable procedures governing the
20 conduct of meetings and election of directors;

21 (15) exercise any other powers conferred by law, or by the
22 declaration, articles of incorporation or bylaws; and

23 (16) exercise any other powers necessary and proper for the
24 governance and operation of the association.

25 (b) Notwithstanding subsection (a) the declaration or
26 bylaws may not impose limitations on the power of the
27 association to deal with the declarant which are more
28 restrictive than the limitations imposed on the power of the
29 association to deal with other persons.

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Senate

State of Minnesota

**S.F. No. 3454 - Allowing Certain Subcontracting Transit
Providers to Receive Financial Assistance From
Metropolitan Council**

Author: Senator Linda Higgins

Prepared by: Bonnie Berezovsky, Senate Counsel (651/296-9191) *BB*
Krista Boyd, Fiscal Analyst (651/296-7681) *KB*

Date: March 28, 2006

Section 1 permits a transit service provider, acting as a subcontractor, to receive financial assistance from the Metropolitan Council, if the provider meets eligibility requirements and the primary contractor is a 501(c)(3) organization.

Section 2 adds a reference to subcontract in the section of law dealing with transit provider eligibility for Metropolitan Council financial assistance.

BB/KB:rer

Senators Higgins and Cohen introduced—

S.F. No. 3454: Referred to the Committee on Transportation.

A bill for an act relating to metropolitan government; modifying transit service contract requirements; amending Minnesota Statutes 2004, section 473.384, subdivisions 1, 2.

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

Section 1. Minnesota Statutes 2004, section 473.384, subdivision 1, is amended to read:

Subdivision 1. **Contracts required.** The council shall make contracts with eligible recipients for financial assistance to transit service within the metropolitan area. The council may not give financial assistance to another transit provider without first having executed a contract. A provider of transit service may receive financial assistance from the council through a subcontract if the subcontractor meets the eligibility requirements of subdivision 2 and has been approved by the council, and the primary contractor is an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time.

The provisions of this section do not apply to contracts made under sections 473.386 and 473.388.

Sec. 2. Minnesota Statutes 2004, section 473.384, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** To be eligible to receive financial assistance by contract or subcontract under this section a recipient must be:

(a) a county, statutory or home rule charter city or town or combination thereof, or public authority organized and existing pursuant to chapter 398A, providing financial assistance to or providing or operating public transit; or

(b) a private provider of public transit.

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S.F. No. 2657 - Taxpayers' Transportation Accountability Act

Author: Senator David J. Tomassoni

Prepared by: Krista Boyd, Fiscal Analyst (651/296-7681) *KB*
Bonnie Berezovsky, Senate Counsel (651/296-9191) *BB*

Date: March 28, 2006

Section 1, Subdivision 1 defines "privatization transportation contract" as enforceable agreement(s) between a private contractor and the Commissioner of Transportation to provide supplies, material or work incidental to trunk highway construction, improvement or maintenance.

Subdivision 2 limits the applicability of **Section 1** to those privatization transportation contracts totaling \$25,000 or more.

Subdivision 3:

- ◆ **Paragraph (a)** requires the Commissioner of Transportation to prepare, before entering into a privatization contract, a comprehensive written estimate of the cost of having the same work, supplies or materials provided by agency employees.
- ◆ **Paragraph (b)** requires the Commissioner of Transportation to prepare, after having publicly designated the privatization contract awardee, a comprehensive written estimate of the cost of the proposal based on the responder's bid.
- ◆ **Paragraph (c)** requires that if the privatization contract totals \$250,000 or more, the Commissioner of Transportation shall determine that:

2657

March 28, 2006

Page 2

- (1) the cost will be at least ten percent lower than the cost of comparable work provided by agency employees;
- (2) the quality of the work, supplies or materials to be provided will equal or exceed the quality of services that could be provided by agency employees; and
- (3) the proposed privatization contract is in the public interest.

Subdivision 4 requires the Commissioner of Transportation to provide the Legislature with an annual written report detailing all privatization transportation contracts executed or performed in the previous fiscal year. This report shall be due no later than September 1.

Subdivision 5 titles **Section 1** the "Taxpayers' Transportation Accountability Act."

[Section 1 is effective the day following final enactment.]

KB/BB:rer

Senators Tomassoni and Metzen introduced-

S.F. No. 2657: Referred to the Committee on Transportation.

A bill for an act

1.2 relating to transportation; requiring commissioner of transportation, before
1.3 entering into privatization transportation contract, to compare cost of
1.4 state employee performance with cost of privatization contract; requiring
1.5 commissioner to determine that cost of privatization contract will be ten percent
1.6 less than cost of state employee performance for contract of \$25,000 or more;
1.7 requiring commissioner to file annual report of privatization transportation
1.8 contracts; proposing coding for new law in Minnesota Statutes, chapter 161.

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

1.10 Section 1. [161.3203] CONTRACTS FOR WORK, SUPPLIES, OR MATERIALS
1.11 FOR TRUNK HIGHWAY.

1.12 Subdivision 1. Privatization transportation contracts. A privatization
1.13 transportation contract is an enforceable agreement, or combination or series of
1.14 agreements, by which a private contractor agrees with the commissioner of transportation
1.15 to provide supplies, materials, or work incidental to the construction, improvement, or
1.16 maintenance of trunk highways.

