

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

S.F. No. 2323

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DATE	D-PG	OFFICIAL STATUS
03/01/2023	1199	Introduction and first reading Referred to Transportation

1.1 A bill for an act

1.2 relating to transportation; modifying allowed uses for various accounts; establishing

1.3 a bikeway; establishing an Indian employment preference; removing certain

1.4 legislative routes; terminating certain mandated reports; authorizing direct

1.5 negotiation for small construction projects; amending appropriations; making

1.6 technical and clarifying corrections; amending Minnesota Statutes 2022, sections

1.7 160.266, by adding a subdivision; 161.082, subdivision 2a; 161.115, subdivision

1.8 265, by adding a subdivision; 161.32, subdivision 2; 161.41; 162.07, subdivision

1.9 2; 162.13, subdivisions 2, 3; 174.38, subdivision 5; 174.40, subdivision 4a; 174.50,

1.10 subdivision 7; 174.52, subdivisions 2, 4, 5; 222.50, subdivision 7; 360.55,

1.11 subdivision 9; 360.59, subdivision 10; proposing coding for new law in Minnesota

1.12 Statutes, chapters 161; 174; repealing Minnesota Rules, part 8835.0350, subpart

1.13 2.

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

1.15 Section 1. Minnesota Statutes 2022, section 160.266, is amended by adding a subdivision

1.16 to read:

1.17 Subd. 7. **North Star Bikeway.** The North Star Bikeway is designated as a state bicycle

1.18 route. It must originate in the city of St. Paul in Ramsey County, then proceed north and

1.19 east to Duluth in St. Louis County, then proceed north and east along the shore of Lake

1.20 Superior through Grand Marais in Cook County to Minnesota's boundary with Canada, and

1.21 there terminate.

1.22 Sec. 2. Minnesota Statutes 2022, section 161.082, subdivision 2a, is amended to read:

1.23 Subd. 2a. **Town bridges and culverts; town road account.** (a) Money in the town

1.24 bridge account must be expended on replacement or rehabilitation of town road bridge

1.25 structures that are ten feet or more in length and on town road culverts that replace existing

1.26 town road bridges. In addition, if the present bridge structure is less than ten feet in length

2.1 but a hydrological survey indicates that the replacement bridge structure or culvert must be
2.2 ten feet or more in length, then the bridge or culvert is eligible for replacement funds.

2.3 (b) The town bridge account may be used to pay the costs to abandon an existing bridge
2.4 that is deficient and in need of replacement; but where no replacement will be made. It may
2.5 also be used to pay the costs to construct a road or street to facilitate the abandonment of
2.6 an existing bridge determined by the commissioner to be deficient; if the commissioner
2.7 determines that construction of the road or street is more cost-efficient than replacing the
2.8 existing bridge. It may also be used to pay the costs for environmental documentation,
2.9 preliminary design, and final design of historic bridges and for repurposing and restoring
2.10 salvageable components of historic bridges, including disassembly, transportation to a new
2.11 location, construction, and other associated costs.

2.12 (c) When bridge approach construction work exceeds \$10,000 in costs, or when the
2.13 county engineer determines that the cost of the replacement culverts alone will not exceed
2.14 \$20,000, or engineering costs exceed \$10,000, the town shall be eligible for financial
2.15 assistance from the town bridge account. Financial assistance shall be requested by resolution
2.16 of the county board and shall be limited to:

2.17 (1) 100 percent of the cost of the bridge approach work that is in excess of \$10,000;

2.18 (2) 100 percent of the cost of the replacement culverts when the cost does not exceed
2.19 \$20,000 and the town board agrees to be responsible for all the other costs, which may
2.20 include costs for structural removal, installation, and permitting. The replacement structure
2.21 design and costs shall be approved and certified by the county engineer; but need not be
2.22 subsequently approved by the Department of Transportation; or

2.23 (3) 100 percent of all related engineering costs that exceed \$10,000, or in the case of
2.24 towns with a net tax capacity of less than \$300,000, 100 percent of the engineering costs.

2.25 (d) Money in the town road account must be distributed as provided in section 162.081.

2.26 Sec. 3. Minnesota Statutes 2022, section 161.115, subdivision 265, is amended to read:

2.27 Subd. 265. **Route No. 334.** Beginning at a point on Route No. 116 at or near Inver Grove
2.28 Heights; thence extending in a general northerly direction to a point ~~on Route No. 102 at~~
2.29 ~~or~~ near Kellogg Boulevard East in St. Paul.

