

## S.F. No. 3157 – Omnibus Transportation Finance Bill (First Engrossment)

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**Date:** April 10, 2023

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### OVERVIEW

**S.F. 3157** is the omnibus transportation finance bill. **Article 1** is the appropriations article. **Article 2** is the trunk highway bonds article. **Article 3** modifies and amends certain transportation finance provisions including vehicle registration fees, the motor vehicle sales tax, and the auto parts sales tax, establishes a retail delivery fee, and authorizes a metropolitan region sales and use tax for transit systems, roads, and active transportation programming. **Article 4** is the first engrossment of S.F. 2099, a bill heard by the Transportation Committee on March 10, 2023, and implements the recommendations from the “Driver and Vehicle Services Report of the Independent Expert Review” (“Report”) submitted to the legislature on January 12, 2022.<sup>1</sup> **Article 5** makes conforming changes based on the creation of a driver and vehicle services operating account in **article 4**. **Article 6** addresses the operations and governance of the Metropolitan Council and contains proposals on transit safety, comprehensive planning requirements, designation of responsible authority for certain arterial bus rapid transit projects, and a metropolitan area active transportation program. **Article 7** is the first engrossment of S.F. 912, containing provisions related to nonmotorized and active transportation, heard by the Transportation Committee on February 8, 2023. **Article 8** addresses a range of transportation policies with fiscal implications.

### ARTICLE 1 – TRANSPORTATION APPROPRIATIONS

Appropriates and transfers money for the fiscal year (FY) 2024-2025 biennium to fund the operations of the Department of Transportation (MnDOT) and transportation-related divisions of the Department of Public Safety (DPS) and the Metropolitan Council. See spreadsheet for details.

In addition, **article 1**:

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<sup>1</sup> [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)

- appropriates money for Minnesota State Patrol operating deficiencies in fiscal year 2023;
- appropriates onetime money in FY 2024-25 to the University of Minnesota to fund small community partnerships on infrastructure project development;
- makes available any remaining funds from 2018 trunk highway bonding appropriations for a highway project in the city of New London; and
- extends the availability of FY 2022-23 appropriations for safe routes to school and freight.

## **ARTICLE 2 – TRUNK HIGHWAY BONDS**

**Section 1** lists summary trunk highway bond appropriations to MnDOT and the Department of Management and Budget (MMB).

**Section 2** appropriates to MnDOT from the bond proceeds account in the trunk highway fund:

- \$300 million for Corridors of Commerce projects, and
- \$250 million for state road construction projects (available as \$150 million in FY 24 and \$100 million in FY 25).

Up to 17% of the appropriations may be used for program delivery costs.

**Section 3** appropriates \$550,000 to MMB from the bond proceeds account in the trunk highway fund for bond sale expenses.

**Section 4** directs MMB to sell and issue trunk highway bonds totaling \$550.55 million to provide for the appropriations in **sections 2 and 3**.

## **ARTICLE 3 – TRANSPORTATION FINANCE**

**Sections 1 to 3** establish a statutory appropriation to MnDOT of any available funds in the existing small cities assistance account in the special revenue fund and make conforming statutory changes.

**Section 4** creates the larger cities assistance account in the special revenue fund; statutorily appropriates any available funds in the account to MnDOT for distribution to certain cities that are eligible for municipal state aid; and creates a distribution formula based on eligible cities' population (50%) and money needs (50%).

**Section 5** amends the calculation of the vehicle registration tax:

- changes the tax rate from 1.25% to 1.54% for vehicles registered in Minnesota before November 16, 2020;
- changes the tax rate from 1.285% to 1.575% for vehicle registered in Minnesota on or after November 16, 2020;

- changes the depreciation schedule used to calculate manufacturer’s suggested retail price of a vehicle;
- changes the minimum tax paid for older vehicles to \$30 (from \$35); and
- sets an effective date for these changes of January 1, 2024.

**Section 6** creates a new Minnesota blackout special license plate and sets requirements for eligibility, plate design, and transfer of plates. Provides exemptions from new plate application requirements. Requires an annual contribution of at least \$30 to the trunk highway fund. This section is effective January 1, 2024.

**Sections 7-11 and 13-15** establish a new retail delivery fee, effective July 1, 2024.

**Section 7** defines terms.

**Section 8** requires retailers to add a 75 cent retail delivery fee to the price of a retail delivery, to be collected from purchaser. Requires the fee to be listed as a separate item on a receipt or invoice. Specifies that each retail sale is a single delivery for the purpose of the fee, regardless of the number of shipments necessary.

**Section 9** exempts transactions in which the only items purchased are items that are exempt from state sales tax, except for clothing. Exempts purchasers that are exempt from paying state sales tax.

**Section 10** requires retailers to remit the fee to the commissioner of revenue on the same filing cycle required for state sales tax. States that statutes governing the administration of the state sales tax apply to the retail delivery fee. Requires commissioner of revenue to pay interest on overpayments refunded to retailers.

**Section 11** directs the deposit of proceeds from the retail delivery fee. Allows the commissioner of revenue to retain the costs of collecting and administering the fee and requires the remainder of proceeds to be deposited in the highway user tax distribution fund (HUTDF) (70%), county state-aid highway (CSAH) fund (20%), municipal state-aid street (MSAS) fund (9%) and the food delivery support account (1%) created in **section 13**.

**Section 13** creates the food delivery support account in the special revenue fund, and annually appropriates the money in the account to the commissioner of human services for grants to nonprofit organizations for food delivery services.

**Section 14** allows the commissioner of revenue to deposit a portion of the proceeds from the retail delivery fee in the revenue department service and recovery special revenue fund, to cover costs of fee collection.

**Section 15** clarifies that the retail delivery fee is not included in the definition of “sales price” when calculating sales tax.

**Section 12** establishes a statutory appropriation to MnDOT of any available funds in the existing active transportation account in the special revenue fund.

**Section 16** changes the allocation of revenues from the sales tax on motor vehicle repair and replacement parts, such that:

- 47.5% of the revenues in each year are deposited into the HUTDF;
- a decreasing percentage of the total revenue each year is deposited into the general fund, starting at 50% in FY 24 and ending at 0% in FY 2033 and thereafter; and
- of the remainder in each year, 60% to the CSAH fund, 22% to the MSAS fund, 9% to the small cities assistance account, and 9% to the larger cities assistance account.

**Sections 17-18 and 21** establish a new metropolitan region sales and use tax, as follows:

**Section 17** makes a conforming change that authorizes the imposition of the tax by a political subdivision.

**Section 18** defines terms and directs the Metropolitan Council to impose a sales and use tax of 0.75% in the metropolitan area. Provides for collection and administration by the Department of Revenue. Deposits the proceeds into the metropolitan area transit account. Authorizes revenue bonds for the council’s transit capital improvement program. This section is effective for sales and purchases made beginning October 1, 2023.

**Section 21** allocates the sales tax proceeds.

**Subd. 1** defines the term “sales tax revenue.”

**Subd. 2** allocates the revenue 5/6 to the council and 1/6 to the CSAH fund.

**Subd. 3** specifies that the council’s share of the revenue is 95% for transit system purposes and 5% for the metro area active transportation program (created in **article 6**). Specifies areas in which the council must spend a portion of revenue annually.

