

## S.F. No. 1154 – Transportation omnibus (1st Engrossment)

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### Article 1: Transportation Appropriations

**Section 1** states that all appropriations in this article are added to prior biennial appropriations for these purposes and are from the trunk highway fund unless another fund is specified.

#### Section 2. Department of Transportation (MnDOT).

**Subdivision 1. Total MnDOT Appropriations.** Contains the total direct appropriations to the Department of Transportation by fund. Prohibits trunk highway fund appropriations from being used for the Office of Transit and Active Transportation; Office of Aeronautics; passenger rail; tourist information centers; parades, events, or sponsorship of events; or public electric vehicle infrastructure.

#### Subdivision 2. State Roads.

- (a) **State Road Construction.** Appropriates \$750,000 in FY 23.
- (b) **Corridors of Commerce.** Appropriates \$2 million in FY 23, of which up to 17 percent may be used for program delivery.

#### Subdivision 3. Local Roads.

- (a) **County State-Aid Highways.** Appropriates \$65.8 million in FY 23.
- (b) **Municipal State-Aid Streets.** Appropriates \$11.4 million in FY 23.

#### Section 3. Multimodal Systems.

- Amends previous appropriations to MnDOT multimodal systems:
- Increases the previous FY 23 appropriation from the general fund for safe routes to school by \$1 million and increases the base by \$2.5 million in FY 24 and \$10.5 million in FY 25; and
  - Reduces the FY 23 appropriation for passenger rail by \$500,000, leaving \$0 in FY 23 and thereafter.

**Section 4. Metropolitan Council.** Reduces the previous general fund appropriation for metro transit system operations in FY 23 (and each year thereafter) by \$10 million.

**Section 5. State Patrol.** Increases the previous FY 23 appropriation from the trunk highway fund by \$365,000 for maintenance and other costs of additional state patrol aircraft.

**Section 6. Driver and Vehicle Services.**

- Increases the previous FY 23 appropriations from the driver services operating account in the special revenue fund by \$2.3 million, as follows:
  - \$500,000 onetime for security cameras at DVS exam sites;
  - \$1.25 million onetime for security cameras at deputy registrar and driver's license agent offices;
  - \$45,000 onetime for costs related to applications for veteran designations on driver licenses;
  - \$108,000 for administration costs related to online driver's education; and
- \$429,000 for administration costs related to third-party road testing for commercial driver's licenses. Reduces the previous FY 23 appropriation from the vehicle services operating account in the special revenue fund by \$4.2 million and reduces the base by the same amount in each of FY 24 and FY 25. This reduction is offset by statutory appropriations for the same purpose in Article 5, section 23.

**Section 7. Traffic Safety.** Increases the previous FY 23 appropriation from the general fund for grants for school bus stop-signal arm camera systems by \$4 million. Also increases the FY 24 base for this purpose from \$0 to \$8 million.

**Section 8. Appropriation; Coon Rapids; Trunk Highway 610.** Appropriates \$3.6 million onetime in FY 23 from the trunk highway fund to MnDOT for interchange improvements at TH 610 and Anoka County CSAH 1 in Coon Rapids.

**Section 9. Appropriation; Freight Rail Car Storage Facility.** Appropriates \$750,000 onetime in FY 23 from the rail service improvement account in the special revenue fund to MnDOT for a freight rail car storage facility in Lakeville.

**Section 10. Appropriation; Interstate 35 and Dakota County State-Aid Highway 50 Interchange.** Appropriates \$42 million onetime in FY 23 from the trunk highway fund to MnDOT for an interchange at I-35 and Dakota County CSAH 50 in Lakeville.

**Section 11. Appropriation; Interstate Highway 35 and 400<sup>th</sup> Street Interchange; North Branch.** Appropriates \$1.5 million onetime in FY 23 from the trunk highway fund to MnDOT for an interchange at I-35 and 400<sup>th</sup> Street in North Branch.

**Section 12. Appropriation; Interstate 94 Expansion.** Appropriates \$33 million onetime in FY 23 from the trunk highway fund to MnDOT for construction of a third travel lane along I-94 from Albertville to Monticello.

**Section 13. Appropriation; Oakdale Noise Barrier.** Appropriates \$5.5 million onetime in FY 23 from the general fund to MnDOT for construction of a noise barrier along I-694 in Oakdale.

**Section 14. Appropriation; Office of Traffic Safety.** Appropriates \$19,000 onetime in FY 23 from the general fund to DPS for costs of records access enhancements to the MNCrash system.

**Section 15. Appropriation; State Patrol Aircraft.** Appropriates \$45.1 million onetime in FY 23 from the general fund to DPS for purchase of three twin-engine helicopters and three airplanes for the State Patrol. States that the proceeds from sale of these aircraft must be credited to the general fund.

**Section 16. Appropriation; Trunk Highway 23 Interchange.** Appropriates \$29.6 million onetime in FY 23 from the trunk highway fund to MnDOT for study and construction of safety improvements to the intersection of TH 23 and TH 9 in New London. States that a J-turn must not be considered as an option for this intersection.