2.30 **EFFECTIVE DATE.** This section is effective the day after the commissioner of
2.31 transportation receives a copy of the agreement between the commissioner and the governing
2.32 body of the city of St. Paul to transfer jurisdiction of a portion of Legislative Route No. 334

3.1 and notifies the revisor of statutes electronically or in writing that the conditions required
3.2 to transfer the route have been satisfied.

3.3 Sec. 4. Minnesota Statutes 2022, section 161.115, is amended by adding a subdivision to
3.4 read:

3.5 Subd. 271. **Route No. 340.** Beginning at a point at or near the entrance of the Upper
3.6 Sioux Agency State Park; thence extending in a generally northwesterly direction to a point
3.7 on Route No. 67 at or near Granite Falls.

3.8 **EFFECTIVE DATE.** This section is effective the day after the commissioner of
3.9 transportation notifies the revisor of statutes electronically or in writing of the effective
3.10 date.

3.11 Sec. 5. Minnesota Statutes 2022, section 161.32, subdivision 2, is amended to read:

3.12 Subd. 2. **Direct negotiation.** In cases where the estimated cost of construction work or
3.13 maintenance work does not exceed \$250,000, the commissioner may enter into a contract
3.14 for the work by direct negotiation, by obtaining two or more quotations for the work, and
3.15 without advertising for bids or otherwise complying with the requirements of competitive
3.16 bidding if the total contractual obligation of the state for the directly negotiated contract or
3.17 contracts on any single project does not exceed \$250,000. All quotations obtained shall be
3.18 kept on file for a period of at least one year after receipt of the quotation. For purposes of
3.19 this subdivision only, "construction work or maintenance work" includes work on
3.20 department-owned buildings or property.

3.21 Sec. 6. **[161.369] INDIAN EMPLOYMENT PREFERENCE.**

3.22 As authorized by United States Code, title 23, section 104, paragraph (d), the
3.23 commissioner may implement an Indian employment preference for members of federally
3.24 recognized Tribes on projects carried out under United States Code, title 23, on or near an
3.25 Indian reservation. For purposes of this section, a project is near an Indian reservation if
3.26 the project is within the distance a person seeking employment could reasonably be expected
3.27 to commute to and from each workday. The commissioner, in consultation with federally
3.28 recognized Minnesota Tribes, may determine when a project is near an Indian reservation.

4.1 Sec. 7. Minnesota Statutes 2022, section 161.41, is amended to read:

4.2 **161.41 SURPLUS PROPERTY NOT NEEDED FOR HIGHWAY PURPOSES.**

4.3 Subdivision 1. **Commissioner may declare surplus.** The commissioner is authorized
4.4 to declare as surplus any property acquired by the state for highway purposes, excluding
4.5 ~~real-estate~~ land, which the commissioner determines to be no longer needed or necessary
4.6 for state highway purposes.

4.7 Subd. 2. **Determination of value; disposition.** The commissioner shall administer all
4.8 aspects of the disposition of property declared to be surplus under this section, including
4.9 buildings used for trunk highway purposes. The commissioner shall first determine the
4.10 value of the surplus property. The commissioner may then transfer the possession of the
4.11 surplus property to any state agency or political subdivision of this state or to the United
4.12 States government upon receipt of payment in an amount equal to the value of the surplus
4.13 property.

4.14 The commissioner may also sell the surplus property under the competitive bidding
4.15 provisions of chapter 16C if no state agency or political subdivision of this state offers to
4.16 purchase the surplus property for its determined value.

4.17 Subd. 3. **Money credited to trunk highway fund.** The commissioner shall deposit all
4.18 money received under this section with the commissioner of management and budget to be
4.19 credited to the trunk highway fund.

4.20 Subd. 4. **Disposal of obsolete or unsafe buildings.** If the commissioner determines that
4.21 the department is no longer using a building for trunk highway purposes or that the building
4.22 is a safety or fire hazard, the commissioner may demolish the building.