**Subd. 4** creates a distribution formula for the revenue that is deposited in the CSAH fund for metro counties, based on relative population (50%) and money needs (50%).

**Subd. 5** specifies requirements for the financial information that the council must maintain on sales tax revenues, and requires publication of the information on the council’s website.

**Sections 19 and 20** modify the sales tax on motor vehicles (MVST):

**Section 19** increases the rate from 6.5% to 6.875%.

**Section 20** modifies the allocation of MVST revenue to the metropolitan area transit account (from 36% to 34.5%) and the greater Minnesota transit account (from 4% to 5.5%) in the transit assistance fund. The allocation of MVST revenue to the HUTDF remains unchanged.

#### **ARTICLE 4 – INDEPENDENT EXPERT REVIEW PROVISIONS**

**Section 1 [Full-service provider]** provides a definition of “full-service provider” in vehicle registration chapter of Minnesota Statutes. A full-service provider is a person who performs the functions of both a

deputy registrar and a full-service driver's license agent. This corresponds to the term "full-service deputy registrar" used in the Independent Expert Report.

**Section 2 [Records and fees]** authorizes full-service providers to issue driver and vehicle records and collect a fee.

**Section 3 [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. Effective January 1, 2024.

**Section 4 [Exception to fee and surcharge]** prohibits a full-service provider from collecting the surcharge referenced in **article 4, section 3** in certain situations.

**Section 5 [Monitoring and auditing]** requires the commissioner of public safety to monitor and audit full-service providers providing documents in **article 4, section 3** to ensure compliance with state and federal law. Effective January 1, 2024.

**Section 6 [Surcharge]** imposes a new \$1 surcharge (effective in fiscal year 2026) for all online vehicle-related DVS transactions to be deposited in the new full-service provider account in the new Driver and Vehicle Services Fund and will be distributed proportionally to full-service providers and deputy registrars. Requires deputy registrars to assess a 50 cent surcharge on vehicle-related transactions conducted at deputy registrar offices (including deputies who are FSPs), effective fiscal year 2026. Revenues will be retained by the deputy registrars. Makes statutory conforming changes related to the structure of DVS operating accounts. Makes other conforming changes related to the creation of a larger cities assistance account in article 3. Sets a proportional percentage of 33% for distribution of the additional surcharge into the small cities assistance account, the larger cities assistance account, and the town roads account.

**Section 7 [Use of Vehicle registration information]** allows information about vehicle registrations to be provided over the phone to the owner or lessee of the vehicle.

**Section 8 [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 most of the fee but must submit a portion of the fee to the commissioner to be deposited into the general fund.

**Section 9 [Monitoring and auditing]** requires the commissioner of public safety to monitor and audit full-service providers providing documents in **article 4, section 8** to ensure compliance with state and federal law. Effective January 1, 2024.

**Section 10 [Definition of full-service provider]** provides definition of "full-service provider" in Chapter 171 and cross-references the definition provided in **article 4, section 1**.

**Section 11 [Pre-application]** requires the commissioner to establish an electronic process for an applicant to submit a preapplication to apply for a driver's license or identification card. The preapplication process applies to the commissioner, full-service providers, and driver's license agents.

**Section 12 [Fees]** increases the filing fee for driver's license transactions. Fees for a new application for a noncompliant, REAL ID-compliant, or enhanced driver's license or identification card are \$16, while fees for a renewal application are \$11.

**Section 13 [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. Effective August 1, 2023.

**Section 14 [Driver and vehicle services information system; security and auditing]** prohibits the commissioner from suspending or revoking access to MnDRIVE when the person properly accessed the data, regardless of whether a transaction was complete. Requires the commissioner to establish an appeals process.

**Section 15 [Examination subjects and locations; provisions for color blindness, disabled veterans]** requires the commissioner to ensure that no fewer than ensure that 93 stations are located throughout the state between July 1, 2023 and July 1, 2024, and reduces the number of located stations as follows:

- (1) 83 stations in fiscal year 2025;
- (2) 73 stations in fiscal year 2026; and
- (3) 60 stations in fiscal year 2027

The existing requirements on exam station locations is stricken. The requirement that the commissioner ensure applicants can obtain an appointment within 14 days is also stricken. The commissioner is required to provide real-time information on the department's website about availability and location of exam appointments. Requires every exam station to be open at least one day per week beginning on July 1, 2026.

**Section 16 [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 if they have a valid license issued by another state, United States territory, or jurisdiction.

**Section 17 [Exam pass rates]** requires the Department of Public Safety to publicly post student pass rates for each driver training school. Requires each driver training school to submit a list of students who completed coursework at the school every six months. The first list submitted to the commissioner is due July 1, 2024.

**Section 18 [Driver and vehicle services fund]** creates a new Driver and Vehicle Services Fund in the state treasury.

**Section 19 [Driver and vehicle services operating account]** combines the existing DVS operating accounts (the driver services operating account and the vehicle services operating account) into a new account called the driver and vehicle services operating account. The new account will consist of all revenues that previously were deposited into the individual accounts and will be located in the Driver and Vehicle Services Fund created in **article 4, section 18**. Under current law, the DVS operating accounts are located in the Special Revenue Fund.

**Section 20 [Driver and vehicle services technology account]** moves the existing driver and vehicle services technology account to the new Driver and Vehicle Services Fund created in **article 4, section 18**. Under current law, this account is located in the Special Revenue Fund.

**Section 21 [Full-Service Provider account]** creates the full-service provider account in the new Driver and Vehicle Services Fund. Revenues from the new online transaction surcharge created in section 6 will be deposited in this account, and all money in the account is appropriated to DPS for quarterly distribution

to FSPs and deputy registrars based on their relative numbers of completed transactions. The distribution calculation includes a multiplication factor of 0.2 for those transactions completed by a deputy registrar.

**Section 22 [Report; deputy registrar and driver’s license agent financial sustainability]** requires the Department of Public Safety to report to the legislature evaluating the role of deputy registrars and driver’s license agents within DVS operations. The report is due July 1, 2024. The report must include a performance evaluation, detail the amount of financial assistance needed for deputy registrars and driver’s license agents to achieve financial sustainability, and provide long-term analyses about the role private deputy registrars and driver’s license agents will play in the vehicle and driver registration system.

**Section 23 [Report; implementation]** requires the Department of Public Safety to report to the legislature on the implementation of the provisions in the bill and the other recommendations and plans provided in the Report. 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 whether the recommendations from the March 2021 report by the Legislative Auditor have been implemented.

## **ARTICLE 5 – DRIVER AND VEHICLE SERVICES CONFORMING CHANGES**

**Sections 1 to 20** are conforming changes stemming from combining the driver services operating account and the vehicle services operating account into a single account – the driver and vehicle services operating account – in **article 4, sections 18 and 19**.

**Section 21** is a revisor’s instruction to comply with the creation of the driver and vehicle services operating account.

**Section 22** repeals certain statutes to comply with the creation of the driver and vehicle services operating account.