**Section 17. Appropriation; Trunk Highway 50 Safety Improvements.** Appropriates \$10 million onetime in FY 23 from the trunk highway fund to MnDOT for safety improvements on TH 50 between US 52 and US 61 in Dakota County.

**Section 18. Appropriation; U.S. Highway 52 Interchange at Dakota County State-Aid Highway 66.** Appropriates \$15 million onetime in FY 23 from the trunk highway fund to MnDOT for construction of an interchange at US 52 and CSAHs 62 and 66 in Vermillion Township.

**Section 19. Appropriation; Trunk Highway 65 Improvements.** Appropriates \$15 million onetime in FY 23 from the trunk highway fund to MnDOT for intersection improvements along TH 65 at 99<sup>th</sup> Avenue Northeast in Blaine.

**Section 20. Appropriation; Trunk Highway 73.** Appropriates \$43 million onetime in FY 23 from the trunk highway fund to MnDOT for realignment of portions of TH 73 south of Cromwell.

**Section 21. Appropriation; Trunk Highway 74.** Appropriates \$488,000 onetime in FY 23 from the trunk highway fund to MnDOT to use Otta seal to regrade TH 74 north of Elba in Winona County.

**Section 22. Appropriation; U.S. Highway 169 and Scott County State-Aid Highway 9 Interchange.** Appropriates \$4.2 million onetime in FY 23 from the trunk highway fund to MnDOT for interchange improvements at US Highway 169, TH 282, and CSAH 9 in Scott County.

**Section 23. Appropriation; Trunk Highway 610 and Interstate Highway 94 Interchange.** Appropriates \$22 million onetime in FY 23 from the trunk highway fund to MnDOT for an interchange at TH 610 and I-94 in Maple Grove.

**Section 24. Appropriation; Water and Lighting Infrastructure; Madison Lake.** Appropriates \$510,000 onetime in FY 23 from the trunk highway fund to MnDOT for water infrastructure and lighting along TH 60.

**Section 25. Establishment of Base.** Establishes the FY 24 and FY 25 base for MNDOT programs after the appropriations made in Articles 1 and 2 of this bill (for state road construction, corridors of commerce, county state-aid highway, and municipal state-aid street).

## **Article 2: Federal Transportation Funding**

**Section 1** states that all appropriations in this article are added to prior biennial appropriations for these purposes and are from the trunk highway fund unless another fund is specified.

## **Section 2. Department of Transportation (MnDOT).**

**Subdivision 1. Total MnDOT Appropriations.** Contains the total direct appropriations to the Department of Transportation by fund for the match requirements for programs in the federal Infrastructure Investment and Jobs Act (IIJA). Prohibits trunk highway fund appropriations from being used for the Office of Transit and Active Transportation; Office of Aeronautics; passenger rail; tourist information centers; parades, events, or sponsorship of events; or public electric vehicle infrastructure.

### **Subdivision 2. State Roads.**

- (a) **Operations and Maintenance.** Appropriates \$4 million in FY 22 and \$7.5 million in FY 23.
- (b) **State Road Construction.** Appropriates \$193.2 million in FY 22 and \$232.6 million in FY 23.

### **Subdivision 3. Local Roads.**

- (a) **County State-Aid Highways.** Appropriates \$24.9 million in FY 22 and \$42.4 million in FY 23.
- (b) **Municipal State-Aid Streets.** Appropriates \$6.5 million in FY 22 and \$11.1 million in FY 23.

**Subdivision 4. Multimodal Match for Formula and Discretionary Program Enacted in Federal IIJA.** Contains appropriations to MnDOT for multimodal match funding and discretionary funding related to the federal Infrastructure Investment and Jobs Act (IIJA). MnDOT may use these funds to make grants to local governments for match funding. All unspent amounts in this subdivision after match requirements are met are transferred to the highway user tax distribution fund.

- (a) **Greater Minnesota Transit.** Appropriates \$7 million in each year from the general fund for match requirements for Federal Transit Administration (FTA) programs. Prohibits use of these funds for guideway projects.
- (b) **Metropolitan Area Transit.** Appropriates \$10 million in each year from the general fund for transfer to the Metropolitan Council for match requirements for FTA programs. Prohibits use of these funds for guideway projects.
- (c) **Aeronautics.** Appropriates \$6.5 million in each year from the general fund for match requirements for Federal Aviation Administration programs.
- (d) **Other Multimodal Grant Programs.** Appropriates \$13.1 million in each year from the general fund for match requirements for other multimodal IIJA programs, except that the funding must not be used for the following programs: Federal-State Partnership for Intercity Passenger Rail Grant Program; the Restoration and Enhancement Grant Program; Capital Investment Grants; Research, Development, Demonstration and Deployment Projects; the Pilot Program for Transit Oriented Development; the Electric or Low-Emitting Ferry Program; the Reconnecting Communities Program; and the Wildlife Crossings Pilot Program.

Prohibits use of this appropriation for guideway or passenger rail projects.

## **Section 3. Electric Vehicle Infrastructure Program Requirements.**

**Subdivision 1. Match Requirements.** Federally-required match funding for IJJA-related electric vehicle (EV) infrastructure funding programs must come from nonstate sources.