4.23 Sec. 8. Minnesota Statutes 2022, section 162.07, subdivision 2, is amended to read:

4.24 Subd. 2. **Money needs defined.** For the purpose of this section, money needs of each
4.25 county are defined as the estimated total annual costs of constructing, over a period of 25
4.26 years, the county state-aid highway system ~~in~~ located and established by that county. Costs
4.27 incidental to construction, or a specified portion ~~thereof~~ of those costs, as set forth in the
4.28 commissioner's rules, may be included in determining money needs. To avoid variances in
4.29 costs due to differences in construction policy, construction costs shall be estimated on the
4.30 basis of the engineering standards developed cooperatively by the commissioner and the
4.31 county engineers of the several counties.

5.1 Sec. 9. Minnesota Statutes 2022, section 162.13, subdivision 2, is amended to read:

5.2 Subd. 2. **Money needs defined.** For the purpose of this section, money needs of each
5.3 city having a population of 5,000 or more are defined as the estimated cost of constructing
5.4 and maintaining over a period of 25 years the municipal state-aid street system ~~in~~ located
5.5 and established by such city. Right-of-way costs and drainage shall be included in money
5.6 needs. Lighting costs and other costs incidental to construction and maintenance, or a
5.7 specified portion of ~~such~~ those costs, as set forth in the commissioner's rules, may be included
5.8 in determining money needs. To avoid variances in costs due to differences in construction
5.9 and maintenance policy, construction and maintenance costs shall be estimated on the basis
5.10 of the engineering standards developed cooperatively by the commissioner and the engineers,
5.11 or a committee thereof, of the cities.

5.12 Sec. 10. Minnesota Statutes 2022, section 162.13, subdivision 3, is amended to read:

5.13 Subd. 3. **Screening board.** On or before September 1 of each year, the engineer of each
5.14 city having a population of 5,000 or more shall update the city's data and forward to the
5.15 commissioner ~~on forms prepared by the commissioner,~~ all information relating to the money
5.16 needs of the city that the commissioner deems necessary in order to apportion the municipal
5.17 state-aid street fund in accordance with the apportionment formula ~~heretofore set forth~~ under
5.18 this section. Upon receipt of the information, the commissioner shall appoint a board of city
5.19 engineers. The board shall be composed of the following:

5.20 (1) two city engineers from the metropolitan district;

5.21 (2) one city engineer from each state highway construction district, and in addition
5.22 ~~thereto,~~ nonmetropolitan district; and

5.23 (3) one city engineer from each city of the first class.

5.24 The board shall investigate and review the information submitted by each city. On or before
5.25 November 1 of each year, the board shall submit its findings and recommendations in writing
5.26 as to each city's money needs to the commissioner on a form prepared by the commissioner.
5.27 Final determination of the money needs of each city shall be made by the commissioner.
5.28 In the event that any city shall fail to submit the required information ~~provided for herein,~~
5.29 the commissioner shall estimate the money needs of the city. The estimate shall be used in
5.30 solving the apportionment formula. The commissioner may withhold payment of the amount
5.31 apportioned to the city until the information is submitted.

6.1 Sec. 11. [174.07] EXPIRATION OF REPORT MANDATES.

6.2 (a) If the submission of a report by the commissioner to the legislature is mandated by
 6.3 statute and the enabling legislation does not include a date for the submission of a final
 6.4 report, the mandate to submit the report shall expire in accordance with this section.

6.5 (b) If the mandate requires the submission of an annual report and the mandate was
 6.6 enacted before January 1, 2023, the mandate shall expire on January 1, 2025. If the mandate
 6.7 requires the submission of a biennial or less frequent report and the mandate was enacted
 6.8 before January 1, 2023, the mandate shall expire on January 1, 2026.

6.9 (c) Any reporting mandate enacted on or after January 1, 2023, shall expire three years
 6.10 after the date of enactment if the mandate requires the submission of an annual report and
 6.11 shall expire five years after the date of enactment if the mandate requires the submission
 6.12 of a biennial or less frequent report unless the enacting legislation provides for a different
 6.13 expiration date.

6.14 (d) Beginning February 15, 2023, the commissioner shall submit a list to the chairs and
 6.15 ranking minority members of the legislative committees with jurisdiction over transportation
 6.16 by February 15 of each year of all reports set to expire during the following calendar year
 6.17 in accordance with this section.

6.18 (e) This section does not apply to the reports required under sections 161.3203,
 6.19 subdivision 4; and 174.185, subdivision 3.