## **ARTICLE 6 – METROPOLITAN COUNCIL GOVERNANCE AND OPERATIONS**

**Section 1 [Administration of opiate antagonists for drug overdose]** authorizes transit rider investment program personnel to administer opiate antagonists for emergency treatment of an opioid overdose if the medical provider and training prerequisites are met. Effective July 1, 2023.

**Section 2 [Construction of nonarterial bus rapid transit]** requires the commissioner of transportation to construct bus rapid transit facilities and infrastructure if the bus rapid transit project’s estimated costs exceed \$100,000,000 or operates substantially within separated rights-of-way.

**Section 3 [Surcharges on criminal and traffic offenders]** reduces the court surcharge from \$75 to \$25 for various rider conduct violations, including fare-related violations and other acts that carry a misdemeanor penalty. Effective July 1, 2023.

**Section 4 [Disbursement of surcharges]** requires the entirety of the court surcharge for transit rider conduct violations to be deposited into the general fund. Effective July 1, 2023.

**Section 5 [Requirement]** requires the Metropolitan Council to adopt a long-term comprehensive plan with a climate action chapter and include forecasts pertaining to greenhouse gas emissions. Effective the day following final enactment in the seven-county metropolitan area.

**Section 6 [Development guide; climate action plan]** governs the requirements of the climate action plan chapter in the Metropolitan Council's long-term comprehensive plan. The climate action plan must include policies that describe how to meet the greenhouse gas emissions reduction goals established by the state and the transportation targets established by the commissioner of transportation under **article 8, section 6**. Effective the day following final enactment in the seven-county metropolitan area.

**Section 7 [Metropolitan area active transportation]** requires the Metropolitan Council to establish an active transportation program in the metropolitan area funded by proceeds from the metropolitan area sales tax created in **article 3, section 17**.

**Subdivision 1** defines active transportation as bicycling, pedestrian activities, and other forms of nonmotorized transportation.

**Subdivision 2** requires the Metropolitan Council to establish a program to support active transportation in the seven-county metropolitan area.

**Subdivision 3** establishes the active transportation program requirements. The Metropolitan Council, in establishing the active transportation program, must establish an application and solicitation process to award financial assistance for active transportation projects. The council is required to publicize each application solicitation and must place an emphasis on historically underrepresented communities.

**Subdivision 4** creates the eligibility requirements for active transportation program grant recipients.

**Subdivision 5** requires the council to establish permissible uses for financial assistance awards, which are limited to (1) the construction of bicycle, trail, and pedestrian infrastructure, and (2) Safe Routes to School activities, including planning, public awareness campaigns, traffic education and enforcement near schools, student sessions on bicycle and pedestrian safety, and (5) financial assistance for training, volunteers, and managers of the safe routes to school programs.

**Subdivision 6** requires the Metropolitan Council to create a project evaluation and selection committee comprised of one city council member or mayor from each council district. The committee must establish a competitive selection process.

**Sections 8 to 15** make conforming changes stemming from the designation of the commissioner of transportation as the sole responsible authority on light rail transit projects in **article 6, section 2**. Effective the day following final enactment and applies to projects that enter into full funding agreements or after that date.

**Section 16 [Transit rider activity]** establishes a rider code of conduct and public safety monitoring requirements for transit service. Effective the day following final enactment.

**Subdivision 1** requires the Metropolitan Council to adopt a rider code of conduct and post in prominent locations at light rail transit stations, bus rapid transit stations, and transit centers.

**Subdivision 2** authorizes an authorized transit representative to order a person to depart a transit vehicle or facility for a violation of the rider code of conduct after a warning followed by a continued violation of the code of conduct.

**Subdivision 3** requires the Metropolitan Council to establish and clearly designate paid fare zones at each light rail transit station where the council utilizes self-service barrier-free fare collection.

**Subdivision 4** directs the Metropolitan Council to implement safety monitoring and response activities at light rail transit facilities, including (1) security cameras and sufficient lighting to ensure coverage of the entire station and each light rail transit vehicle; (2) a public address system at each light rail transit station; (3) real-time active monitoring of passenger activity and potential violations throughout the light rail transit system; and (4) maintenance and replacement of malfunctioning camera or public address systems.

**Section 23 [Transit rider investment program]** requires the Metropolitan Council to create the transit rider investment program (TRIP) for transit passenger support, fare payment inspection, administrative citation issuance, and rider assistance.

**Subdivision 1** defines terms. Effective the day following final enactment.

**Subdivision 2** establishes the TRIP program. Sets requirements governing a council resolution, development of policies and procedures for the program, stakeholder consultation, and personnel recruitment and deployment. Effective July 1, 2023.

**Subdivision 3** requires the appointment of a TRIP manager to manage the program. Effective the day following final enactment.

**Subdivision 4** enumerates the duties of TRIP personnel, including passenger monitoring and assistance, fare payment inspections, and issuing administrative citations for certain prohibited activities. Effective July 1, 2023.

**Subdivision 5** requires training for TRIP personnel on certain topics. Effective July 1, 2023.

**Subdivision 6** authorizes transit officials (including TRIP personnel, law enforcement, and community service officers) to issue administrative citations for some violations in transit facilities. Establishes contested process notification on the administrative citation. Prohibits citation quotas. Prohibits both an administrative citation and a criminal conviction for the same act under Minn. Stat. §609.855, subdivision 1 or 3. Effective July 1, 2023.

**Subdivision 7** establishes disposition of an administrative citation requirements, including (1) a 90-day limit to contest the citation; (2) establishing a civil process to contest the citation; (3) permitting the Metropolitan Council to contract with collection agencies and sets requirements for imposing collection costs onto the administrative citation fine. Effective July 1, 2023.

**Subdivision 8** requires the fine for an administrative citation to be between \$35 and \$100. Permits the Metropolitan Council to implement a graduated fine structure for the citation or an alternative resolution procedure for resolving an administrative citation. Effective July 1, 2023.

**Section 18 [Legislative report]** requires an annual legislative report on transit safety and the transit rider investment program. Effective July 1, 2023.

**Section 19 [Complete bidding requirements; legislative report]** requires that if the Metropolitan Council is the responsible authority for a transit project with a total cost of greater than \$50,000,000, the council must notify and report to the legislature at least 30 days prior to project bidding commencing if certain project specifications are incomplete or subject to significant revisions. Proposed Minn. Stat. §473.453.

**Section 20 [Contingency plans and reserve; report required]** requires a responsible authority to establish formal contingency plans for temporarily halting or stopping work on a transit project if (1) the light rail transit project will not be completed within a year of its scheduled completion date; (2) total expenditures on the project are anticipated to increase by ten percent above the most recent cost estimate; and (3) any of the responsible authority's civil contractors submits a schedule update with a delay of greater than six months from the most recent estimated completion date. A contingency plan created under this section requires the responsible authority to address increased project costs, the impact of any delay on project reserves, the effect on existing contractual obligations, and a new baseline schedule for completion of the project. The responsible authority must submit the contingency plan to the legislature within 30 days.

