

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

S.F. No. 1859

(SENATE AUTHORS: JASINSKI and Coleman)

DATE
02/20/2023

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905 Introduction and first reading
Referred to Transportation

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to transportation; modifying selection process procedures for Corridors
1.3 of Commerce projects; amending Minnesota Statutes 2022, section 161.088,
subdivisions 1, 2, 4, 5, as amended, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2022, section 161.088, subdivision 1, is amended to read:

1.7 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
1.8 the meanings given:

1.9 ~~(i)~~ (b) "Beyond the project limits" means any point that is located:

1.10 ~~(i)~~ (1) outside of the project limits;

1.11 ~~(ii)~~ (2) along the same trunk highway; and

1.12 ~~(iii)~~ (3) within the same region of the state;

1.13 ~~(2)~~ (c) "City" means a statutory or home rule charter city;

1.14 (d) "Department" means the Department of Transportation.

1.15 ~~(3)~~ (e) "Program" means the corridors of commerce program established in this section;

1.16 ~~and.~~

1.17 ~~(4)~~ (f) "Project limits" means the estimated construction limits of a project for trunk
1.18 highway construction, reconstruction, or maintenance, that is a candidate for selection under
1.19 the corridors of commerce program.

2.1 (g) "Screening entity" means an area transportation partnership, the Metropolitan Council
 2.2 in consultation with the transportation advisory board under section 473.146, subdivision
 2.3 4, or a specified county.

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

2.5 Sec. 2. Minnesota Statutes 2022, section 161.088, subdivision 2, is amended to read:

2.6 Subd. 2. **Program authority; funding.** (a) As provided in this section, the commissioner
 2.7 ~~shall~~ must establish a corridors of commerce program for trunk highway construction,
 2.8 reconstruction, and improvement, including maintenance operations, that improves commerce
 2.9 in the state.

2.10 (b) The commissioner may expend funds under the program from appropriations to the
 2.11 commissioner that are:

2.12 (1) made specifically by law for use under this section;

2.13 (2) at the discretion of the commissioner, made for the budget activities in the state roads
 2.14 program of operations and maintenance, program planning and delivery, or state road
 2.15 construction; and

2.16 (3) made for the corridor investment management strategy program, unless specified
 2.17 otherwise.

2.18 (c) The commissioner ~~shall~~ must include in the program the cost participation policy
 2.19 for local units of government.

2.20 (d) The commissioner may use up to 17 percent of any appropriation ~~to the program~~
 2.21 under this section for program delivery and for project scoring, ranking, and selection under
 2.22 subdivision 5.

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

2.24 Sec. 3. Minnesota Statutes 2022, section 161.088, subdivision 4, is amended to read:

2.25 Subd. 4. **Project eligibility.** (a) The eligibility requirements for projects that can be
 2.26 funded under the program are:

2.27 (1) consistency with the statewide multimodal transportation plan under section 174.03;

2.28 (2) location of the project on ~~an interregional corridor~~ the national highway system, as
 2.29 provided under Code of Federal Regulations, title 23, part 470, and successor requirements,
 2.30 for a project located outside of the Department of Transportation metropolitan district;

3.1 (3) placement into at least one project classification under subdivision 3;

3.2 (4) project construction work will commence within ~~three~~ four years, ~~or a longer length~~
3.3 ~~of time as determined by the commissioner; and~~

3.4 (5) for each type of project classification under subdivision 3, a maximum allowable
3.5 amount for the total project cost estimate, as determined by the commissioner with available
3.6 data; and

3.7 (6) determination of a total project cost estimate with a reasonable degree of accuracy.

3.8 (b) A project whose construction is programmed in the state transportation improvement
3.9 program is not eligible for funding under the program. This paragraph does not apply to a
3.10 project that is programmed as result of selection under this section.

3.11 (c) A project may be, but is not required to be, identified in the 20-year state highway
3.12 investment plan under section 174.03.

3.13 (d) For each project, the commissioner must consider all of the eligibility requirements
3.14 under paragraph (a). The commissioner is prohibited from considering any eligibility
3.15 requirement not specified under paragraph (a).

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

3.17 Sec. 4. Minnesota Statutes 2022, section 161.088, is amended by adding a subdivision to
3.18 read:

3.19 **Subd. 4a. Project funding; regional balance.** (a) To ensure regional balance throughout
3.20 the state, the commissioner must distribute all available funds under the program within the
3.21 following funding categories:

3.22 (1) Metro Projects: at least 30 percent and no more than 35 percent of the funds are for
3.23 projects that are located within, on, or directly adjacent to an area bounded by marked
3.24 Interstate Highways 494 and 694;

3.25 (2) Metro Connector Projects: at least 30 percent and no more than 35 percent of the
3.26 funds are for projects that:

3.27 (i) are not included in clause (1); and

3.28 (ii) are located within the department's metropolitan district or within 40 miles of marked
3.29 Interstate Highway 494 or marked Interstate Highway 694; and

3.30 (3) Regional Center Projects: at least 30 percent of the funds are for projects that are not
3.31 included in clause (1) or (2).