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

6.21 Sec. 12. Minnesota Statutes 2022, section 174.38, subdivision 5, is amended to read:

6.22 Subd. 5. **Eligibility.** Eligible recipients of financial assistance under this section are:

6.23 (1) a political subdivision; ~~and~~

6.24 (2) a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code, as
 6.25 amended; and

6.26 (3) a federally recognized Indian Tribe.

6.27 Sec. 13. Minnesota Statutes 2022, section 174.40, subdivision 4a, is amended to read:

6.28 Subd. 4a. **Eligibility.** A statutory or home rule charter city, county, ~~or town,~~ or federally
 6.29 recognized Indian Tribe is eligible to receive funding under this section only if it has adopted
 6.30 subdivision regulations that require safe routes to school infrastructure in developments
 6.31 authorized on or after June 1, 2016.

7.1 Sec. 14. Minnesota Statutes 2022, section 174.50, subdivision 7, is amended to read:

7.2 Subd. 7. **Bridge grant program; rulemaking.** (a) The commissioner of transportation
7.3 shall develop rules, procedures for application for grants, conditions of grant administration,
7.4 standards, and criteria as provided under subdivision 6, including bridge specifications, in
7.5 cooperation with road authorities of political subdivisions, for use in the administration of
7.6 funds appropriated to the commissioner and for the administration of grants to subdivisions.
7.7 The commissioner must publish all rules, procedures, conditions, standards, and criteria on
7.8 the department's website. Grants under this section are subject to the procedures and criteria
7.9 established in this subdivision and in subdivisions 5 and 6.

7.10 (b) The maximum use of standardized bridges is encouraged. Regardless of the size of
7.11 the existing bridge, a bridge or replacement bridge is eligible for assistance from the state
7.12 transportation fund if a hydrological survey indicates that the bridge or replacement bridge
7.13 must be ten feet or more in length.

7.14 (c) As part of the standards or rules, the commissioner shall, in consultation with local
7.15 road authorities, establish a minimum distance between any two bridges that cross over the
7.16 same river, stream, or waterway, so that only one of the bridges is eligible for a grant under
7.17 this section. As appropriate, the commissioner may establish exceptions from the minimum
7.18 distance requirement or procedures for obtaining a variance.

7.19 (d) Political subdivisions may use grants made under this section to rehabilitate, construct,
7.20 or reconstruct bridges, including but not limited to:

7.21 (1) matching federal aid grants to construct or reconstruct key bridges;

7.22 (2) paying the costs to abandon an existing bridge that is deficient and in need of
7.23 replacement but where no replacement will be made; ~~and~~

7.24 (3) paying the costs to construct a road or street to facilitate the abandonment of an
7.25 existing bridge if the commissioner determines that the bridge is deficient, and that
7.26 construction of the road or street is more economical than replacement of the existing bridge;
7.27 and

7.28 (4) paying the costs of acquiring and rehabilitating and reconstructing historic bridges,
7.29 including the costs of: (i) acquiring salvageable components from historic bridges and the
7.30 disassembly, repurposing, restoring, and transportation to a new location of the salvageable
7.31 components for the construction, rehabilitation, or reconstruction of a bridge; and (ii) related
7.32 environmental documentation, preliminary design, and final design associated with the
7.33 reconstruction of historic bridges.

8.1 (e) Funds appropriated to the commissioner from the Minnesota state transportation
8.2 fund shall be segregated from the highway tax user distribution fund and other funds created
8.3 by article XIV of the Minnesota Constitution.

8.4 (f) The commissioner must maintain a local bridge project list that includes every local
8.5 bridge replacement or rehabilitation project which has approved plans. The list must include
8.6 the total bridge cost estimate for each project. The commissioner must update this list
8.7 annually. The commissioner must publish the list on the department's website.

8.8 (g) The commissioner is prohibited from awarding a grant of \$7,000,000 or more under
8.9 this section for a local bridge replacement or rehabilitation project, except:

8.10 (1) for major local bridges as provided in subdivision 6d; or

8.11 (2) if every other local bridge replacement or rehabilitation project with a total bridge
8.12 cost estimate of \$7,000,000 or less on the local bridge project list required by paragraph (f)
8.13 has been fully funded.