1.17 Subd. 2. Applicability. This section applies to privatization transportation contracts
1.18 in a total amount of \$25,000 or more. The requirements imposed by this section are in
1.19 addition to, and do not supersede, the requirements of any other applicable section of law.

1.20 Subd. 3. Review of contract costs. (a) Before entering into a privatization
1.21 transportation contract, the commissioner of transportation shall prepare a comprehensive
1.22 written estimate of the cost of having the same work, supplies, or materials provided in the
1.23 most cost-effective manner by agency employees. The estimate must include all direct
1.24 costs of having agency employees provide the work, supplies, or materials, including the
1.25 cost of pension, insurance, and other employee benefits. The estimate is nonpublic data,
1.26 as defined in section 13.02, subdivision 9, until the day after the deadline for receipt of

2.1 responses under paragraph (b), when it becomes public data and must be published in
2.2 the State Register.

2.3 (b) After soliciting and receiving responses, the commissioner shall publicly
2.4 designate the responder to which it proposes to award the privatization contract. The
2.5 commissioner shall prepare a comprehensive written estimate of the cost of the proposal
2.6 based on the responder's bid, including the cost of a transition from public to private
2.7 provision of the work, any additional unemployment and retirement benefits resulting
2.8 from the transfer, and costs associated with monitoring the proposed contract. If the
2.9 designated responder proposes to perform any or all of the desired services outside the
2.10 state, the commissioner of transportation shall determine, as nearly as possible, any loss of
2.11 sales and income tax revenue to the state. The commissioner shall include that amount in
2.12 the cost estimate prepared under this paragraph.

2.13 (c) With respect to a privatization transportation contract for \$250,000 or more, the
2.14 commissioner shall determine that:

2.15 (1) the cost of the contract will be at least ten percent lower than the cost determined
2.16 under paragraph (a);

2.17 (2) the quality of the work, supplies, or materials to be provided by the designated
2.18 responder is likely to equal or exceed the quality of services that could be provided by
2.19 department of transportation employees; and

2.20 (3) the proposed privatization contract is in the public interest.

2.21 Subd. 4. **Reports.** The commissioner shall provide, no later than September 1, an
2.22 annual written report to the legislature, in compliance with sections 3.195 and 3.197, and
2.23 shall submit the report to the chairs of the senate and house of representatives committees
2.24 having jurisdiction over transportation. The report must list all privatization transportation
2.25 contracts within the meaning of this section that were executed or performed, whether
2.26 wholly or in part, in the previous fiscal year. The report must identify, with respect to each
2.27 contract, the contractor; contract amount; duration; work, supplies, or materials provided
2.28 or to be provided; the comprehensive estimate derived under subdivision 3, paragraph (a);
2.29 the comprehensive estimate derived under subdivision 3, paragraph (b); the actual cost to
2.30 the agency of the contractor's performance of the contract; and for contracts of at least
2.31 \$250,000 a statement containing the commissioner's determinations under subdivision 3,
2.32 paragraph (c).

2.33 Subd. 5. **Short title.** This section is the "Taxpayers' Transportation Accountability
2.34 Act."

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

Fiscal Note – 2005-06 Session

Bill #: S2657-0 **Complete Date:** 03/28/06

Chief Author: TOMASSONI, DAVID

Title: TRANSPORTATION ACCOUNTIBILITY ACT

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Transportation Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
Trunk Highway Fund			79	79	79
Less Agency Can Absorb					
Trunk Highway Fund			0	0	0
Net Expenditures					
Trunk Highway Fund			79	79	79
Revenues					
-- No Impact --					
Net Cost <Savings>					
Trunk Highway Fund			79	79	79
Total Cost <Savings> to the State			79	79	79

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill Description

Senate File 2657 defines "privatization transportation contracts" as enforceable agreements for providing "...supplies, materials, or work incidental to the construction, improvement, or maintenance of trunk highways." Before the Commissioner of Transportation enters into a privatization transportation contract for \$25,000 or more, she would be required to prepare a comprehensive written estimate of the cost of having the same work, supplies, or materials provided in the most cost-effective manner by Mn/DOT employees. Once a decision has been reached regarding awarding a privatization transportation contract, the commissioner would be required to prepare a comprehensive estimate of the costs of having the contractor perform the work, based on the contractor's bid proposal, but also including any additional costs related to a transition from public to private provision of the work (e.g., unemployment compensation, cost of supervision of the contractor, lost state sales and income tax revenue, if any, etc.). For privatization transportation contracts for \$250,000 or more, the commissioner would be required to determine that (1) the cost of the contract will be at least 10% lower than having the work done by Mn/DOT employees, (2) the quality of the work, supplies, or materials "...is likely to equal or exceed the quality of services that could be provided by department of transportation employees," and (3) the proposed contract is in the public interest. Presumably the commissioner would not be able to enter into the contract if this determination were that costs were not at least 10% lower, the quality was lower, and the contract was not in the public interest. An annual report would be required listing all privatization transportation contracts from the previous fiscal year, and providing a variety of information about each of these contracts.

Assumptions

- 1) The comprehensive written estimate, transition costs analysis and determination requirements for contracts costing \$250,000 or more will apply to all Mn/DOT contracts with total contracted amounts of \$25,000 or more. The assumption is based on Mn/DOT's understanding of the author's intent.
- 2) Some contracts extend beyond one year but are analyzed one time, not in successive years.
- 3) Approximately 80% of the Engineering Consultant contracts relate to Program Delivery. The remaining 20% are for miscellaneous contracts such as drug testing, information technology/computer services, training, etc.