**Subdivision 2. Rest Areas.** MnDOT must spend no more than 25% of federal EV funds on projects located at rest areas.

**Subdivision 3. Regional Balance.** Projects under this program must be regionally balanced throughout the state.

**Subdivision 4. Alternative Fuel Corridors.** By November 1, 2023, MnDOT must ask the Federal Highway Administration to certify that Minnesota's alternative fuel corridors are fully built out (by federal definition) with EV infrastructure. This certification will allow federal EV program funds to be spent on projects at other locations throughout the state.

#### **Section 4. Federal Funds Reporting.**

**Subdivision 1. Federal document submission.** Requires MnDOT and the Metropolitan Council to submit to the legislature a copy of any report or plan submitted to a federal agency as required by the IJJA. The report must be shared with the legislature within 30 days of its submission to the federal agency.

**Subdivision 2. Report on use of federal funds.** Requires MnDOT and the Metropolitan Council to submit a semiannual report to the legislature detailing expenditure of funds related to the IJJA, including planned or anticipated expenditures. This report expires at the end of FY 27.

**Section 5. Highway User Tax Distribution Fund (HUTDF); Transfer.** Directs the commissioner of revenue to make monthly transfers from the general fund to the HUTDF, so that, annually, the following amounts are transferred:

- FY 2022: \$76.5 million
- FY 2023: \$130.3 million
- FY 2024: \$143.1 million
- FY 2025: \$157.0 million

This section is effective retroactive to July 1, 2021.

**Section 6. ReConnect Rondo Project; Prohibition.** This section defines the ReConnect Rondo land bridge project over I-94 in St. Paul and prohibits MnDOT and the Metropolitan Council from spending any money to study, plan, engineer, design, or construct this project.

**Section 7. Source of Federal Match Funding; IJJA.** This section prohibits MnDOT from spending any money as a required match for federal IJJA formula or discretionary programs unless it is from a direct appropriation for that specific purpose.

**Section 8. Suspension of Statutory Appropriation; IJJA.** This section prohibits MnDOT from spending any federal funds received by the state under the IJJA unless those funds are directly appropriated. It notwithstanding current law dealing with (1) the Legislative Advisory Commission's federal funds review process and (2) statutory appropriations of federal funds.

**Section 9. Effective Date.** This article is effective the day following final enactment, unless otherwise specified.

### **Article 3: Bond Appropriations**

**Section 1. Bond Appropriations.** States that appropriations in this article are from the bond proceeds account in the trunk highway fund and must be spent for public purposes. It summarizes the appropriations by agency.

#### **Section 2. Department of Transportation.**

**Subdivision 1. Total Appropriation.** Appropriates \$299.3 million to MnDOT, available as \$149.3 million in FY 24 and \$150 million in FY 25. Up to 17 percent of the total may be used for program delivery costs.

**Subd. 2. Oslo Area Flood Mitigation.** \$20 million in FY 24 for TH 1 and TH 317 reconstruction as part of the Oslo flood mitigation project.

**Subd. 3. Olmsted County; US Highway 14 and CSAH 44.** \$17.46 million in FY 24 for interchange at US Highway 14 and CSAH 44.

**Subd. 4. Marked Trunk Highway 95 Improvements.** \$6.2 million in FY 24 for TH 95 improvements in Cambridge.

**Subd. 5. Becker Interchange Project.** \$1.9 million in FY 24 for an interchange at US Highway 10, TH 25, CSAH 8, and Sherburne County Road 52 in Becker.

**Subd. 6. Trunk Highway 24 Intersection Improvements.** \$2.4 million in FY 24 for TH 24 intersection improvements in Annandale.

**Subd. 7. Sherburne County; Zimmerman Interchange.** \$16.4 million in FY 24 for an interchange at US Highway 169 and CSAH 4 in Zimmerman.

**Subd. 8. Trunk Highway 23 Reconstruction.** \$85 million in FY 24 for reconstruction of TH 23 from Pipestone to Russell.

**Subd. 9. US Highway 169 Safety Improvements.** \$150 million in FY 25 for safety improvements on US Highway 169 between Taconite and Pengilly.

**Section 3. Bond Sale Expenses.** Appropriates \$300,000 to the commissioner of management and budget (MMB), available as \$150,000 in FY 24 and \$150,000 in FY 25.

**Section 4. Bond Sale Authorization.** Authorizes commissioner of MMB to sell and issue bonds up to \$299.649 million. Bond proceeds must be deposited in the bond proceeds account in the trunk highway fund.

### **Article 4. Department of Public Safety**

This article amends various provisions relating to the Department of Public Safety (“department”). For purposes of this article, “commissioner” means the commissioner of public safety.

**Section 1 [§3.9741; Data security account; appropriation]** statutorily appropriates money in the data security account in the special revenue fund to the legislative auditor to oversee security of data stored and transmitted by state systems. Eliminates duties for the legislative auditor related to driver and vehicle services data and subscriptions for that data.