4.1 (b) The commissioner must calculate the percentages under paragraph (a) using total
 4.2 funds under the program over the current and prior two consecutive project selection rounds.

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

4.4 Sec. 5. Minnesota Statutes 2022, section 161.088, subdivision 5, is amended to read:

4.5 Subd. 5. **Project selection process; criteria.** (a) The commissioner must establish a
 4.6 process to identify, evaluate, and select projects under the program. The process must be
 4.7 consistent with the requirements of this subdivision and must not include any additional
 4.8 ~~evaluation~~ scoring criteria. The process must include phases as provided in this subdivision.

4.9 ~~(b) As part of the project selection process, the commissioner must annually accept~~
 4.10 ~~recommendations on candidate projects from area transportation partnerships and other~~
 4.11 ~~interested stakeholders in each Department of Transportation district. The commissioner~~
 4.12 ~~must determine the eligibility for each candidate project identified under this paragraph.~~
 4.13 ~~For each eligible project, the commissioner must classify and evaluate the project for the~~
 4.14 ~~program, using all of the criteria established under paragraph (c).~~ **Phase 1: Project**
 4.15 **solicitation.** Following enactment of each law that makes additional funds available for the
 4.16 program, the commissioner must undertake a public solicitation of potential projects for
 4.17 consideration. The solicitation must be performed through an Internet recommendation
 4.18 process that allows for an interested party, including an individual, business, local unit of
 4.19 government, corridor group, or interest group, to submit a project for consideration.

4.20 (c) **Phase 2: Local screening and recommendations.** The commissioner must present
 4.21 the projects submitted during the open solicitation under Phase 1 to the appropriate screening
 4.22 entity where each project is located. A screening entity must:

4.23 (1) consider all of the submitted projects for its area;

4.24 (2) solicit input from members of the legislature who represent the area, for project
 4.25 review and nonbinding approval or disapproval; and

4.26 (3) recommend projects to the commissioner for formal scoring, as provided in Phase
 4.27 3.

4.28 (d) Each screening entity may recommend up to three projects to the commissioner,
 4.29 except that (1) the Metropolitan Council may recommend up to four projects, and (2) each
 4.30 of the following counties may independently recommend up to two projects: Anoka, Carver,
 4.31 Chisago, Dakota, Hennepin, Ramsey, Scott, and Washington. A screening entity may
 4.32 recommend a replacement project for one that the commissioner determines is ineligible

5.1 under subdivision 4. Each recommendation must identify any approvals or disapprovals
 5.2 provided by a member of the legislature.

5.3 (e) Phase 3: Project scoring. The commissioner must confirm project eligibility under
 5.4 subdivision 4 and perform a complete scoring assessment on each of the eligible projects
 5.5 recommended by the screening entities under Phase 2.

5.6 (f) Projects must be ~~evaluated~~ scored using all of the following criteria:

5.7 (1) a return on investment measure that provides for comparison across eligible projects;

5.8 (2) measurable impacts on commerce and economic competitiveness;

5.9 (3) efficiency in the movement of freight, including but not limited to:

5.10 (i) measures of annual average daily traffic and commercial vehicle miles traveled, which
 5.11 may include data near the project location on that trunk highway or on connecting trunk
 5.12 and local highways; and

5.13 (ii) measures of congestion or travel time reliability, which may be within or near the
 5.14 project limits, or both;

5.15 (4) improvements to traffic safety;

5.16 (5) connections to regional trade centers, local highway systems, and other transportation
 5.17 modes;

5.18 (6) the extent to which the project addresses multiple transportation system policy
 5.19 objectives and principles;

5.20 (7) support and consensus for the project among members of the surrounding community;
 5.21 and

5.22 (8) the time and work needed before construction may begin on the project; ~~and.~~

5.23 ~~(9) regional balance throughout the state.~~

5.24 The commissioner must give the criteria in clauses (1) to (8) equal weight in the ~~selection~~
 5.25 scoring process.

5.26 ~~(d) The list of all projects evaluated must be made public and must include the score of~~
 5.27 ~~each project.~~

5.28 ~~(e) As part of the project selection process, the commissioner may divide funding to be~~
 5.29 ~~separately available among projects within each classification under subdivision 3, and may~~
 5.30 ~~apply separate or modified criteria among those projects falling within each classification.~~

6.1 (g) Phase 4: Project ranking and selection. On completion of project scoring under
6.2 Phase 3, the commissioner must develop a ranked list of projects based on total score, and
6.3 must select projects in rank order for funding under the program, subject to subdivision 4a.
6.4 The commissioner must specify the amounts and known or anticipated sources of funding
6.5 for each selected project.

6.6 (h) Phase 5: Public information. The commissioner must publish information regarding
6.7 the selection process on the department's website. The information must include:

6.8 (1) lists of all projects submitted for consideration and all projects recommended by the
6.9 screening entities;

6.10 (2) the scores and ranking for each project; and

6.11 (3) an overview of each selected project, with amounts and sources of funding.

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