Expenditure and/or Revenue Formula

Listed below is a summary of the annual number of Mn/DOT contracts valued at \$25,000 or more.

Construction Contracts	223	(158 over \$250,000)
Engineering Consultant Contracts	562	(400 over \$250,000)
Total	785	(558 over \$250,000)

Of the contracts listed above 558 of them are valued at \$250,000 or more.

Mn/DOT estimates that an Engineering Specialist at mid-salary range, plus 30% for state paid fringe benefits and 2-hours analysis per contract, would be required to analyze each of the contracts executed during a year. This amount times the estimated number of contracts would result in **\$51,000** of additional costs per year to analyze all contracts.

In addition additional analysis leading to the "determinations" mentioned in the bill description will be required for those contracts valued at \$250,000 or more. This will require a mid-range Engineering Specialist, plus 30% for fringe benefits times 1-hour per contract. This amount times the estimated number of contracts would result in **\$18,000** of additional costs per year.

The department would also be required to prepare an annual report providing specified information about each privatization transportation contract. The department estimates the cost of this preparation to be **\$10,000** (including professional staff, plus printing and related administrative costs). The total cost impact of this bill is the sum of the numbers shown in bold in the previous three paragraphs. This amount has been entered on the fiscal note for fiscal years 2007, 2008, and 2009. There would possibly some costs incurred in fiscal year 2006 as well, since the bill's effective date is the "day after enactment," but these have not been entered on the fiscal note.

These additional requirements related to contracting would also add approximately 2 to 3-hours to the time required to execute each contract. Although not directly quantifiable, this delay also has potential cost implications, especially for construction contracts where rapid inflationary cost increases are currently being experienced.

Long-Term Fiscal Considerations

The costs estimated above would continue in years beyond fiscal year 2009.

Local Government Costs

None.

References/Sources

Mn/DOT Construction Office
Mn/DOT Consultant Services Office
Mn/DOT Division Director, Operations, Safety, and Technology

FN Coord Signature: BRUCE BRIESE
Date: 03/28/06 Phone: 297-1203

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: NORMAN FOSTER
Date: 03/28/06 Phone: 215-0594

1.1 Senator moves to amend S.F. No. 2657 as follows:

1.2 Page 1, line 17, after "contracts" insert a colon

1.3 Page 1, delete line 18 and insert: "

1.4 (1) in a total amount of \$25,000 or more; and

1.5 (2) for work that is substantially similar to work done by state employees at any time
1.6 within the past 15 years, or for work that available state employees are able to perform."

1.7 Page 1, line 19, before "addition" insert "The requirements imposed by this section
1.8 are in"

1.9 Page 2, line 15, delete "ten" and insert "five"

**Senate Counsel, Research,
and Fiscal Analysis**

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Senate

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**S.F. No. 3473 - Special License Plates for Disabled
Veterans**

Author: Senator Steve Murphy

Prepared by: Bonnie Berezovsky, Senate Counsel (651/296-9191) *BB*
Krista Boyd, Fiscal Analyst (651/296-7681) *KB*

Date: March 28, 2006

Section 1 amends a statute enacted in 2005, changing it in the following ways:

- Plate inscription reads "Disabled Veteran" instead of "Disabled American Veteran";
- Plate owner must have been awarded a claim for disability from the United States Department of Veterans Affairs, instead of having a permanent and total service-connected disability; and
- Plate will be designed by the Commissioner of Veterans Affairs with the approval of the Commissioner of Public Safety, instead of by the Commissioner of Public Safety.

Section 2 removes vans and pickup trucks from the definition of motor vehicle for purposes of the section of statute relating to special license plates for disabled veterans.

BB/KB:rer

Senator Murphy introduced—

S.F. No. 3473: Referred to the Committee on Transportation.

1.1 A bill for an act
 1.2 relating to motor vehicles; authorizing special plates for all disabled veterans;
 1.3 making technical changes; amending Minnesota Statutes 2005 Supplement,
 1.4 section 168.1251, subdivisions 1, 5.

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

1.6 Section 1. Minnesota Statutes 2005 Supplement, section 168.1251, subdivision 1,
 1.7 is amended to read:

1.8 Subdivision 1. **Issuance and design.** The commissioner shall issue special license
 1.9 plates bearing the inscription "DISABLED AMERICAN VETERAN" to an applicant
 1.10 who is certified in writing by the United States Department of Veterans Affairs or the
 1.11 state commissioner of veterans affairs as having ~~a permanent and total service-connected~~
 1.12 ~~disability~~ been awarded a claim for disability from the United States Department of
 1.13 Veterans Affairs, who complies with all laws relating to the registration and licensing of
 1.14 motor vehicles and drivers, and who pays a fee of \$10 for each set of license plates applied
 1.15 for. The commissioner of veterans affairs shall design the special license plates ~~must be of~~
 1.16 ~~a design and size determined by the commissioner~~ subject to the approval of the registrar.

1.17 Sec. 2. Minnesota Statutes 2005 Supplement, section 168.1251, subdivision 5, is
 1.18 amended to read:

1.19 Subd. 5. **Motor vehicle; special definition.** For purposes of this section, "motor
 1.20 vehicle" means a vehicle for personal use, not used for commercial purposes, and may
 1.21 include a passenger automobile, ~~van, pickup truck,~~ motorcycle, or recreational vehicle.