**Section 21 [Contract schedule requirements; report required]** institutes schedule submission requirements on the Metropolitan Council if they are the responsible authority for a light rail transit project.

**Subdivision 1** requires the Metropolitan Council and any contractor involved in the construction of a light rail transit project to submit to the schedule application process established in this section. Sets forth the sequencing of approving a preliminary schedule and a final baseline schedule for construction.

**Subdivision 2** prohibits construction from commencing if no baseline general schedule is accepted by both the Metropolitan Council and the contractor. Requires approval of a preliminary schedule before approving a general baseline schedule.

**Subdivision 3** requires that if the Metropolitan Council is the responsible authority and the contractor on a light rail transit project proposes a revision to either the preliminary construction schedule or the general baseline schedule, the council must decide whether to approve the proposed revision before issuing any further completed work payments. If the council rejects the proposed schedule revision, the council must immediately suspend payments to the contractor.

**Subdivision 4** requires any agreement between the Metropolitan Council and a contractor for constructing a portion of a light rail transit project must include a provision that allows the Council to withhold payments if the contractor is delinquent under the general baseline schedule or for conditional approval of a revision to a schedule under subdivision 3.

**Subdivision 5** requires the Metropolitan Council to submit the approved preliminary and general baseline schedule to the legislature under a variety of different circumstances and different timelines.

**Section 22 [Peer review for certain project elements]** requires the Metropolitan Council, as responsible authority, to institute a multi-party peer review process for certain light rail project elements.

**Section 23 [Project completion delay notification]** requires the responsible authority for a light rail transit project to provide status updates on a project to the legislature annually on January 1 and July 1 which must include (1) total expenditures on the project during the previous three months as compared to projections; (2) total project expenditures for the next 3, 6, and 9 month period; (3) total project expenditures to date; (4) the total project cost estimate; and (5) any change in an anticipated date of completion. Requires notification to the legislature within 7 days if the responsible authority is deliberating whether the cost of a project is anticipated to increase by \$50,000,000 or five percent above the most recent cost estimate, whichever is less.

**Section 24 [Settlement expenses; legislative report]** requires the Metropolitan Council, as responsible authority, to report to the legislature within 21 days if the council and a contractor on a light rail project enter into a settlement agreement.

**Section 25 [Climate action plan]** requires the Metropolitan Council to specify how the climate action plan must be incorporated into the council’s comprehensive plan content based on the requirements of **article 6, section 6**. Effective the day following final enactment in the seven-county metropolitan area.

**Section 26 [Unlawfully obtaining services; petty misdemeanor]** reduces the penalty for evading or falsifying fare payment for transit service or failure to provide proof of fare payment to a petty misdemeanor from a misdemeanor. Sets the base fine amount at \$10. Effective July 1, 2023.

**Section 27 [Prohibited activities; petty misdemeanor]** eliminates the misdemeanor penalty for certain rider activities including: (1) playing amplified music; (2) consuming food or beverages without authorization; and (3) bringing an animal onboard without authorization. Modifies the penalty for littering on a transit vehicle after a warning followed by a continued violation into a petty misdemeanor. Effective July 1, 2023.

**Section 28 [Prohibited activities; misdemeanor]** establishes a misdemeanor penalty for certain rider activities on a transit vehicle or in a transit facility including: (1) smoking; (2) urinating or defecating; (3) drinking alcohol; (4) damaging transit vehicles or transit station property that meets the requirements for fourth-degree criminal damage to property; (5) committing vandalism, defacing transit property, or the placement of graffiti; or (6) disorderly conduct. Authorizes law enforcement to order a transit passenger to depart a transit vehicle or transit facility for the conduct listed above. Effective July 1, 2023.

**Section 29 [Definitions]** adds TRIP personnel to the statutorily defined list of transit authorities who have capacity to enforce certain rider conduct violations, including requiring proof of fare payment. Effective the day following final enactment.

**Section 30 [Post-COVID Transit Study]** amends 2021 Session Law to modify the funding source and lead entity for a study on post-COVID public transit. The Metropolitan Council is directed to create the study and is obligated to pay for the study out of existing budgetary resources. Revises the effective date to make the report due October 1, 2023. Effective the day following final enactment.

**Section 31 [Southwest Light Rail Transit; expenditures and schedule]** amends 2022 Session law to add additional status update requirements for the Metropolitan Council on the Southwest light rail transit projects including (1) total expenditures on the project to date and (2) the total project cost estimate. Requires the Metropolitan Council to submit for review and comment to the legislature for each expenditure on the Southwest light rail transit project on a monthly basis and at least 30 days prior to making the expenditure. Effective the day following final enactment and applies to expenditures made on or after October 1, 2023.

**Section 32 [Metropolitan Council charter commission]** creates a charter commission to provide for the governance structure of the Metropolitan Council.

**Subdivision 1** provides for the appointment of 11 members from counties under the Metropolitan Council to the charter commission by the chief judge of Ramsey County. The members must have expertise in regional governance and the law.

**Subdivision 2** provides the terms and conditions for the appointment of the members of the charter commission.

**Subdivision 3** requires the commission to meet within 30 days after the initial appointment, elect a chair, and establish rules including quorum requirements for its operation and procedures.

**Subdivision 4** permits members of the charter commission to receive reimbursement for expenses actually incurred in the course of their duties. Requires the Metropolitan Council to appropriate money to the charter commission for research and clerical assistance, supplies, and to meet expenses considered necessary by the charter commission. Allows the charter commission to request and receive assistance from Metropolitan Council staff.

**Subdivision 5** provides that the charter commission must frame a proposed charter to provide the governance of the Metropolitan Council. The charter commission must consult with experts and scholars on regional governance. The commission must review and analyze the existing powers, authorities, and responsibilities of the council and determine the proposed charter provisions notwithstanding any law to the contrary. The charter commission determines when and the process by which the proposed charter is submitted to voters affected by the charter.

**Subdivision 6** requires a report to the legislature by the charter commission, containing the proposed charter, the process and timing of submitting the charter to the voters, and any necessary amendments to state law to effectuate the charter.

**Section 33 [Mass transit reports; ridership; crime]** requires the Metropolitan Council to post on their website monthly ridership statistics for each guideway and busway in operation and include ridership projections made at the time of the full funding grant agreement. Provides that each monthly report is to be posted 60 days after the end of that month and must be available on the Council's website for five years. Requires the Metropolitan Council to post on their website quarterly crime statistics for crimes occurring on a light rail transit vehicle, bus, commuter rail car, or at any transit platform, stop, or facility.

**Section 34 [Metro Mobility enhancement pilot program]** establishes an enhancement pilot program for the Metropolitan Council to enhance existing service levels of Metro Mobility.

**Subdivision 1** defines a term.

**Subdivision 2** requires the Metropolitan Council to implement the pilot program to enhance existing service levels of Metro Mobility.

**Subdivision 3** creates requirements for the pilot program, which must (1) commence by September 1, 2023, and operate until December 31, 2025; (2) provide for advanced scheduling of enhanced Metro Mobility service; (3) provide service hours outside of the hours of service under Metro Mobility; (4) cover the entirety of the geographic area set forth in the Metro Mobility statute; and (5) establish rider eligibility criteria substantially comparable to Metro Mobility's eligibility requirements.