**Sections 2, 3, 4, and 5 [§168.013; All-electric vehicle; Plug-in hybrid electric vehicle; All-electric motorcycle; Plug-in hybrid electric motorcycle]** increase the vehicle registration tax surcharge for all-electric vehicles and plug-in hybrid electric vehicles. Establishes new registration tax surcharges for all-electric motorcycles and plug-in hybrid electric motorcycles. The surcharge revenues are deposited into the highway user tax distribution fund. If the gas tax is increased or decreased, the surcharge must be adjusted by a proportional amount.

**Section 6 [§168.123; Design]** requires the commissioner of veterans affairs to design the emblem for a license plate for a veteran who is the recipient of the Air Medal, subject to the approval of the commissioner. The effective date is January 1, 2023.

**Section 7 [§168.1235; General requirements; fees]** allows the department to issue veterans service group emblem plates to members of the Disabled American Veterans.

**Section 8 [§168.1253; No fee]** prohibits the commissioner of public safety from charging the fee for personalized plates for personalized Gold Star plates.

**Section 9 [§168.1258; Minnesota Viking Foundation Special Plates]** establishes Minnesota Vikings Foundation special plates. This section is effective January 1, 2023.

**Section 10 [§168.1259; Minnesota Professional Sports Team Foundation Plates]** establishes the Minnesota Professional Sports Team Foundation Plates. This section is effective January 1, 2023.

**Section 11 [§168.1287; Minnesota Missing and Murdered Indigenous Relatives Special License Plates]** establishes Minnesota Missing and Murdered Indigenous Relatives special license plates. This section is effective January 1, 2023.

**Section 12 [§168.27; Dealers’ licenses; location change notice; fee]** requires the commissioner to deny a motor vehicle dealer license if, at the time of inspection, the applicant is not in compliance with location requirements or has misrepresented information on the application.

**Section 13 [§168.27; Documentary fee]** amends the law on documentary fees or document administration fees charged by a motor vehicle dealer as part of a sale or lease. The bill clarifies that the fees are for the sale or lease of a vehicle that will be registered in Minnesota. The bill also increases the maximum amount of the fee.

**Section 14 [§168A.11; Records]** requires a motor vehicle dealer to allow their records to be inspected during inspection hours that are specified in the initial dealer license application or in the dealer record.

**Section 15 [§168B.045; Towed motor vehicles]** amends the types of charges subject to a lien when a person tows and stores a motor vehicle at the request of a law enforcement officer. Charges for

recovery of the vehicle and cargo, storage of the vehicle and cargo, and accident site cleanup are subject to a lien. The person who tows the vehicle may retain the vehicle and its cargo, except that the owner may retrieve contents as provided by current law.

**Section 16 [§168B.07; Payment of charges]** makes changes to the law regarding paying towing charges to reference the same charges listed in section 15.

**Sections 17 and 18 [§169.011; All-electric motorcycle; Plug-in hybrid electric motorcycle]** define “all-electric motorcycle” and “plug-in hybrid electric motorcycle” in the chapter of statute dealing with traffic regulations.

**Section 19 [§171.05; Person less than 18 years of age]** reorganizes the subdivision that allows the commissioner to issue an instruction permit to a person age 15, 16, or 17 is. Online driver education courses are recognized as one of the ways a person can complete the driver education requirements.

**Section 20 [§171.07; Veteran designation]** allows additional people to have a veteran designation placed on their driver’s licenses. Obsolete language is stricken. This section is effective August 1, 2022.

**Section 21 [§171.13; Examination subjects and locations; provisions for color blindness, disabled veterans]** makes a conforming change to allow third parties to conduct commercial driver’s license road tests.

**Section 22 [§171.135; Third-party commercial driver’s license road tests]** authorizes third-parties to perform commercial driver’s license road test and sets forth the requirements. Third-party testers and programs are required to conduct road tests in the manner required by state and federal law. The commissioner must monitor and audit road tests performed by third-party testers. Provisions are made for denial, cancellation, or suspension of third-party programs or testers. The commissioner is authorized to adopt rules to implement the requirements of this section, with restrictions.

**Section 23 [§171.395; Online driver education program]** authorizes licensed driver education programs to provide online driver education. Online driver education programs must meet the same standards and requirements as in-person classes. There are also several additional requirements specifically for online driver education programs.

**Section 24 [Expiration]** strikes the requirement for the Driver and Vehicle Systems Oversight Committee to submit a final report to the legislature and legislative auditor.

**Section 25 [School bus age exemption]** extends the school bus age exemption enacted last year by an additional year. Section 26 makes a conforming change.

**Section 27 [Required rulemaking]** requires the commissioner of public safety to make specific amendments to third-party testing rules using the good-cause exemption.

**Section 28 [Rules]** requires the commissioner of public safety to report to the legislature if rulemaking is required beyond what is authorized by section 22.

**Section 29 [Revisor Instruction]** directs the revisor of statutes to renumber the definitions section in the chapter of statute on traffic regulations and to correct any cross-references accordingly.



**Section 30 [Repealer]** repeals several rules relating to third-party testing and online driver education programs for adults.