1.1 Senator moves to amend S.F. No. 3473 as follows:

1.2 Page 1, line 12, after "for" insert "a service-connected"



Department of Minnesota, Inc.
State Veterans Service Building, 3rd Floor
St. Paul, Minnesota 55155
Phone: (651) 291-1212
Fax: (651) 291-0115
www.davmn.org

March 28, 2006

Michael Campion
Office of the Commissioner of MN Public Safety
445 Minnesota Street
St. Paul, MN 55101

Dear Sir;

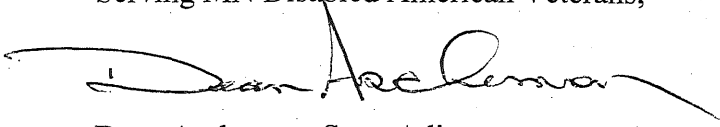
The purpose of this letter is to state the strong support of the MN Disabled American Veterans (DAV) for the Senate Bill SF3473 and companion House Bill HF3646... which asks for a license plate for Minnesota Disabled Veterans. Currently there are over 39,000 disabled veterans living in Minnesota and what a better way to honor those who not only fought for their Country, but were injured and disabled serving their Country and have lived with their disabilities after their return home to Minnesota.

The DAV organization (19,000 members strong in MN) went on record supporting the disabled veteran license plate at their state convention last year.

We ask you and those Legislators serving on Committee to join us in honoring Minnesota Disabled Veterans through a special plate they can opt to apply for.

We thank you in advance!

Serving MN Disabled American Veterans;



Dean Ascheman, State Adjutant

cc: Paul McCarron
State Legislative Chair, MN DAV

**Senate Counsel, Research,
and Fiscal Analysis**

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JO ANNE ZOFF SELLNER
DIRECTOR

Senate

State of Minnesota

S.F. No. 3327 - Impounded and Abandoned Motor Vehicles (Delete-Everything Amendment, SCS3327A-2)

Author: Senator D. Scott Dibble

Prepared by: Bonnie Berezovsky, Senate Counsel (651/296-9191) *BB*
Krista Boyd, Fiscal Analyst (651/296-9191) *KB*

Date: March 28, 2006

Section 1 provides that 60 percent of motor vehicle transfer fee revenues must be credited to the abandoned vehicle account, created in section 7 of this amendment from July 1, 2006, until June 30, 2007. Motor vehicle transfer fee revenues are currently dedicated to the general fund and are scheduled to be credited to the environmental fund after June 30, 2007. The credit to the environmental fund is eliminated in this amendment.

Section 2 allows a nonpublic impound lot operator to sell or dispose of an impounded vehicle before the expiration of the 45-day waiting period, if the vehicle owner provides a written statement of consent to transfer of title or disposal of the vehicle and contents.

Section 3 clarifies that an owner's failure to reclaim any contents is deemed to be a waiver of any interest in remaining contents of the vehicle. The notice to the owner of an impounded vehicle must include the statement, "You have the right to pick up the contents of your car, whether or not you intend to reclaim your car."

Section 4 is a new subdivision concerning retrieval of contents of an impounded vehicle. The section requires a unit of government or impound lot operator to establish reasonable procedures for retrieval of contents without charge. The owner may retrieve contents at any time before the waiting period expires, or before the owner consents to transfer of title, whichever occurs earlier. Contents do not include permanently affixed auto parts, auto body parts, or accessories including audio or video players.

Section 5 provides that the owner's or lienholder's failure to reclaim a vehicle and contents in timely fashion is a waiver of claim to the vehicle and contents. The impound lot operator may then sell or dispose of the vehicle and its contents.

Section 6 eliminates existing language providing for a nonpublic impound lot operator's deficiency claim against the registered owner for towing, storage, and inspection.

Section 7 creates the abandoned vehicle account in the special revenue fund. A portion of the motor vehicle transfer fee, as specified in section 1, is credited to the account and used by the Commissioner of Public Safety ten percent for administration costs and 90 percent for compensation to impound lot operators for allowable deficiency claims.

Section 8 directs the commissioner to adopt guidelines that:

- (1) require a unit of government or impound lot operator to substantiate a reimbursement claim;
- (2) allow reimbursement of expenses of providing notice and determining the identity and address of the registered owner;
- (3) limit a towing claim to \$75/vehicle;
- (4) limit a storage claim to \$25/day for 25 days for a junk or abandoned vehicle, or \$25/day for 55 days for an unauthorized vehicle not impounded by the city of Minneapolis or the city of St. Paul; and
- (5) limit a transportation claim for moving an unauthorized vehicle to a disposal facility to \$75/vehicle.

Section 9 adds the towing of damaged vehicles to a place of safekeeping to the existing exemption from weight limit laws for a tow truck or towing vehicle.

Section 10 establishes a \$300 annual permit fee for an overweight, over-length tow truck or towing vehicle that tows disabled or damaged vehicles to a place of repair or a place of safekeeping.

Section 11 directs the Department of Administration to study the Department of Public Safety's motor vehicle title transfer system and make recommendations to improve the safety and accuracy of the system. An Advisory Committee is created with four legislators, and representatives of various named organizations. The Department of Administration must present its report and recommendations to the Legislature no later than December 15, 2006.

Section 12 appropriates an unspecified amount from the general fund to the Commissioner of Administration for the study in section 11.

