SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 2082

(SENATE AUTHORS: DIBBLE and Johnson Stewart)

DATE	D-PG	OFFICIAL STATUS
03/03/2025	613	Introduction and first reading Referred to Transportation
04/22/2025		Comm report: To pass as amended and re-refer to Finance

A bill for an act

relating to transportation; establishing a budget for transportation; appropriating money for transportation purposes, including Department of Transportation, Department of Public Safety, and Metropolitan Council activities; amending Minnesota Statutes 2024, sections 168.27, subdivisions 8, 11, 16; 168.33, subdivision 7; 168A.10, by adding a subdivision; 169.14, subdivision 1a; 169.686, subdivision 1; 171.05, subdivision 1; 171.06, by adding a subdivision; 171.061, subdivision 4; 171.306, subdivision 8; 174.02, by adding a subdivision; 174.38, subdivision 4; 299A.01, by adding a subdivision; 360.511, by adding a subdivision; 360.531, subdivision 2; 360.55, subdivisions 4, 4a, 9, by adding subdivisions; 360.653; 473.408, by adding a subdivision; 473.4465, by adding a subdivision; Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2, as amended; Laws 2021, First Special Session chapter 14, article 11, section 45; Laws 2023, chapter 60, article 10, section 9; Laws 2023, chapter 68, article 1, section 2, subdivisions 2, 3; Laws 2024, chapter 127, article 1, section 2, subdivision 3.

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

ARTICLE 1
APPROPRIATIONS

Section 1. **TRANSPORTATION APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the trunk highway fund, or another named fund, and are available for the fiscal years indicated for each purpose. Amounts for "Total Appropriation" and sums shown in the corresponding columns marked "Appropriations by Fund" are summary only and do not have legal effect. Unless specified otherwise, the amounts in fiscal year 2027 under "Appropriations by Fund" show the base within the meaning of Minnesota Statutes, section 16A.11, subdivision 3, by fund. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "Each year" is each of fiscal years 2026 and 2027. "The biennium" is fiscal years 2026 and 2027. "C.S.A.H." is the county state-aid highway fund. "M.S.A.S." is the municipal state-aid street fund. "H.U.T.D." is the highway user tax distribution fund. "Staff" means those employees who are identified in any of the following roles for the legislative committees: committee administrator, committee legislative assistant, caucus research, fiscal analysis, counsel, or nonpartisan research.

	APPROPRIATIONS Available for the Year Ending June 30	
	2026	**2027**

Sec. 2. **DEPARTMENT OF TRANSPORTATION**

Subdivision 1. **Total Appropriation**	**$ 4,879,471,000**	**$ 3,958,200,000**

Appropriations by Fund

	2026	2027
General	39,068,000	39,218,000
Airports	28,018,000	28,018,000
C.S.A.H.	1,099,805,000	1,123,821,000
M.S.A.S.	278,780,000	283,002,000
Trunk Highway	3,433,800,000	2,484,141,000

The appropriations in this section are to the commissioner of transportation.

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Multimodal Systems**

(a) **Aeronautics**

(1) **Airport Development and Assistance**	19,623,000	19,623,000

This appropriation is from the state airports fund and must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after the year of the appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning the funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base for fiscal years 2028 and 2029.

(2) **Aviation Support Services**			10,033,000	10,183,000

Appropriations by Fund

General	1,843,000	1,993,000
Airports	8,190,000	8,190,000

(3) **Civil Air Patrol**	205,000	205,000

This appropriation is from the state airports fund for the Civil Air Patrol.

(b) **Transit and Active Transportation**	18,376,000	18,376,000

This appropriation is from the general fund.

(c) **Safe Routes to School**	1,500,000	1,500,000

This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(d) **Passenger Rail**	5,743,000	5,743,000

This appropriation is from the general fund for passenger rail activities under Minnesota Statutes, sections 174.632 to 174.636.

(e) **Freight**	9,215,000	9,284,000

Appropriations by Fund

General	2,403,000	2,403,000
Trunk Highway	6,812,000	6,881,000

Subd. 3. **State Roads**

(a) **Operations and Maintenance**	436,805,000	440,274,000

(b) **Program Planning and Delivery**

(1) **Planning and Research**	37,006,000	37,244,000

The commissioner may use any balance remaining in this appropriation for program delivery under clause (2).

$134,000 in fiscal year 2026 and $135,000 in fiscal year 2027 are available for administrative costs of the targeted group business program.

$300,000 in each year is available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

$900,000 in each year is available for grants for transportation studies outside the metropolitan area to identify critical concerns, problems, and issues. These grants are available: (i) to regional development commissions; (ii) in regions where no regional development commission is functioning, to joint powers boards established under agreement of two or more political subdivisions in the region to exercise the planning functions of a regional development commission; and (iii) in regions where no regional development commission or joint powers board is functioning, to the Department of Transportation district office for that region.