8.14 (h) The commissioner must publish on the department's website a list of all projects that
8.15 were considered for funding. The list must identify the projects that were selected and the
8.16 projects that were not selected. For each project that was not selected, the commissioner
8.17 must include the reason it was not selected. This paragraph does not apply when there is no
8.18 funding from any source for the program in a fiscal year.

8.19 (i) Notwithstanding subdivision 1, grants for costs under paragraph (d), clause (2), are
8.20 limited to general fund appropriations that must be segregated from all funds authorized
8.21 under articles XI and XIV of the Minnesota Constitution.

8.22 Sec. 15. Minnesota Statutes 2022, section 174.52, subdivision 2, is amended to read:

8.23 Subd. 2. **Trunk highway corridor projects account.** A trunk highway corridor projects
8.24 account is established in the local road improvement fund. Money in the account is annually
8.25 appropriated to the commissioner of transportation for expenditure as specified in this
8.26 section. Money in the account must be used as grants or loans to statutory or home rule
8.27 charter cities, towns, ~~and~~ counties, and federally recognized Indian Tribes to assist in paying
8.28 the local or Tribal share of trunk highway projects that have local or Tribal costs that are
8.29 directly or partially related to the trunk highway improvement and that are not funded or
8.30 are only partially funded with other state and federal funds. The commissioner shall determine
8.31 the amount of the local or Tribal share of costs eligible for assistance from the account.

9.1 Sec. 16. Minnesota Statutes 2022, section 174.52, subdivision 4, is amended to read:

9.2 Subd. 4. **Local road account for routes of regional significance.** A local road account
 9.3 for routes of regional significance is established in the local road improvement fund. Money
 9.4 in the account is annually appropriated to the commissioner of transportation for expenditure
 9.5 as specified in this section. Money in the account must be used as grants or loans to statutory
 9.6 or home rule charter cities, towns, ~~and~~ counties, and federally recognized Indian Tribes to
 9.7 assist in paying the costs of constructing or reconstructing city streets, county highways, ~~or~~
 9.8 town roads, or Tribal roads with statewide or regional significance that have not been fully
 9.9 funded through other state, federal, ~~or~~ local, or Tribal funding sources.

9.10 Sec. 17. Minnesota Statutes 2022, section 174.52, subdivision 5, is amended to read:

9.11 Subd. 5. **Grant procedures and criteria.** (a) The commissioner shall establish procedures
 9.12 for statutory or home rule charter cities, towns, ~~and~~ counties, and federally recognized Indian
 9.13 Tribes to apply for grants or loans from the fund and criteria to be used to select projects
 9.14 for funding. The commissioner must publish the procedures on the department's website.
 9.15 The commissioner shall establish these procedures and criteria in consultation with
 9.16 representatives appointed by the Association of Minnesota Counties, League of Minnesota
 9.17 Cities, Minnesota Association of Townships, ~~and~~ the appropriate state agency as needed,
 9.18 and Tribal representatives under section 10.65. The criteria for determining project priority
 9.19 and the amount of a grant or loan must be based upon consideration of:

9.20 (1) the availability of other state, federal, ~~and~~ local, and Tribal funds;

9.21 (2) the regional significance of the route;

9.22 (3) effectiveness of the proposed project in eliminating a transportation system deficiency;

9.23 (4) the number of persons who will be positively impacted by the project;

9.24 (5) the project's contribution to other local, regional, ~~or~~ state, or Tribal economic
 9.25 development or redevelopment efforts including livestock and other agricultural operations
 9.26 permitted after July 1, 2005; and

9.27 (6) ability of the local unit of government or federally recognized Indian Tribe to
 9.28 adequately provide for the safe operation and maintenance of the facility upon project
 9.29 completion.

9.30 (b) The commissioner must publish on the department's website a list of all projects that
 9.31 were considered for funding. The list must identify the projects that were selected and the
 9.32 projects that were not selected. For each project that was not selected, the commissioner

10.1 must include the reason it was not selected. This paragraph does not apply when there is no
10.2 funding from any source for the program in a fiscal year.