**Subdivision 4** requires the Metropolitan Council to submit a report to the legislature on the pilot program by February 1, 2026.

**Section 35 [Metropolitan Council; land use study]** requires the Metropolitan Council to conduct and complete a metropolitan land use and transportation policy study on or before June 30, 2024. Effective July 1, 2023.

**Subdivision 1** defines terms.

**Subdivision 2** describes the required land use and transportation policy study which must inform the Metropolitan Council's 2050 comprehensive development guide.

**Subdivision 3** specifies the contents of the land use and transportation policy study.

**Subdivision 4** requires the Metropolitan Council to submit the report to the legislature no later than February 1, 2025.

**Section 36 [Transit service intervention project]** establishes a temporary intervention project to perform high-visibility and coordinated interventions on light rail transit lines.

**Subdivision 1** defines terms.

**Subdivision 2** establishes the intervention program for the enhancement of social services engagement, code of conduct regulation, and law enforcement.

**Subdivision 3** requires the Metropolitan Council to implement the transit service intervention project.

**Subdivision 4** directs the Metropolitan Council to coordinate the intervention project with a variety of state and local entities.

**Subdivision 5** specifies the duties of the Metropolitan Council working with participating entities. The TRIP manager must: (1) establish social service intervention teams with the capacity to perform on-site social services engagement with riders experiencing homelessness, substance use disorders, or mental or behavioral health disorders; (2) create coordinated intervention teams with social services personnel, community service officers, and law enforcement; and (3) implement interventions in two phases. The first intervention phase is for three weeks, beginning June 1, 2023, and deploys only social services personnel for interventions. The second intervention phase is for nine weeks, begins after the first intervention phase, and deploys the coordinated intervention teams described in clause (2).

**Subdivision 6** requires the Metropolitan Council to provide staff support for the intervention program.

**Subdivision 7** sets monthly status reporting requirements.

**Subdivision 8** sunsets the intervention project on June 30, 2024.

## **ARTICLE 7 – NONMOTORIZED AND ACTIVE TRANSPORTATION**

**Section 1 [Student training]** strikes language that allows schools to provide student safety education for bicycling and pedestrian safety. This is replaced by language in **article 7, section 2**.

**Section 2 [Active transportation safety training]** requires public school districts to provide age-appropriate active transportation safety training for students in kindergarten through eighth grade. Nonpublic schools may provide the same training. The commissioner of transportation must maintain a comprehensive collection of training safety materials.

**Section 3 [Cooperation among agencies and governments]** requires the active transportation advisory committee to provide information and advice for the bikeway designation guidelines. The commissioner of transportation must provide technical assistance to local governments related to planning and developing bikeways, connecting state bicycle routes, and implementing statewide bicycle plans.

**Section 4 [State bicycle route]** requires the active transportation advisory committee to participate in the identification of state bicycle routes.

**Section 5 [Mississippi River Trail]** designates the existing Mississippi River Trail bikeway as a state bicycle route.

**Section 6 [Jim Oberstar Bikeway]** establishes the Jim Oberstar Bikeway as a state bicycle route. The route starts in St. Paul and ends on Minnesota's boundary with Canada in the northeast part of the state.

**Section 7 [Passing]** requires that a driver of a vehicle passing a bicycle on a road must maintain a distance of at least three feet or half the width of a vehicle or completely enter another lane of the roadway. Makes technical changes to improve readability.

**Section 8 [Riding rules]** requires a bicyclist on a road to ride as close to the right-hand curb or edge of the road as the bicyclist deems safe. Exceptions are provided. A bicyclist must give an audible signal before passing another bicycle or individual. Allows a bicyclist to cross an intersection from the left side of a dedicated right turn lane. Makes technical changes to improve readability.

**Section 9 [Stopping requirements]** requires a bicyclist approaching a stop sign to slow down when approaching the intersection. If there is not a vehicle in the vicinity, the bicyclist is not required to come to a complete stop. A bicyclist approaching a red traffic light must slow down when approaching the intersection. If there is not a vehicle in the vicinity the bicyclist may make a turn without stopping. Otherwise, the bicyclist must come to a complete stop but may proceed through the red light.

**Section 10 [Active transportation advisor committee]** requires the commissioner of transportation to establish an active transportation advisory committee. The committee must make recommendations to the commissioner on the safe routes to school program, bicycling, pedestrian activities, and other forms of nonmotorized transportation. The commission is comprised of public members, various state agency commissioners, and others. The committee must submit an annual report to the commissioner of transportation.

**Section 11 [Use of funds]** requires that \$500,000 of the active transportation grants are for active transportation safety curriculum.

## **ARTICLE 8 – MISCELLANEOUS**

**Section 1 [Data security account]** appropriates credited receipts in data security account in the special revenue fund to the legislative auditor.

**Section 2 [Advisory council on traffic safety]** creates an Advisory Council on Traffic Safety which serves as the lead for the state Towards Zero Deaths program.

**Subdivision 1** defines terms.

**Subdivision 2** establishes the advisory council which is to make recommendations and advise the commissioners of public safety, transportation, and health on the development and implementation of projects intended to improve traffic safety on Minnesotan roads.

**Subdivision 3** sets forth the membership of the advisory council.

**Subdivision 4** establishes the duties of the advisory council.

**Subdivision 5** requires the Office of Traffic Safety to serve as the host agency for the advisory council and manager of the administrative and operational aspects of the council's activities.

**Section 3 [Classifications]** classifies the collected race and ethnicity data on driver's license holders authorized under **section 19** as private data. Permits the Office of Traffic Safety to receive the data only for research, evaluation and reporting purposes.

**Section 4 [Oil and other hazardous substances transportation data]** provides the data classification for oil and hazardous substances transported by rail and post-incident review.

**Section 5 [Training]** amends the training requirements for railroads to (1) include a local emergency management organization and (2) provide the training to the applicable jurisdictions along routes where hazardous substances are transported by rail. The training must address the methods to identify rail cars and hazardous substances, responder safety issues, rail response tactics, notification and evacuation concerns, environmental contamination, railroad response personnel and coordination at an incident, and other protocols for safe initial local response including the notification requirements established in **section 4**.

**Section 6 [Emergency response planning; coordination]** establishes coordination requirements for emergency response planning between emergency responders and railroads. Requires the commissioner of public safety to publish the list of emergency managers and fire chiefs every other year.

**Section 7 [Response capabilities; time limits]** amends the time limits and emergency response responsibilities of a railroad after an incident involving oil or hazardous substances. **Paragraph (a)** requires railroads to deliver and deploy sufficient equipment to respond to an incident and adds requirement for railroad to contact emergency services within 15 minutes of an incident. The emergency response or fire chief must identify and provide contact information of the responsible incident commander to the railroad. **Paragraph (b)** requires a railroad to aid the incident commander and identify the nature of the hazardous substance known to have been released and any other hazardous substance cargo on the train. **Paragraph (c)** requires a qualified company representative of the railroad to advise the incident commander, assist in assessing the situation, initiate needed railroad actions, and provide advice and recommendations to the incident commander regarding the response.