(2) **Program Delivery**			280,588,000	283,701,000

Appropriations by Fund

General	2,000,000	2,000,000
Trunk Highway	278,588,000	281,701,000

This appropriation includes use of consultants to support development and management of projects.

$1,003,000 in fiscal year 2026 and $1,005,000 in fiscal year 2027 are available from the trunk highway fund for management of contaminated and regulated material on property owned by the Department of Transportation, including mitigation of property conveyances, facility acquisition or expansion, chemical release at maintenance facilities, and spills on the trunk highway system where there is no known responsible party. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(c) **State Road Construction**	2,214,557,000	1,231,157,000

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts, internal department costs associated with delivering the construction program, consultant usage to support these activities, and the cost of actual payments to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses.

This appropriation includes federal highway aid. The commissioner of transportation must notify the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance of any significant events that cause the estimates of federal aid to change.

$650,000,000 in fiscal year 2026 is for the John A. Blatnik Bridge between Duluth, Minnesota, and Superior, Wisconsin. The commissioner may use up to 17 percent of the amount for program delivery. This is a onetime appropriation and is available until June 30, 2033.

The commissioner may expend up to one-half of one percent of the federal appropriations under this paragraph as grants to opportunity industrialization centers and other nonprofit job training centers for job training programs related to highway construction.

The commissioner may transfer up to $15,000,000 in each year to the transportation revolving loan fund.

The commissioner may receive money covering other shares of the cost of partnership projects. These receipts are appropriated to the commissioner for these projects.

The base is $1,276,546,000 in fiscal year 2028 and each year thereafter.

(d) **Corridors of Commerce**	25,000,000	25,000,000

This appropriation is for the corridors of commerce program under Minnesota Statutes, section 161.088. The commissioner may use up to 17 percent of the amount in each year for program delivery.

(e) **Highway Debt Service**	296,575,000	319,675,000

$293,575,000 in fiscal year 2026 and $316,675,000 in fiscal year 2027 are for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget must transfer the deficiency amount as provided under Minnesota Statutes, section 16A.641, and notify the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

(f) **Statewide Radio Communications**	7,052,000	7,121,000

Appropriations by Fund

General	3,000	3,000
Trunk Highway	7,049,000	7,118,000

$3,000 in each year is from the general fund to equip and operate the Roosevelt signal tower for Lake of the Woods weather broadcasting.

Subd. 4. **Local Roads**

(a) **County State-Aid Highways**	1,099,805,000	1,123,821,000

This appropriation is from the county state-aid highway fund under Minnesota Statutes, sections 161.081, 174.49, and 297A.815, subdivision 3, and chapter 162, and is available until June 30, 2035.

If the commissioner of transportation determines that a balance remains in the county state-aid highway fund following the appropriations and transfers made in this paragraph and that the appropriations made are insufficient for advancing county state-aid highway projects, an amount necessary to advance the projects, not to exceed the balance in the county state-aid highway fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The governor must identify in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

(b) **Municipal State-Aid Streets**	278,780,000	283,002,000

This appropriation is from the municipal state-aid street fund under Minnesota Statutes, chapter 162, and is available until June 30, 2035.

If the commissioner of transportation determines that a balance remains in the municipal state-aid street fund following the appropriations and transfers made in this paragraph and that the appropriations made are insufficient for advancing municipal state-aid street projects, an amount necessary to advance the projects, not to exceed the balance in the municipal state-aid street fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The governor must identify in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

(c) **Other Local Roads**

Local Transportation Disaster Support	1,000,000	1,000,000

This appropriation is from the general fund to provide a cost-share for federal assistance from the Federal Highway Administration for the emergency relief program under United States Code, title 23, section 125. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 5. **Agency Management**

(a) **Agency Services**			92,298,000	95,889,000
Appropriations by Fund				
General	6,200,000	6,200,000		
Trunk Highway	86,098,000	89,689,000		
(b) **Buildings**			44,710,000	44,802,000

Any money appropriated to the commissioner of transportation for building construction for any fiscal year before fiscal year 2026 is available to the commissioner during the biennium to the extent that the commissioner spends the money on the building construction projects for which the money was originally encumbered during the fiscal year for which it was appropriated. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(c) **Tort Claims**	600,000	600,000

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 6. **Transfers; General Authority**

(a) With the approval of the commissioner of management and budget, the commissioner of transportation may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. Transfers under this paragraph must not be made: (1) between funds; (2) from the appropriations for state road construction or debt service; or (3) from the appropriations for operations and maintenance or program delivery, except for a transfer to state road construction or debt service.

(b) The commissioner of transportation must immediately report transfers under paragraph (a) to the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance. The authority for the commissioner of transportation to make transfers under Minnesota Statutes, section 16A.285, is superseded by the authority and requirements under this subdivision.

Subd. 7. **Transfers; Flexible Highway Account**

The commissioner of transportation must transfer from the flexible highway account in the county state-aid highway fund:

(1) $21,800,000 in fiscal year 2026 to the trunk highway fund;

(2) $22,230,000 in fiscal year 2026 to the municipal turnback account in the municipal state-aid street fund; and

(3) the remainder in each year to the county turnback account in the county state-aid highway fund.