BB/KB:rer

Senators Dibble, Ortman, Senjem and Rest introduced—
S.F. No. 3327: Referred to the Committee on Transportation.

1.1 A bill for an act
1.2 relating to transportation; governing contents of impounded vehicles; amending
1.3 Minnesota Statutes 2004, sections 168B.06, subdivision 1; 168B.07, by adding
1.4 subdivisions.

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

1.6 Section 1. Minnesota Statutes 2004, section 168B.06, subdivision 1, is amended to read:

1.7 Subdivision 1. **Contents; notice given within five days.** When an impounded
1.8 vehicle is taken into custody, the unit of government or impound lot operator taking it
1.9 into custody shall give notice to the vehicle owner of the taking within five days. The
1.10 notice shall:

1.11 ~~(a)~~ (1) set forth the date and place of the taking, the year, make, model and serial
1.12 number of the impounded motor vehicle if such information can be reasonably obtained
1.13 and the place where the vehicle is being held;

1.14 ~~(b)~~ (2) inform the vehicle owner and any lienholders of their right to reclaim the
1.15 vehicle under section 168B.07; ~~and;~~

1.16 ~~(c)~~ (3) state that failure of the owner or lienholders to exercise their right to reclaim
1.17 the vehicle ~~and contents~~ within the appropriate time allowed under section 168B.051,
1.18 subdivision 1, 1a, or 2, shall be deemed a waiver by them of all right, title, and interest in
1.19 the vehicle and remaining contents and a consent to the transfer of title to and disposal or
1.20 sale of the vehicle and remaining contents pursuant to section 168B.08; and

1.21 (4) state: “You have the right to pick up your contents from your car, whether or
1.22 not you give up the right to reclaim your car. But if you are NOT going to reclaim your
1.23 car, after you get your contents, you must immediately (or as soon as possible) transfer

2.1 title to the car to the impound lot operator or city. This will save money for you and the
2.2 impound lot operator or the city."

2.3 Sec. 2. Minnesota Statutes 2004, section 168B.07, is amended by adding a subdivision
2.4 to read:

2.5 Subd. 3. Retrieval of contents; liability. (a) A unit of government or impound
2.6 lot operator shall establish a reasonable procedure for retrieval of vehicle contents. At
2.7 any time before the expiration of the waiting periods provided in section 168B.051,
2.8 subdivision 1, 1a, or 2, the owner of an impounded vehicle has the right to retrieve,
2.9 without charge, any and all contents. For the purposes of this subdivision, "contents"
2.10 means all personal belongings and does not include any mechanical or nonmechanical
2.11 automobile parts or automobile body parts, or any automobile accessories, including audio
2.12 or video players, temporarily or permanently affixed to the vehicle.

2.13 (b) An impound lot operator who violates this subdivision, or section 168B.06,
2.14 subdivision 1, is liable to an aggrieved party for the greater of \$500 or treble damages,
2.15 plus reasonable attorney fees and costs.

2.16 Sec. 3. Minnesota Statutes 2004, section 168B.07, is amended by adding a subdivision
2.17 to read:

2.18 Subd. 4. Voluntary renunciation. Notwithstanding section 168B.051, subdivision
2.19 1, 1a, or 2, an owner who voluntarily renounces the right to reclaim an impounded vehicle
2.20 shall immediately, or as soon as reasonably practicable, transfer title to the impound lot
2.21 operator or unit of government.

**Senate Counsel, Research,
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Senate

State of Minnesota

S.F. No. 3246 - Contracting Authority And Civil Liability Relating to Commuter Rail (As Amended by SCS3246A-3, First Engrossment)

Author: Senator Don Betzold

Prepared by: Bonnie Berezovsky, Senate Counsel (651/296-9191) *BB*
Krista Boyd, Fiscal Analyst (651/296-9191) *KB*

Date: March 28, 2006

Section 1 makes the following changes in the section of law that governs Minnesota Department of Transportation (MnDOT's) duties with respect to commuter rail:

- Characterizes the commissioner's commuter-rail duties as governmental functions that serve a public purpose and are a matter of public necessity.
- Authorizes the commissioner, or a public entity acting for MnDOT, to contract with a Class I railroad to share use of railroad right-of-way, or to construct or utilize rail track, facilities, or services for commuter rail.
- Provides that statutory municipal tort liability limits, prohibition of punitive damages, and statutory provisions allowing municipalities to purchase liability insurance in excess of statutory liability limits, govern liability of Class I railroads and employees arising from joint use of railroad right-of-way and provision of commuter rail services and facilities.
- Allows MnDOT and a Class I railroad to allocate by contract respective financial responsibility and procurement of insurance against all claims or damages.

- States that a contract under this section does not affect employee rights under the Federal Employers Liability Act or the Federal Railway Labor Act.

BB/KB:rer

1.1 A bill for an act
1.2 relating to transportation; commuter rail; authorizing the commissioner to
1.3 contract for use of railroad right-of-way; regulating civil liability; amending
1.4 Minnesota Statutes 2004, section 174.82.