10.3 Sec. 18. Minnesota Statutes 2022, section 222.50, subdivision 7, is amended to read:

10.4 Subd. 7. **Expenditures.** (a) The commissioner may expend money from the rail service
10.5 improvement account for the following purposes:

10.6 (1) to make transfers as provided under section 222.57 or to pay interest adjustments on
10.7 loans guaranteed under the state rail user and rail carrier loan guarantee program;

10.8 (2) to pay a portion of the costs of capital improvement projects designed to improve
10.9 rail service of a rail user or a rail carrier;

10.10 (3) to pay a portion of the costs of rehabilitation projects designed to improve rail service
10.11 of a rail user or a rail carrier;

10.12 (4) to acquire, maintain, manage, and dispose of railroad right-of-way pursuant to the
10.13 state rail bank program;

10.14 (5) to provide for aerial photography survey of proposed and abandoned railroad tracks
10.15 for the purpose of recording and reestablishing by analytical triangulation the existing
10.16 alignment of the in-place track;

10.17 (6) to pay a portion of the costs of acquiring a rail line by a regional railroad authority
10.18 established pursuant to chapter 398A;

10.19 (7) to pay the state matching portion of federal grants for rail-highway grade crossing
10.20 improvement projects;

10.21 (8) to pay the nonfederal matching portion of federal grants for freight rail projects that
10.22 support economic development;

10.23 ~~(8)~~ (9) to fund rail planning studies; and

10.24 ~~(9)~~ (10) to pay a portion of the costs of capital improvement projects designed to improve
10.25 capacity or safety at rail yards.

10.26 (b) All money derived by the commissioner from the disposition of railroad right-of-way
10.27 or of any other property acquired pursuant to sections 222.46 to 222.62 shall be deposited
10.28 in the rail service improvement account.

11.1 Sec. 19. Minnesota Statutes 2022, section 360.55, subdivision 9, is amended to read:

11.2 Subd. 9. **Small unmanned aircraft systems.** (a) Any small unmanned aircraft system
 11.3 ~~in which the unmanned aircraft weighs less than 55 pounds at takeoff, including payload~~
 11.4 ~~and anything affixed to the aircraft, as defined in section 360.013, either:~~

11.5 (1) must be registered in the state for an annual fee of \$25; or

11.6 (2) is not subject to registration or an annual fee if the unmanned aircraft system is owned
 11.7 and operated solely for recreational purposes.

11.8 (b) An unmanned aircraft system that meets the requirements under paragraph (a) is
 11.9 exempt from aircraft registration tax under sections 360.511 to 360.67.

11.10 (c) Owners must, at the time of registration, provide proof of insurability in a form
 11.11 acceptable to the commissioner. Additionally, operators must maintain records and proof
 11.12 that each flight was covered by an insurance policy with limits of not less than \$300,000
 11.13 per occurrence for bodily injury or death to nonpassengers in any one accident. The insurance
 11.14 must comply with section 60A.081 unless that section is inapplicable under section 60A.081,
 11.15 subdivision 3.

11.16 Sec. 20. Minnesota Statutes 2022, section 360.59, subdivision 10, is amended to read:

11.17 Subd. 10. **Certificate of insurance.** (a) Every owner of aircraft in this state when applying
 11.18 for registration, reregistration, or transfer of ownership shall supply any information the
 11.19 commissioner reasonably requires to determine that the aircraft during the period of its
 11.20 contemplated operation is covered by an insurance policy with limits of not less than
 11.21 \$100,000 per passenger seat liability both for passenger bodily injury or death and for
 11.22 property damage; not less than \$100,000 for bodily injury or death to each nonpassenger
 11.23 in any one accident; and not less than \$300,000 per occurrence for bodily injury or death
 11.24 to nonpassengers in any one accident. The insurance must comply with section 60A.081,
 11.25 unless that section is inapplicable under section 60A.081, subdivision 3.

11.26 The information supplied to the commissioner must include but is not limited to the
 11.27 name and address of the owner, the period of contemplated use or operation, if any, and, if
 11.28 insurance coverage is then presently required, the name of the insurer, the insurance policy
 11.29 number, the term of the coverage, policy limits, and any other data the commissioner requires.
 11.30 No certificate of registration shall be issued pursuant to subdivision 3 in the absence of the
 11.31 information required by this subdivision.

11.32 (b) In the event of cancellation of aircraft insurance by the insurer, the insurer shall
 11.33 notify the Department of Transportation at least ten days prior to the date on which the

12.1 insurance coverage is to be terminated. Unless proof of a new policy of insurance is filed
 12.2 with the department meeting the requirements of this subdivision during the period of the
 12.3 aircraft's contemplated use or operation, the registration certificate for the aircraft shall be
 12.4 revoked forthwith.