## **Article 5. Independent Expert Review Provisions**

This article makes various changes relating to driver and vehicle services based on the recommendations from the “Driver and Vehicle Services Report of the Independent Expert Review” submitted to the legislature on January 12, 2022.<sup>1</sup> For purposes of this article, “commissioner” means the commissioner of public safety.

**Section 1 [§168.002; Full-service provider]** provides a definition of “full-service provider.” A full-service provider is a person who performs the functions of both a deputy registrar and a full-service driver’s license agent.

**Section 2 [§168.327; Records and fees]** allows a full-service provider to provide copies of driver and vehicle records. The full-service provider collects a fee for the request and retains the majority of the fee but must submit a portion of the fee to the commissioner to be deposited into the general fund. This section is effective January 1, 2023, and applies to requests for records made on or after that date.

**Section 3 [§168.327; Requests for information; surcharge on fee]** requires a full-service provider to impose a surcharge on certain requests. The full-service provider must submit the fee to the commissioner to be deposited into the general fund. An outdated reference to technology is deleted and replaced with current technology terminology. This section is effective August 1, 2022, and applies to requests for records made on or after that date.

**Section 4 [§168.327; Exception to fee and surcharge]** prohibits a full-service provider from collecting the surcharge referenced in section 3 in certain situations. This section is effective August 1, 2022, and applies to requests for records made on or after that date.

**Section 5 [§168.327; Monitoring and auditing]** requires the commissioner to monitor and audit full-service providers providing documents to ensure compliance with state and federal law. This section is effective August 1, 2022.

**Section 6 [§168.33; Filing fees; allocations]** requires a portion of filing fees collected by the commissioner for mail or online vehicle transactions to be deposited into the full-service provider account established in section 24. A \$5 surcharge is imposed on all transactions submitted by mail. his section is effective October 1, 2022.

**Section 7 [§169.09; Reports confidential; evidence, fee, penalty, appropriation]**allows a full-service provider to provide copies of accident reports and to collect a fee. The full-service provider collects a fee for the request and retains the majority of the fee but must submit a portion of the fee to the commissioner to be deposited into the general fund. Obsolete language is stricken. This section is effective August 1, 2022, and applies to requests for records made on or after that date.

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<sup>1</sup> The full report is available here: [https://www.senate.mn/committees/2021-2022/3102\\_Committee\\_on\\_Transportation\\_Finance\\_and\\_Policy/IER%20Final%20Report%20-%20Jan%2012%202022.pdf](https://www.senate.mn/committees/2021-2022/3102_Committee_on_Transportation_Finance_and_Policy/IER%20Final%20Report%20-%20Jan%2012%202022.pdf)

**Section 8 [§169.09; Monitoring and auditing]** requires the commissioner to monitor and audit full-service providers providing documents as provided in section 7 to ensure compliance with state and federal law. This section is effective August 1, 2022.

**Section 9 [§171.01; Full-service provider]** provides a cross reference to the definition of “full-service provider” in section 1.

**Section 10 [§171.02; Motorized bicycle]** extends the renewal period for a motorized bicycle permit from four to eight years and increases the fee. This section is effective October 1, 2022.

**Section 11 [§171.06; Preapplication]** requires the commissioner to establish a process for an applicant for a driver’s license or ID card to submit a preapplication. The preapplication must generate a list of documents the applicant must submit in person at the time of application. The commissioner, driver’s license agent, or full-service provider must also provide a link to the preapplication website at the time an individual schedules an appointment to apply for a driver’s license or card.

**Section 12 [§171.061; Fee; equipment]** increases the filing fees for new and renewal driver’s license and ID card applications. Requires the commissioner to maintain photo identification and vision examination equipment for all driver’s license agents. This section is effective October 1, 2022.

**Section 13 [§171.07; Identification card expiration]** extends the renewal period for ID cards from four to eight years. This section is effective October 1, 2022.

**Section 14 [§171.0705; Manual and study materials availability]** requires the commissioner to post on the department’s website the driver’s manual and study support materials for the written and skills exam.

**Section 15 [§171.071; Variance for homebound individuals]** makes a conforming change to reference the eight-year renewal period. This section is effective October 1, 2022.

**Section 16 [§171.12; Driver and vehicle services information system; security and auditing]** requires an individual who accesses driver and vehicle data to make a notation on the record in certain circumstances. The commissioner may impose disciplinary action on a person who improperly accesses data, except that the commissioner must not impose disciplinary actions when a person properly accessed data to complete an authorized transaction or to resolve an issue without completing a transaction. This section is effective October 1, 2022.

**Section 17 [§171.13; Examination subjects and locations; provisions for color blindness, disabled veterans]** requires the commissioner to ensure that 40 or more exam stations are located throughout the state. One or more exam stations must be located in each county with a population of 130,000 or more that is outside of the metro area. Each exam station must be open a minimum of one day per week. The existing requirements on exam station locations is stricken and replaced with similar language in a different location. The requirement that the commissioner ensure applicants are able to obtain an appointment within 14 days is stricken. The commissioner is required to provide real-time information on the department’s website about availability and location of exam appointments. This section is effective July 1, 2023, except the provisions relating to real-time information are effective January 1, 2023.