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

1.6 Section 1. Minnesota Statutes 2004, section 174.82, is amended to read:

1.7 **174.82 COMMISSIONER'S DUTIES.**

1.8 The planning, development, construction, operation, and maintenance of commuter
1.9 rail track, facilities, and services are essential governmental functions, serve a public
1.10 purpose, and are a matter of public necessity. The commissioner shall be responsible for
1.11 all aspects of planning, developing, constructing, operating, and maintaining commuter
1.12 rail, including system planning, advanced corridor planning, preliminary engineering,
1.13 final design, construction, negotiating with railroads, and developing financial and
1.14 operating plans. The commissioner may enter into a memorandum of understanding or
1.15 agreement with a public or private entity, including a regional railroad authority, a joint
1.16 powers board, and a railroad, to carry out these activities. The commissioner, or public
1.17 entity contracting with the commissioner, may contract with a railroad that is a Class I
1.18 railroad under federal law for the joint or shared use of the railroad's right-of-way or the
1.19 construction, operation, or maintenance of rail track, facilities, or services for commuter
1.20 rail purposes. Notwithstanding section 3.732, subdivision 1, clause (2), or section 466.01,
1.21 subdivision 6, the Class I railroad and its employees acting under a commuter rail contract
1.22 are immune from punitive damages in the same manner as the state or a municipality
1.23 under section 3.736, subdivision 3, and section 466.04, subdivision 1, paragraph (b), and
1.24 are entitled to indemnification as provided in section 3.736, subdivision 9, and section

2.1 466.07. Notwithstanding any law to the contrary, a contract with the Class I railroad for
2.2 any commuter rail service, or joint or shared use of the railroad's right-of-way, may also
2.3 provide for the allocation of financial responsibility and the procurement of insurance for
2.4 the parties for all types of claims or damages. A contract entered into under this section
2.5 does not affect rights of employees under the Federal Employers Liability Act.

1.1 Senator moves to amend S.F. No. 3246 as follows:

1.2 Page 1, line 9, delete "essential"

1.3 Page 1, line 21, after the comma, insert "sections 466.04 and 466.06 govern the
1.4 liability of" and delete "acting under a commuter rail contract"

1.5 Page 1, delete lines 22 to 24

1.6 Page 2, line 1, delete "466.07" and insert "arising from the joint or shared use of
1.7 the railroad right-of-way or the provision of commuter rail construction, operation, or
1.8 maintenance services pursuant to the contract"

1.9 Page 2, line 5, after "Act" insert "or the federal Railway Labor Act"

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Senate

State of Minnesota

S.F. No. 1811 - Authorizing Local Governments to Permit Low-Speed Neighborhood Electric Vehicle Operation on Residential Roadways (SCS1811A-2 Amendment)

Author: Senator Paul E. Koering

Prepared by: Krista Boyd, Fiscal Analyst (651/296-7681) *KB*
Bonnie Berezovsky, Senate Counsel (651/296-9191) *BB*

Date: March 28, 2006

Section 1 includes neighborhood electric vehicles in the definition of “passenger automobile” in the vehicle registration chapter.

Section 2 adds the definition of “neighborhood electric vehicle,” as defined in **Section 4**, to the vehicle registration chapter.

Section 3 adds a subdivision to the chapter on vehicle titles, requiring a neighborhood electric vehicle to be properly titled. The neighborhood electric vehicle must have a vehicle identification number and a manufacturer’s certificate of origin in order to be issued a title. Homemade neighborhood or low-speed vehicles and retrofitted golf carts shall not be issued a vehicle identification number, and do not qualify as neighborhood electric vehicles.

Section 4 defines “neighborhood electric vehicle” as an electrically powered motor vehicle with four wheels, and with a speed attainable in one mile of at least 20 miles per hour but not more than 25 miles per hour on a paved level surface.

Section 5 adds a section on neighborhood electric vehicles to the chapter on traffic regulations.

1811

March 28, 2006

Page 2

Subdivision 1 defines "road authority" for purposes of this section, as:

- ◆ Commissioner of transportation, as to trunk highways;
- ◆ County board, as to county state-aid and county highways;
- ◆ Town board, as to town roads; and
- ◆ Governing board of a city, as to city streets.

Subdivision 2 allows a neighborhood electric vehicle to operate on public streets and highways, provided that it meets all equipment and vehicle safety requirements.

Subdivision 3 states that neighborhood electric vehicles may not operate on streets or highways with speed limits of greater than 35 miles per hour, except to cross that street or highway.

Subdivision 4 allows a road authority to prohibit or further restrict the operation of neighborhood electric vehicles on any street or highway in the authority's jurisdiction. It further prohibits the use of a neighborhood electric vehicle in a motor vehicle examination.

KB/BB:rer



Senators Koering, Murphy, Day, Ourada and Johnson, D.E. introduced--
S.F. No. 1811: Referred to the Committee on Transportation.

1 A bill for an act
2 relating to traffic regulations; authorizing local
3 governments to permit low-speed neighborhood electric
4 vehicles to be operated on residential roadways;
5 making clarifying changes; amending Minnesota Statutes
6 2004, sections 168.011, subdivision 4; 168.012,
7 subdivision 3a; 169.01, by adding a subdivision;
8 169.045.

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

10 Section 1. Minnesota Statutes 2004, section 168.011,
11 subdivision 4, is amended to read:

12 Subd. 4. [MOTOR VEHICLE.] (a) "Motor vehicle" means any
13 self-propelled vehicle designed and originally manufactured to
14 operate primarily upon public roads and highways, and not
15 operated exclusively upon railroad tracks. It includes any
16 vehicle propelled or drawn by a self-propelled vehicle and
17 includes vehicles known as trackless trolleys that are propelled
18 by electric power obtained from overhead trolley wires but not
19 operated upon rails. It does not include snowmobiles,
20 manufactured homes, or park trailers.