12.5 (c) Nothing in this subdivision shall be construed to require an owner of aircraft to
 12.6 maintain passenger seat liability coverage on aircraft for which an experimental certificate
 12.7 has been issued by the administrator of the Federal Aviation Administration pursuant to
 12.8 Code of Federal Regulations, title 14, sections 21.191 to 21.195 and 91.319, whereunder
 12.9 persons operating the aircraft are prohibited from carrying passengers in the aircraft or for
 12.10 an unmanned aircraft. Whenever the aircraft becomes certificated to carry passengers,
 12.11 passenger seat liability coverage shall be required as provided in this subdivision.

12.12 (d) The requirements of this subdivision shall not apply to any aircraft built by the
 12.13 original manufacturer prior to December 31, 1939, and owned and operated solely as a
 12.14 collector's item, if the owner files an affidavit with the commissioner. The affidavit shall
 12.15 state the owner's name and address, the name and address of the person from whom the
 12.16 aircraft was purchased, the make, year, and model number of the aircraft, the federal aircraft
 12.17 registration number, the manufacturer's identification number, and that the aircraft is owned
 12.18 and operated solely as a collector's item and not for general transportation purposes.

12.19 ~~(e) A small unmanned aircraft system that meets the requirements of section 360.55,~~
 12.20 ~~subdivision 9, is not subject to the requirements under paragraphs (a) and (b). Owners of~~
 12.21 ~~small unmanned aircraft systems that meet the requirements of section 360.55, subdivision~~
 12.22 ~~9, must, at the time of registration, provide proof of insurability in a form acceptable to the~~
 12.23 ~~commissioner. Additionally, such operators must maintain records and proof that each flight~~
 12.24 ~~was insured for the limits established in paragraph (a).~~

12.25 Sec. 21. **LEGISLATIVE ROUTE NO. 264 REMOVED.**

12.26 (a) Minnesota Statutes, section 161.115, subdivision 195, is repealed effective the day
 12.27 after the commissioner of transportation receives a copy of the agreement between the
 12.28 commissioner and the governing bodies of Jackson County and Nobles County to transfer
 12.29 jurisdiction of Legislative Route No. 264 and notifies the revisor of statutes under paragraph
 12.30 (b).

12.31 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota
 12.32 Statutes when the commissioner of transportation sends notice to the revisor electronically
 12.33 or in writing that the conditions required to transfer the route have been satisfied.

13.1 **Sec. 22. LEGISLATIVE ROUTE NO. 274 REMOVED.**

13.2 (a) Minnesota Statutes, section 161.115, subdivision 205, is repealed effective the day
13.3 after the commissioner of transportation receives a copy of the agreement between the
13.4 commissioner and the governing body of Yellow Medicine County to transfer jurisdiction
13.5 of Legislative Route No. 274 and notifies the revisor of statutes under paragraph (b).

13.6 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota
13.7 Statutes when the commissioner of transportation sends notice to the revisor electronically
13.8 or in writing that the conditions required to transfer the route have been satisfied.

13.9 **Sec. 23. LEGISLATIVE ROUTE NO. 301 REMOVED.**

13.10 (a) Minnesota Statutes, section 161.115, subdivision 232, is repealed effective the day
13.11 after the commissioner of transportation receives a copy of the agreement between the
13.12 commissioner and the governing body of the city of St. Cloud to transfer jurisdiction of
13.13 Legislative Route No. 301 and notifies the revisor of statutes under paragraph (b).

13.14 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota
13.15 Statutes when the commissioner of transportation sends notice to the revisor electronically
13.16 or in writing that the conditions required to transfer the route have been satisfied.

13.17 **Sec. 24. REPEALER.**

13.18 Minnesota Rules, part 8835.0350, subpart 2, is repealed.

8835.0350 FINANCIAL RECORDS.

Subp. 2. **Reports.** At the end of each month of operation, a recipient shall provide the department with a report summarizing cost allocations and operating statistics for the period. Reports must be completed on forms provided or approved by the department and must be submitted no later than the last day of the month following the reporting period. The recipient shall submit to the department the final report for the contract period no later than 90 days after the contract period ends.