**Section 18 [§171.13; Waiver when license issued by another jurisdiction]** eliminates the requirement for new Minnesota residents to take the written knowledge test when getting a Minnesota driver’s license. This section is effective August 1, 2022.

**Section 19 [§171.13, subd. 7; Examination fee]** increases the fee amount for a third or subsequent knowledge or skills test.

**Section 20 [§171.27; Expiration]** extends the renewal period for driver’s licenses from four to eight years. This section is effective October 1, 2022.

**Section 21 [§171.27; Extension of expiration]** makes a conforming change to the extended renewal period for driver’s licenses. This section is effective October 1, 2022.

**Section 22 [§171.375; Student Pass Rate]** requires the commissioner of public safety to post the student pass rates for each driver training school.

**Section 23 [§299A.705; Vehicle services operating account]** statutorily appropriates specified amounts to the commissioner from the vehicle services operating account for purposes of fulfilling mail and online transactions.

**Section 24 [§299A.705; Full-service provider account]** establishes the full-service provider account in the special revenue fund. Money in this account is annually appropriated to the commissioner to distribute to full-service providers based proportionally on the number of transactions completed.

**Section 25 [Report; Implementation of driver and vehicle services recommendations]** encourages the commissioner to implement various recommendations related to driver and vehicle services. The commissioner must report to the legislature at the end of the year about which recommendations have been implemented, are in the process of being implemented, or will not be implemented. The commissioner must also report on: 1) whether the recommendations from the March 2021 report by the Legislative Auditor have been implemented; 2) the plan for exam station locations; and 3) whether any limited driver’s license agents are unable to become full-service providers because of the restrictions in state law. This section is effective the day following final enactment.

**Section 26 [Repealer]** repeals the section of law that prohibits providing information about vehicle registration over the phone.

**Section 27 [Effective date]** provides that this article is effective August 1, 2022, except as otherwise provided.

## **Article 6. Salvage and Prior Salvage Title Brands**

This article amends laws relating to vehicle titles with “salvage” brands and creates a new “prior salvage” title brand. As used in this article, a late-model vehicle is a vehicle that is 5 model years old or newer. A high-value vehicle is a vehicle with a value in excess of \$9,000 before being damaged or a vehicle with a manufacturer’s rating of over 26,000 pounds gross vehicle weight that

is not a late-model vehicle. For purposes of this article, “commissioner” means the commissioner of public safety.

**Section 1 [§168A.01; Recovered intact vehicle]** defines “recovered intact vehicle” as a vehicle that was stolen, declared a total loss, and later recovered with damage not in excess of 80% of its value.

**Section 2 [§168A.01; Salvage vehicle]** defines “salvage vehicle” as a vehicle that was declared by an insurance company to be a total loss or a vehicle that has been in an accident and the cost of repairs exceeds 80% of the value of the vehicle. A salvage vehicle does not include a recovered intact vehicle.

**Sections 3 and 4 [§168A.04; Contents; Vehicle last registered out of state]** eliminates an inconsistency in statute. Current law references vehicles that have sustained damage which exceeds 70% of the value of the vehicle. This is inconsistent with other percentages elsewhere in statute. The bill strikes the percentage is replaces it with a cross-reference to section 10 to be consistent across statutes.

**Section 5 [§168A.05; Content of certificate]** makes clear that a title may bear more than one brand. The “rebuilt” brand is eliminated.

**Section 6 [§168A.151; Salvage and prior salvage brands]** amends the law on titles with “salvage” brands and establishes the new “prior salvage” brand. There are various scenarios addressed by this section:

- When an insurer acquires ownership of a late-model or high-value vehicle through payment of damages, the insurer must immediately apply for a title that bears a “salvage” brand.
- When an insurer acquires ownership of a vehicle that is not late-model or high-value through payment of damages, the insurer must immediately apply for a title that bears a “prior salvage” brand.
- A person must immediately apply for a title that bears a “salvage” brand if: the person acquires a damaged late-model or high-value vehicle that was acquired by an insurer by payment of damages; will incur a cost of repairs that exceeds the value of the damaged vehicle; has an out-of-state salvage certificate of title; or has certain brands on the title.
- A person must immediately apply for a title that bears a “prior salvage” brand if the person acquires a damaged vehicle and a salvage brand is not required and the vehicle bears certain brands or has a previously had a salvage title or brand issued.
- A self-insured owner of a late-model or high-value vehicle that sustains damage which exceeds 80% of its value must apply for a title that bears a “salvage” brand.
- A self-insured owner of a vehicle that is not late-model or high-value and sustains damage which exceeds 80% of its value must apply for a title that bears a “prior salvage” brand.

**Section 7 [§168A.152; Certificate of inspection]** specifies that the commissioner must not issue a title with a “prior salvage” brand for a late-model or high-value vehicle unless the application for the title is accompanied by a certificate of inspection for the vehicle.

**Section 8 [§168A.152; Duties of salvage vehicle purchaser]** makes technical changes and adds a reference to “prior salvage” brands.