21 (b) "Motor vehicle" also includes an all-terrain vehicle,
22 as defined in section 84.92, subdivision 8, that (1) has at
23 least four wheels, (2) is owned and operated by a physically
24 disabled person, and (3) displays both physically disabled
25 license plates and a physically disabled certificate issued
26 under section 169.345, subdivision 3.

27 (c) "Motor vehicle" does not include an all-terrain vehicle

1 as defined in section 84.92, subdivision 8; except (1) an
2 all-terrain vehicle described in paragraph (b), or (2) an
3 all-terrain vehicle licensed as a motor vehicle before August 1,
4 1985. The owner may continue to license an all-terrain vehicle
5 described in clause (2) as a motor vehicle until it is conveyed
6 or otherwise transferred to another owner, is destroyed, or
7 fails to comply with the registration and licensing requirements
8 of this chapter.

9 (d) "Motor vehicle" does not include an electric personal
10 assistive mobility device as defined in section 169.01,
11 subdivision 90.

12 (e) "Motor vehicle" does not include a neighborhood
13 electric vehicle, as defined in section 169.01, subdivision 91.

14 Sec. 2. Minnesota Statutes 2004, section 168.012,
15 subdivision 3a, is amended to read:

16 Subd. 3a. [SPECIAL PERMITS.] Motorized golf carts,
17 neighborhood electric vehicles, and four-wheel, all-terrain
18 vehicles operated under permit and on roadways designated
19 pursuant to section 169.045 are exempt from the provisions of
20 this chapter.

21 Sec. 3. Minnesota Statutes 2004, section 169.01, is
22 amended by adding a subdivision to read:

23 Subd. 91. [NEIGHBORHOOD ELECTRIC VEHICLE.] "Neighborhood
24 electric vehicle" means an electrically powered vehicle that has
25 four wheels in contact with the ground, that has an unladen
26 weight of less than 1,900 pounds, that is designed to and does
27 operate at a maximum speed of 25 miles per hour, and that can
28 carry no more than four persons, including the driver.

29 Sec. 4. Minnesota Statutes 2004, section 169.045, is
30 amended to read:

31 169.045 [SPECIAL VEHICLE USE ON ROADWAY.]

32 Subdivision 1. [DESIGNATION OF ROADWAY, PERMIT.] (a) The
33 governing body of any county, home rule charter or statutory
34 city, or town may by ordinance authorize the operation of:

35 (1) motorized golf carts, or four-wheel, all-terrain
36 vehicles, on designated roadways or portions thereof under its

1 jurisdiction; and

2 (2) neighborhood electric vehicles that meet federal motor
3 vehicle safety standard 500 under Code of Federal Regulations,
4 title 49, section 571.500, on designated roadways having a
5 maximum speed limit of 35 miles per hour or less under its
6 jurisdiction.

7 (b) Authorization to operate a motorized golf cart,
8 neighborhood electric vehicle, or four-wheel, all-terrain
9 vehicle is by permit only.

10 (c) For purposes of this section, a four-wheel, all-terrain
11 vehicle is a motorized, flotation-tired vehicle with four
12 low-pressure tires that is limited in engine displacement of
13 less than 800 cubic centimeters and total dry weight less than
14 600 pounds.

15 Subd. 2. [ORDINANCE.] (a) The ordinance shall ~~shall~~ must
16 designate the roadways, prescribe the form of the application
17 for the permit, and require evidence of insurance complying with
18 the provisions of section 65B.48, subdivision 5 and.

19 (b) The ordinance may prescribe conditions, not
20 inconsistent with the provisions of this section, under which a
21 permit may be granted. Permits may be granted for a period of
22 not to exceed one year, and may be annually renewed. A permit
23 may be revoked at any time if there is evidence that the
24 permittee cannot safely operate the motorized golf cart,
25 neighborhood electric vehicle, or four-wheel, all-terrain
26 vehicle on the designated roadways. The ordinance may require,
27 as a condition to obtaining a permit, that the applicant submit
28 a certificate signed by a physician that the applicant is able
29 to safely operate a motorized golf cart, neighborhood electric
30 vehicle, or four-wheel, all-terrain vehicle on the roadways
31 designated.

32 Subd. 3. [TIMES OF OPERATION.] Motorized golf carts and
33 four-wheel, all-terrain vehicles may only be operated on
34 designated roadways from sunrise to sunset. They ~~shall~~ must not
35 be operated in inclement weather or when visibility is impaired
36 by weather, smoke, fog, or other conditions, or at any time when

1 there is insufficient light to clearly see persons and vehicles
2 on the roadway at a distance of 500 feet.

3 Subd. 4. [SLOW-MOVING VEHICLE EMBLEM.] Motorized golf
4 carts ~~shall~~ must display the slow-moving vehicle emblem provided
5 for in section 169.522, when operated on designated roadways.

6 Subd. 5. [CROSSING INTERSECTING HIGHWAYS.] The operator,
7 under permit, of a motorized golf cart, neighborhood electric
8 vehicle, or four-wheel, all-terrain vehicle may cross any street
9 or highway intersecting a designated roadway.