**Section 8 [Railroad drills]** modifies the requirements for containment, recovery, and sensitive area protection exercises by requiring one tabletop exercise every year and one full-scale exercise every three years.

**Section 9 [Prevention and response plans; requirements; submission]** makes changes to the submission requirements of prevention and response plans for railroads.

**Section 10 [Highways for Habitat Program]** creates a highway for habitat program for the Department of Transportation's integrated roadside vegetation management plan.

**Subdivision 1 [Definitions]** defines terms.

**Subdivision 2 [Program establishment]** establishes the program which requires the commissioner of transportation Transportation's integrated roadside vegetation management plan to include pollinator habitats and wildlife buffers.

**Subdivision 3 [General requirements]** provides what is included in the highways for habitat program. The commissioner of transportation must (1) identify highways for habitat installations; (2) erect signage that identifies habitat projects and clearly marks habitat management restrictions; (3) develop training for MnDOT personnel and pesticide contractors on the use of integrated roadside vegetation management; (4) work with the commissioners of natural resources and agriculture to reduce the use of mowing and pesticides; (5) maintain a website on the program; and (6) identify future funding sources for the program.

**Subdivision 4 [Management standards]** directs the commissioner of transportation, in consultation with DNR and the Board of Water and Soil Resources, to develop integrated roadside vegetation management standards and practices to the extent feasible. Specifies elements for the standards.

**Section 11 [Limitations on spending]** removes the prohibition on the commissioner of transportation expending trunk highway funds or funds from the highway user distribution fund on rent and utility expenses on the department's central office building.

**Section 12 [Corridors of Commerce; definitions]** defines terms for the selection process for the Corridors of Commerce program.

**Section 13 [Program authority; funding]** makes a technical change and authorizes MnDOT to use up to 17 percent of any Corridors of Commerce appropriation for project scoring, ranking, and selection in addition to program delivery.

**Section 14 [Project eligibility]** amends eligibility requirements to include: (1) modifying the length of time projected construction projects must begin work from three to four years; and (2) a classification of 'large' and 'small' greater Minnesota projects and projects in the metropolitan area.

**Section 15 [Project selection process; criteria]** modifies the process by which MnDOT identifies, selects, and prioritizes projects under the Corridors of Commerce program. **Paragraph (b)** requires MnDOT to accept applications from area transportation partnerships and counties. **Paragraph (c)** establishes the screening and selection requirements for projects in greater Minnesota and the metropolitan area. **Paragraph (d)** provides that MnDOT must use a 100-point rubric for criteria assigned to projects. **Paragraph (e)** provides that MnDOT must select projects so that approximately 50 percent of the funding is set aside for metropolitan area and approximately 50 percent is used for projects in greater Minnesota. **Paragraph (f)** requires MnDOT to post all projects and their scoring on the MnDOT website.

**Section 16 [Recommendations]** requires MnDOT to compile a list of potential Corridors of Commerce projects for consideration and submit the list to each legislator and the governor. Permits each legislator and the governor to submit to MnDOT a written recommendation for one project on the list and allows MnDOT to assign one point for preferred projects that receive a written recommendation.

**Section 17 [Project selection period]** establishes a five-year selection period for Corridors of Commerce projects beginning July 1, 2027.

**Section 18 [Transportation greenhouse gas emissions impact assessment]** requires the commissioner of transportation to perform a capacity expansion impact assessment on capacity expansion road projects to determine if the project conforms with certain requirements. Effective February 1, 2025.

**Subdivision 1** defines terms.

**Subdivision 2** requires the commissioner of transportation to perform a capacity expansion impact assessment before including a capacity expansion project in the state transportation improvement program. The assessment requires the commissioner to consider if the project conforms with (1) greenhouse gas emissions benchmarks established in **section 40**; (2) the vehicle miles traveled reduction targets under the statewide transportation plan; and (3) providing neutral environmental effects in areas of persistent poverty or in historically disadvantaged communities.

If the commissioner determines the expansion project does not conform to those criteria, the commissioner must either (1) alter the scope of the design of the project; (2) interlink impact mitigation; or (3) halt project development.

**Subdivision 3** requires the commissioner to establish a process to perform capacity expansion impact analysis as required under **subdivision 2**.

**Subdivision 4** establishes the requirements for the commissioner to interlink impact mitigation as provided under **subdivision 2**.

**Subdivision 5** requires the commissioner to post public information regarding capacity expansion impact assessments on MnDOT's website.

**Section 19 [Rules]** prevents administrative rules adopted by the commissioner of transportation from prohibiting an entity providing retail electric service in the state that has a right to use the public road right-of-way from placing and maintaining electric transmission lines along, across, or in any trunk highway except as necessary to protect public safety.

**Section 20 [Relocation of Utility]** creates a conforming change needed by the changes made in **section 21**.

**Section 21 [Relocation of facilities; reimbursement]** prohibits any entity that receives a route permit for a high-voltage transmission line necessary to interconnect an electric power generating facility alongside a highway is not eligible for relocation reimbursement from the commissioner of transportation, unless the entity is a public utility or a utility cooperative.

**Section 22 [Research activities]** modifies the cap on the amount the commissioner of transportation may spend on research by the University of Minnesota's Center for Transportation Studies

**Section 23 [Documentary fee increase]** increases the maximum documentary fees charged by dealers on motor vehicle sales and leases. Provides the fee maximum applies only to vehicles being registered in the State of Minnesota and establishes the following fee schedule:

- For sales or leases made on or after July 1, 2023, through June 30, 2024, the maximum fee is the lesser of \$200 or an amount equal to ten percent of the value of the sale or lease.
- For sales or leases made on or after July 1, 2024, through June 30, 2025, the maximum fee is the lesser of \$275 or an amount equal to ten percent of the value of the sale or lease.
- For sales or leases made on or after July 1, 2025, the maximum fee is the lesser of \$350 or an amount equal to ten percent of the value of the sale or lease.

**Section 24 [Electric-assisted bicycle]** amends the statutory definition of an electric-assisted bicycle to include a battery system tested to an applicable safety standard by a third-party laboratory.

**Section 25 [Safe road zones]** establishes a process for the designation of safe road zones.

**Subdivision 1** defines “local request” for designation of safe road zones.

**Subdivision 2** provides MnDOT authority to designate a street or highway segment a safe road zone following a local request.

**Subdivision 3** implements a variety of safety and educational outreach measures.

**Subdivision 4** directs the commissioner of public safety to coordinate with local law enforcement for enhanced traffic enforcement in safe road zones.

**Subdivision 5** requires MnDOT to maintain a website on safe road zone implementation and designations.

**Section 26 [Speed limits in safe road zones]** authorizes MnDOT to set a temporary or permanent speed limit on roads in a safe road zone.

**Section 27 [Move over or slow down]** clarifies the requirement in Minn. Stat. §169.18, subdivision 11 that drivers must slow down and move over for any vehicle with its emergency, flashing, or warning lights rather than specified authorized vehicles.