**Section 9 [§325F.662; Exclusions]** makes a technical change.

**Section 10 [§325F.6641; Discloser of vehicle damage]** amends the law relating to vehicle disclosures. Requires disclosure of prior damage for all vehicles if the damage exceeds 80% of the value of the vehicle. Strikes a reference to “rebuilt” brands because the brand isn’t used. This section also centralizes and amends vehicle dealer disclosure provisions.

**Section 11 [§325F.6642; Title branding]** specifies when the following title brands must be placed on vehicle’s title: “flood damaged,” “salvage,” “prior salvage,” and “reconstructed.” Replaces the requirement that brands be in a different color with a requirement that the brand be in a different format than all other writing on the title. Repeals provisions that are unnecessary because of other changes in the bill or were moved to different sections of statute.

**Section 12 [§325F.665; Title branding]** eliminates a reference to the “lemon law vehicle” brand because is moved to elsewhere in the bill.

**Section 13 [Repealer]** repeals a definition that is made obsolete by other changes in the bill. The bill also repeals an exemption from title branding and disclosure which has the effect of making title branding requirements apply to commercial vehicles, restored pioneer vehicles, and motorcycles.

**Section 14 [Effective date]** provides an effective date of January 1, 2023.

## **Article 7. Department of Transportation.**

This article amends various provisions relating to the Department of Transportation. For purposes of this article, “commissioner” means the commissioner of transportation.

**Section 1 [§160.08; No commercial establishment within right-of-way; exceptions]** allows electric vehicle charging stations to be installed and operated at rest areas. This section is effective the day following final enactment.

**Section 2 [§161.088; Definitions]** defines “greater Minnesota area” and “metropolitan area” for purposes of the Corridors of Commerce program.

**Section 3 [§161.088; Program authority; funding]** allows the commissioner to use a portion of Corridors of Commerce appropriations for project scoring, ranking, and selection.

**Section 4 [§161.088; Project eligibility]** amends the Corridors of Commerce eligibility requirement so that a project must be ready to begin within four years. Provides a definition of larger and smaller projects in greater Minnesota.

**Section 5 [§169.09; Project selection process; criteria]** sets forth a new process for selecting projects for the Corridors of Commerce program. Area transportation partnerships in greater Minnesota and county boards in the metro area submit projects to the commissioner to be ranked and selected. Funding must be split evenly between the metro area and greater Minnesota. At least 55% of the funding in the metro area must be for projects outside of Hennepin and Ramsey Counties. In greater Minnesota, approximately 25% of the funds must be used for small projects.

**Section 6 [§161.088; Recommendations]** requires the commissioner to forward a list of all projects submitted to the legislature and governor. Each legislator and the governor may submit a letter of

support for one project. For each letter received, the commissioner must award one additional point to the project.

**Section 7 [§161.088; Project selection period]** requires Corridors of Commerce projects to be identified, ranked, and selected every four years. The commissioner must select enough projects to ensure that all anticipated funds are spent or encumbered by the end of the four-year period.

**Section 8 [§161.0895; Highway purpose; report]** prohibits commissioners of state agencies from including in biennial budget requests any expenditures from the trunk highway fund or highway user tax distribution fund that are for nonhighway purposes or prohibited by law. Within 45 days after submission of the governor’s biennial budget to the legislature, the commissioner of management and budget and the attorney general must jointly submit a report to the legislature which must examine proposed appropriations from the trunk highway fund or the highway user tax distribution fund.

**Section 9 [§161.115; Route No. 340]** adds a description of a new portion of trunk highway. This relates to rerouting a portion of trunk Highway 67 and turning back route 274 in Yellow Medicine County.

**Sections 10 and 11 [§162.07 and § 162.13; Money needs defined]** amend the definition of “money needs” in the sections of law relating to distribution of County State-Aid Highway (CSAH) and Municipal State-Aid Street (MSAS) allocations. The change refers to the CSAH or MSAS system located and established by the local government.

**Section 12 [§162.145; Small cities assistance account]** annually appropriates money in the small cities assistance account to the commissioner of transportation to be allocate to small cities. Sections 13 and 14 make conforming changes.

**Section 15 [Weight Limits; towing and recovery vehicle]** creates a new section of law relating to tow truck weight limits. The section consolidates various provisions from other areas. The commissioner may issue permits for oversize and overweight tow trucks when towing a disabled or damaged vehicle to a place of repair or safekeeping.

**Section 16 [§169.865; Definition]** adds raw or processed grass seed to the definition of qualifying agricultural products for purposes of a special farm products permit. This section is effective the day following final enactment.

**Section 17 [§174.185; Pavement life-cycle cost analysis]** amends the requirements relating to pavement life-cycle cost analyses. Requires the commissioner to perform a lifecycle cost analysis for certain projects prior to substantial plan development. A process for industry association representatives to comment review and revision is provided. The commissioner must select a pavement strategy and prepare a document of justification after the review period. The commissioner must store the analysis and document of justification on the department’s website. After certification by the engineer and posting the documents on the website, the commissioner may advance the project to substantial plan development. The existing annual report to the legislature must include the results of the public review and the final selection and documents of justification. The bill is effective July 1, 2022, and applies to life-cycle cost analysis started on or after that date, except that the subdivision on public review and collaboration is effective July 1, 2023.