10 Subd. 6. [APPLICATION OF TRAFFIC LAWS.] Every person
11 operating a motorized golf cart, neighborhood electric vehicle,
12 or four-wheel, all-terrain vehicle under permit on designated
13 roadways has all the rights and duties applicable to the driver
14 of any other vehicle under the provisions of this chapter,
15 except when those provisions cannot reasonably be applied to
16 motorized golf carts, neighborhood electric vehicles, or
17 four-wheel, all-terrain vehicles and except as otherwise
18 specifically provided in subdivision 7.

19 Subd. 7. [NONAPPLICATION OF CERTAIN LAWS.] (a) The
20 provisions of chapter 171, are not applicable to persons
21 operating motorized golf carts, neighborhood electric vehicles,
22 or four-wheel, all-terrain vehicles under permit on designated
23 roadways pursuant to this section. ~~Except for the requirements~~
24 ~~of section 169.70,~~

25 (b) The provisions of this chapter relating to equipment on
26 vehicles ~~is~~ are not applicable to:

27 (1) motorized golf carts or four-wheel, all-terrain
28 vehicles operating, under permit, on designated roadways, except
29 for the requirements of section 169.70; and

30 (2) neighborhood electric vehicles operating, under permit,
31 on designated roadways described in subdivision 1, but they are
32 subject to the equipment requirements of Code of Federal
33 Regulations, title 49, section 571.500.

34 Subd. 8. [INSURANCE.] In the event persons operating a
35 motorized golf cart, neighborhood electric vehicle, or
36 four-wheel, all-terrain vehicle under this section cannot obtain

1 liability insurance in the private market, that person may
2 purchase automobile insurance, including no-fault coverage, from
3 the Minnesota Automobile Assigned Risk Plan at a rate to be
4 determined by the commissioner of commerce.

1.1 Senator moves to amend S.F. No. 1811 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2005 Supplement, section 168.011, subdivision 7,
1.4 is amended to read:

1.5 Subd. 7. **Passenger automobile.** (a) "Passenger automobile" means any motor
1.6 vehicle designed and used for carrying not more than 15 individuals including the driver.

1.7 (b) "Passenger automobile" does not include motorcycles, motor scooters, buses, or
1.8 school buses, or commuter vans as defined in section 168.126.

1.9 (c) "Passenger automobile" includes, but is not limited to:

1.10 (1) pickup trucks and vans, including those vans designed to carry passengers, with a
1.11 manufacturer's nominal rated carrying capacity of one ton, ~~but does not include commuter~~
1.12 vans as defined in section 168.126; and

1.13 (2) neighborhood electric vehicles as defined in section 169.01, subdivision 91.

1.14 Sec. 2. Minnesota Statutes 2004, section 168.011, is amended by adding a subdivision
1.15 to read:

1.16 Subd. 41. **Neighborhood electric vehicle.** "Neighborhood electric vehicle" has the
1.17 meaning given in section 169.01, subdivision 91.

1.18 Sec. 3. Minnesota Statutes 2004, section 168A.05, is amended by adding a subdivision
1.19 to read:

1.20 Subd. 9. **Neighborhood electric vehicle; certificate required.** Neighborhood
1.21 electric vehicles, as defined in section 169.01, subdivision 91, must be titled as specified
1.22 in section 168A.02. The department shall not issue a title for a neighborhood electric
1.23 vehicle that:

1.24 (1) lacks a vehicle identification number; and

1.25 (2) for which a manufacturer's certificate of origin clearly labeling the vehicle
1.26 as a neighborhood electric vehicle or similar designation has not been issued. The
1.27 department shall not issue a vehicle identification number to a homemade neighborhood
1.28 electric or low-speed vehicle or retrofitted golf cart, and such vehicles do not qualify as
1.29 neighborhood electric vehicles.

1.30 Sec. 4. Minnesota Statutes 2004, section 169.01, is amended by adding a subdivision
1.31 to read:

1.32 Subd. 91. **Neighborhood electric vehicle.** "Neighborhood electric vehicle" means
1.33 an electrically powered motor vehicle that has four wheels, and has a speed attainable in
1.34 one mile of at least 20 miles per hour but not more than 25 miles per hour on a paved
1.35 level surface.

2.1 Sec. 5. **[169.224] NEIGHBORHOOD ELECTRIC VEHICLES.**

2.2 Subdivision 1. Definition. For purposes of this section, "road authority" means the
2.3 commissioner, as to trunk highways; the county board, as to county state-aid highways
2.4 and county highways; the town board, as to town roads; and the governing body of
2.5 a city, as to city streets.

2.6 Subd. 2. Required equipment. Notwithstanding any other law, a neighborhood
2.7 electric vehicle may be operated on public streets and highways if it meets all equipment
2.8 and vehicle safety requirements in Code of Federal Regulations, title 49, section 571.500,
2.9 and successor requirements.

2.10 Subd. 3. Operation. A neighborhood electric vehicle may not be operated on
2.11 a street or highway with a speed limit greater than 35 miles per hour, except to make a
2.12 direct crossing of that street or highway.

2.13 Subd. 4. Restrictions and prohibitions. (a) A road authority, including the
2.14 commissioner of transportation by order, may prohibit or further restrict the operation
2.15 of neighborhood electric vehicles on any street or highway under the road authority's
2.16 jurisdiction.

2.17 (b) A neighborhood electric vehicle may not be used to take any examination to
2.18 demonstrate ability to exercise control in the operation of a motor vehicle as required
2.19 under section 171.13."

2.20 Amend the title accordingly