**Section 28 [Parking permits for physically disabled person]** adds legal blindness to the definition of a physically disabled person for purposes of receiving a disability parking permit.

**Section 29 [Prohibition on use; penalty]** amends the prohibition on using a wireless communication device to include a prohibition on holding the wireless communication device with one or both hands.

**Section 30 [Exception]** makes a conforming change to the changes made in **section 29**.

**Section 31 [Weight Limits; towing and recovery vehicle]** creates a new section of law relating to tow truck weight limits.

**Subdivision 1** includes substantively the same language from section 168B.15, which is being repealed. This section allows the commissioner of transportation to issue permits for oversize and overweight tow trucks when towing a disabled or damaged vehicle to place of repair or safekeeping.

**Subdivision 2** provides that size and weight limits do not apply when a tow truck or towing vehicle is towing a damaged or disabled vehicle from a roadway and: 1) removing the vehicle is urgent; and 2) the vehicle is being taken to a place of safekeeping or repair. A permit is not required in this situation. Much of this subdivision is substantively similar to section 169.829, subd. 2, which is being repealed.

**Subdivision 3.** Seasonal load restrictions do not apply to tow trucks that do not exceed 20,000 pounds per single axle and is towing or recovering another vehicle that is 1) in the road right-of-way and was involved in a crash or is inoperable; or 2) has entered a body of water next to the road. This exemption only applies when a law enforcement agency makes a request to move the vehicle.

**Section 32 [Driver’s license for medical reason]** amends the statute authorizing a 15-year-old to hold a medical driver’s license to expand eligibility to 15-year olds with a disabled relative. Effective July 1, 2023.

**Section 33 [Persons less than 18 years of age]** permits the Department of Public Safety to issue instruction permits to applicants who are enrolled in a teleconference driver's education program or an online driver's education program. Strikes authorization for the issuance of instruction permits for applicants who have completed a driver's education program in another state. Effective July 1, 2023.

**Section 34 [Fees]** amends the fees for a REAL ID compliant or noncompliant driver's license, an enhanced driver's license, a REAL ID compliant or noncompliant instruction permit, a commercial learner's permit, a REAL ID compliant or noncompliant provisional license, or Minnesota identification card.

**Section 35 [Contents of application; other information]** allows for the voluntary collection of race and ethnicity data of an applicant on a driver's license or identification card application form. Effective for applications submitted on or after January 1, 2024.

**Section 36 [Veteran's designation on driver's license or identification card]** modifies the law governing the veteran designation on a driver's license or Minnesota identification card to expand eligibility to a retired member of the National Guard or a reserve component of the United States armed forces. Expands the eligible documentation that an applicant may submit to qualify for the designation.

**Section 37 [Reintegration license]** establishes a reintegration driver's license. Effective April 1, 2024.

**Subdivision 1** allows the commissioner to issue a reintegration driver's license to an adult who has been confined or incarcerated for at least 180 days and whose driver's license was cancelled, suspended, or revoked for specified reasons. Depending on the reason for the suspension, cancellation, or revocation, additional criteria may be required before a license is issued.

**Subdivision 2** provides a timeline for applying for a reintegration driver's license, depending on the date of the person's release from incarceration or confinement.

**Subdivision 3** prohibits the commissioner or driver's license agent from imposing a fee, surcharge or filing fee, or endorsement fee. Other unpaid fees or fines are not forgiven or discharged upon issuance of a reintegration driver's license.

**Subdivision 4** requires the commissioner to cancel a person's reintegration driver's license if the person commits a violation that would result in the suspension, revocation, or cancellation of a driver's license.

**Subdivision 5 [Expiration]** a reintegration driver's license expires 15 months from the date of issuance and may not be renewed.

**Subdivision 6 [Issuance of regular driver's license]** requires the commissioner to issue a REAL ID compliant or noncompliant license to a person who possesses a reintegration driver's license if: the person had the reintegration license for at least one year, the person is eligible for the license, and the issuance does not conflict with the nonresident violator compact. The commissioner must forgive any outstanding reinstatement fees or surcharges for a person who has applied for a driver's license pursuant to this subdivision.

**Section 38 [Teleconference Driver Education Program]** authorizes and creates requirements for teleconference driver education programs. Effective July 1, 2023.

**Subdivision 1** authorizes licensed driver education programs to provide teleconference driver education. The programs must offer both behind-the-wheel and classroom instruction to be eligible to offer teleconference driver education programs.

**Subdivision 2** establishes the requirements for teleconference driver education programs. A teleconference driver education program must: (1) use live synchronous distance learning and ensure student questions and comments can be addressed in real time; (2) ensure all locations are linked with picture and sound; (3) use classroom curriculum identical to in-person instruction; (4) provide teleconference instruction to any student enrolled in the program; (5) provide an interactive supplemental parent curriculum via teleconference instruction; (6) conform to Minnesota rules. A student may only receive teleconference instruction if the instructor confirms that the student's picture and sound allow the student to interact with the instructor in real time.

**Section 39 [Online driver education program]** authorizes licensed driver education programs to provide online driver education.

Online driver education programming standards must include (1) a means for student to measure performance outcomes; (2) a rotating pool of quiz questions; (3) accountability features to ensure the identity of the student while engaged in online study; (4) a method of measuring the time spent by the student in the course; (5) 24/7 technical support to customers; (6) a Minnesota driver education instructor monitoring student progress and be available to answer questions in a timely manner but not in real time; (7) secure storage of course content and student data; (8) preventative measures to prevent unauthorized access to private data; (9) the ability to update course content uniformly throughout the state; and (10) provide an online interactive supplemental parental curriculum. Online driver education programs must meet the same standards and requirements as in-person classes. Effective July 1, 2023.

**Section 40 [Greenhouse gas emissions benchmarks]** requires the commissioner of transportation to establish benchmarks for statewide greenhouse gas emissions reduction goals and specifies the requirements of the benchmarks. Effective February 1, 2025.

**Section 41 [State highway investment plan]** adds the capacity expansion project development criteria to the 20-year state highway investment plan prepared by the commissioner of transportation.

**Section 42 [Disadvantaged communities car sharing grant account]** creates the disadvantaged communities carsharing grant account in the special revenue fund. Directs the commissioner to administer the grant program and provide grants to nonprofit organizations offering carsharing services in disadvantaged communities. Grant recipients may use funds for capital and operational costs. Eligible recipients must be based in Minnesota and be either a nonprofit organization or nonprofit carsharing operator, with nonprofit carshare operators given preference. Provides that transportation management organizations are not eligible.

**Section 43 [Electric vehicle infrastructure program]** authorizes the commissioner of transportation to establish a statewide electric vehicle infrastructure program.

**Subdivision 1** defines terms.

**Subdivision 2** authorizes the commissioner of transportation to create an electric vehicle infrastructure program to implement the federal National Electric Vehicle Infrastructure Formula Program and maximize the use of federal funds available to the state.

**Subdivision 3** authorizes the commissioner of transportation to enter into an agreement with any private or public entity to engage in the planning, designing, developing, hosting, constructing, engineering, equipping, operating, or maintaining electric vehicle infrastructure.