**Section 18 [§174.52; Advisory committee]** adds a town board member to the local road improvement program advisory committee. This section is effective the day following final enactment.

**Section 19 [§297A.94; Deposit of Revenues]** requires the commissioner of revenue to credit the taxes from the sale and purchase of motor vehicle repair and replacement parts as follows: 86% to the highway user tax distribution fund (HUTDF), 7% to the small cities assistance account, and 7% to the town road account.

**Sections 20 and 21 [§360.55; Small unmanned aircraft systems; §360.59; Certificate of insurance]** require all small unmanned aircraft systems that are not used solely for recreational purposes to be registered the same way, regardless of weight. At the time of registration, the owner must provide proof of insurability. The owner must maintain records that each flight was covered by an insurance policy of not less than \$300,000 per occurrence for bodily injury or death to non-passengers.

**Sections 22 and 23 [Legislative Routes No. 274 and 301 Removed]** are turn backs in Yellow Medicine County and St. Cloud. The statutory descriptions of the routes are repealed upon completion of the turnback agreement.

**Section 24 [Repealer]** repeals various statutes and rules. Paragraph (a) repeals two provisions relating to oversize and overweight tow trucks. Paragraph (b) repeals a rule that requires transit grant recipients to submit monthly reports. Paragraph (c) repeals session laws that require a report on trunk highway expenditures.

## **Article 8. Metropolitan Council**

This article amends various provisions relating to the Metropolitan Council and public transportation. For purposes of this article, “Council” means the Metropolitan Council.

**Section 1 [§297A.993; Guideway uses, reporting]** requires metropolitan area counties that use the proceeds of the transportation sales tax to fund guideways to submit a report to the legislature on the collection and use of the tax proceeds. This section is effective the day following final enactment.

**Section 2 [§473.375; Safe accessibility training]** requires the Metropolitan Council ensure bus drivers receive training on assisting persons with disability and mobility limitations to enter and exit the bus.

**Section 3 [§473.375; Statistics; reports]** requires the Council to regularly post transit ridership and crime statistics on the Council’s website.

**Section 4 [§473.39; Limitation on certain debt obligations]** prohibits the Council from issuing certificates of participation for guideways.

**Section 5 [§473.3993; Responsible authority]** amends the definition of “responsible authority” to include a county board of a metropolitan county. This section is effective the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

**Section 6 [§473.3994; Designation of responsible authority]** allows the governor to appoint a county board in the metro area as a responsible authority for a light rail transit project. If the project is entirely in one county, the governor must appoint the county board of that county as the responsible authority. This section is effective the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

**Section 7 [§473.4486; Municipal approval of guideway plans]** establishes a process for municipal consent for guideways constructed by the Council. The process requires local hearings on proposed guideway plans followed by approval or disapproval of the plans from local governments where the guideway is proposed to be located. Local governments are permitted to revoke approval prior to the Council obtaining federal funding for the project. The Council is prohibited from applying for or requesting federal funds for a guideway project until municipal consent is obtained from each local government where the guideway is proposed to be located. This section is effective the day following final enactment and applies to all current and future guideways except the Gold Line.

**Section 8 [§473.4487; Guideway cost-benefit analysis]** requires the responsible governmental unit to perform a cost-benefit analysis for each proposed guideway. This section is effective the day following final enactment and applies to all guideways seeking state or federal funding on or after that date, except this section does not apply to the Gold Line.

**Section 9 [§473.4487; County responsibility for guideway funding]** requires counties where a guideway will be located to pay for all costs of guideways using nonstate funds. The state is prohibited from contributing in any manner to any guideway costs. This section is effective July 1, 2022, and applies to existing and future guideways except the Gold Line.

**Section 10 [Study on post-covid pandemic public transportation]** amends the funding source for the study on public transportation after the covid pandemic. The Metropolitan Council is required to pay for the study out of existing resources. Current law requires the study to be paid for from the Department of Transportation's funding for research activities. This section is effective the day following final enactment.

**Section 11 [Guideway cost-benefit analysis; transition]** requires the commissioner of transportation and the Metropolitan Council to conduct cost-benefit analyses for guideways for which a locally preferred alternative has been selected before the effective date and is not yet in revenue operations on the effective date. This section is effective the day following final enactment.

**Section 12 [Request to terminate Northstar commuter rail operations]** requires the commissioner of transportation and the Council to request approval from the Federal Transit Administration ("FTA") to discontinue Northstar commuter rail operations. The request must state that the state will not reimburse the federal government for funds already spent on Northstar. Within a week of receiving a response from the FTA, the commissioner and Council must report to the legislature about the response. If the FTA grants the request, the commissioner and Council must submit a plan for termination to the legislature. This section is effective the day following final enactment.

**Section 13 [Suspension of guideway activities]** prohibits the Council from taking any action or spending any money related to guideways until Southwest Light Rail is in revenue operations. This section does not apply to the Gold Line or Southwest Light Rail. This section is effective the day following final enactment.