**Subdivision 4** requires the commissioner of transportation to ensure that electric vehicle infrastructure complies with federal installer certification requirements. Requires that any electric vehicle infrastructure project that receives funds is subject to the prevailing wage requirements under Minnesota law.

**Subdivision 5** requires the commissioner to submit a report to the legislature every even-numbered year on the electric vehicle infrastructure program.

**Section 44 [Railroad company assessment; account; appropriation]** increases the statutory allotment of rail safety inspectors from four to six, paid for via assessment to railroad companies.

**Section 45 [Incident emergency response; preparedness and information]** establishes additional incident emergency response policies on railroads transporting hazardous substances, including:

- (1) providing a traffic review to the commissioner of public safety;
- (2) requiring information sharing, upon written request, of a rail carrier's prevention and response plans and risk assessment information used to develop the rail carrier's route analysis to either the commissioner of public safety, an emergency manager, or a fire chief having jurisdiction along the route;
- (3) requiring a rail carrier to meet with the commissioner, a requesting emergency manager, or fire chief having jurisdiction within 30 days after receiving a written request and discuss the rail carrier's emergency response plans and inventory information on response equipment;
- (4) establish requirements for real-time emergency information on hazardous materials being transported by rail;
- (5) requiring a rail carrier to conduct public safety emergency response exercises once a year via tabletop exercise and one full-scale exercise every three years; and
- (6) requiring an incident commander training exercise once a year via tabletop exercise and one full-scale exercise every three years.

**Section 46 [Grade crossing safety account]** makes technical changes to the grade crossing safety account.

**Section 47 [Minimum crew size]** requires that Class I railroads, Class II railroads, or railroads operating in a shared corridor must not be operated with a crew of fewer than two individuals. Sets forth a civil fine structure on railroads for violations. Provides an effective date of 30 days after final enactment.

**Section 48 [Use requirements]** expands the authority of some utilities to use the public road right-of-way to include high-voltage transmission lines under certain specified conditions.

**Section 49 [Electric-assisted bicycle tax credit]** permits a Minnesota taxpayer to claim a credit for up to 75 percent of the cost of an electric-assisted bicycle and sets forth certain criteria and restrictions on the credit.

**Section 50 [Rental motor vehicle tax exemption]** exempts rented or leased vehicles owned, leased, or operated by a nonprofit carsharing organization from the rental motor vehicle tax. Effective for sales and purchases made after June 30, 2023.

**Section 51 [Sales tax]** clarifies the sales tax exemption for nonprofit carsharing organizations. Effective for sales and purchases made after June 30, 2023.

**Section 52 [Traffic safety report]** requires the commissioner of public safety to submit a traffic safety report to the legislature and requires the commissioner to work with the Advisory Council on Traffic Safety in preparing the report. The report must analyze the safety of Minnesota's roads and transportation system and is due annually on January 2.

**Section 53 [Railroad and pipeline safety; oil and other hazardous substances]** reinstates assessments to railroads and pipeline companies to pay for emergency preparedness, along with some new activities in 299A.55.

**Section 54 [Administration]** removes a reference to revenues generated from the registration of meteorological towers from repealing the fee collected upon registration in **section 65, paragraph (a)**.

**Section 55 [Hennepin County North Minneapolis Service Center]** authorizes the addition of a deputy registrar at the Hennepin County North Minneapolis Service Center, converting the Service Center into a full-service office.

**Section 56 [Clean transportation standards and sustainable aviation fuel working group; report required]** creates a working group to develop a clean transportation standard that would achieve an aggregate carbon reduction in transportation fuels used in Minnesota and requires the group to analyze and propose legislation establishing a sustainable aviation fuel production program in Minnesota.

**Section 57 [Electric vehicle tax and registration study]** requires the commissioner of transportation and MMB to study the equalization of vehicle registration fees between electric vehicles and gas-powered vehicles to address shortcomings in gas tax revenue.

**Section 58 [Federal transportation grants technical assistance]** sets requirements for the administration and awarding of technical assistance grants to assist local units of government applying for federal discretionary grant.

**Subdivision 1** defines a term.

**Subdivision 2** directs MnDOT to create a process for technical assistance grants to local units of government and Tribal governments.

**Subdivision 3** obligates MnDOT to create a process for soliciting and screening assistance requests and awarding assistance grants. Identifies certain prioritization criteria to determine grant recipients.

**Subdivision 4** limits assistance grants to a maximum of \$30,000 and prevents more than one grant per year to a local unit of government. Not less than 15 percent of the technical assistance grants awarded under this section must be reserved for Tribal governments. Not less than 15 percent of the available funding must be reserved for townships and cities eligible for small cities assistance aid.

**Section 59 [Legislative report; speed safety cameras]** requires a legislative report on identifying a process for automated safety enforcement and requires the commissioner of public safety to

convene a task force on automated safety enforcement from a variety of stakeholders. Specifies report contents.

**Section 60 [Midtown Greenway bicycle and pedestrian trail expansion planning]** requires the Metropolitan Council to plan continuous and dedicated bicycle and pedestrian trails from the Midtown Greenway in Minneapolis to Allianz Field in St. Paul via the Short Line bridge over the Mississippi River. Establishes route and development plan analysis requirements.

**Section 61 [Retroactive driver's license reinstatement]** requires the commissioner of public safety to make an individual's driver's license eligible for reinstatement if the license is suspended solely for: (1) failure to appear in court for a petty misdemeanor citation or for driving after suspension; (2) a conviction for driving after suspension or revocation; (3) failure to pay a parking fine or fee; or (4) a combination of the previous listed items. Requires the commissioner to provide written notice to an individual whose license may be reinstated as provided by this section. Provides that an eligible individual must pay a single reinstatement fee of \$20. Does not apply to suspensions, revocations, or cancellations for other reasons. Effective August 1, 2023.

**Section 62 [Speed violation disposition analysis]** requires the commissioner of public safety to enter into an agreement with the Center for Transportation Studies at the University of Minnesota to conduct an analysis and review of traffic citation enforcement activity and disposition changes over recent years. The agreement with the Center requires an interim report due July 1, 2024, and a final report to the legislature by July 1, 2025.

**Section 63 [Vehicle registration rates]** requires the commissioners of MMB and public safety to study the factors behind Minnesota's declining vehicle registration rates, including where rates fall in comparison to other states and whether enforcement of vehicle registration laws affect registration rates.

**Section 64 [Revisor instruction]** is a revisor instruction relating to the provisions addressing rail safety in **article 8**.

**Section 65 [Repealer]** repeals the following provisions:

**Paragraph (a)** repeals (1) Minn. Stat. §167.45, which was amended by 2021 Session Law to prohibit trunk highway funds from being used for operations for MnDOT headquarters and (2) Minn. Stat. §360.915, subdivision 2, a \$50 fee for registration of a meteorological tower.

**Paragraph (b)** repeals provisions governing weight limits of tow trucks affected by the changes in **section 23**.

**Paragraph (c)** repeals rules providing for teleconferenced driver's education and online driver's education for adults because of the establishment of teleconference driver's education in statute in **section 38**.