The money transferred under this subdivision is for highway turnback purposes as provided under Minnesota Statutes, section 161.081, subdivision 3.

Subd. 8. **Contingent Appropriations**

The commissioner of transportation, with the approval of the governor and the written approval of at least five members of a group consisting of the members of the Legislative Advisory Commission under Minnesota Statutes, section 3.30, and the ranking minority members of the legislative committees with jurisdiction over transportation finance, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation: (1) for trunk highway design, construction, or inspection in order to take advantage of an unanticipated receipt of income to the trunk highway fund or to take advantage of federal advanced construction funding; (2) for trunk highway maintenance in order to meet an emergency; or (3) to pay tort or environmental claims. Nothing in this subdivision authorizes the commissioner to increase the use of federal advanced construction funding beyond amounts specifically authorized. Any transfer as a result of the use of federal advanced construction funding must include an analysis of the effects on the long-term trunk highway fund balance. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Sec. 3. **METROPOLITAN COUNCIL**

Subdivision 1. **Total Appropriation**	**$**	**115,127,000**	**$**	**120,190,000**

The appropriation in this section is from the general fund to the Metropolitan Council.

Subd. 2. **Special Transportation Service**	115,127,000	120,190,000

This appropriation is for special transportation service under Minnesota Statutes, section 473.386, including Metro Mobility and Metro Move.

Sec. 4. **DEPARTMENT OF PUBLIC SAFETY**

Subdivision 1. **Total Appropriation**	**$**	**301,789,000** **$**	**303,511,000**

Appropriations by Fund

	2026	2027
General	41,589,000	41,623,000
H.U.T.D.	1,382,000	1,395,000
Special Revenue	80,898,000	80,576,000
Trunk Highway	177,920,000	179,917,000

The appropriations in this section are to the commissioner of public safety.

The amounts that may be spent for each purpose are specified in the following subdivisions. The commissioner must spend appropriations from the trunk highway fund in subdivision 3 only for State Patrol purposes.

Subd. 2. **Administration and Related Services**

(a) **Office of Communications**	1,198,000	1,232,000

This appropriation is from the general fund.

(b) **Public Safety Support**	11,989,000	12,033,000

Appropriations by Fund

General	6,561,000	6,561,000
Trunk Highway	5,428,000	5,472,000

(c) **Public Safety Officer Survivor Benefits**	1,640,000	1,640,000

This appropriation is from the general fund for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(d) **Public Safety Officer Reimbursements**	1,367,000	1,367,000

This appropriation is from the general fund for transfer to the public safety officer's benefit account. This appropriation is available for reimbursements under Minnesota Statutes, section 299A.465.

(e) **Soft Body Armor Reimbursements**			745,000	745,000

This appropriation is from the general fund for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

(f) **Technology and Support Services**			7,130,000	7,130,000
Appropriations by Fund				
General	1,743,000	1,743,000		
Trunk Highway	5,387,000	5,387,000		

Subd. 3. **State Patrol**

(a) **Patrolling Highways**			147,013,000	148,960,000
Appropriations by Fund				
General	37,000	37,000		
H.U.T.D.	92,000	92,000		
Trunk Highway	146,884,000	148,831,000		

$1,045,000 in each year is from the trunk highway fund for recruitment and hiring initiatives. The base for this purpose is $10,365,000 in fiscal year 2028 and later, which includes funding to conduct an additional annual trooper academy.

The base from the trunk highway fund is $158,151,000 in fiscal year 2028 and each year thereafter.

(b) **Commercial Vehicle Enforcement**			18,861,000	18,861,000
(c) **Capitol Security**			19,243,000	19,243,000

This appropriation is from the general fund.

The commissioner must not:

(1) spend any money from the trunk highway fund for capitol security; or

(2) permanently transfer any state trooper from the patrolling highways activity to capitol security.

The commissioner must not transfer any money appropriated to the commissioner under this section:

(1) to capitol security; or

(2) from capitol security.

(d) **Vehicle Crimes Unit**	1,290,000	1,303,000

This appropriation is from the highway user tax distribution fund to investigate:

(1) registration tax and motor vehicle sales tax liabilities from individuals and businesses that currently do not pay all taxes owed; and

(2) illegal or improper activity related to the sale, transfer, titling, and registration of motor vehicles.

Subd. 4. **Driver and Vehicle Services**

(a) **Driver Services**	47,587,000	47,265,000

This appropriation is from the driver and vehicle services operating account under Minnesota Statutes, section 299A.705.

$457,000 in fiscal year 2026 and $133,000 in fiscal year 2027 are for rulemaking and implementation costs for the ignition interlock device program under Minnesota Statutes, section 171.306.

(b) **Vehicle Services**	31,868,000	31,868,000

This appropriation is from the driver and vehicle services operating account under Minnesota Statutes, section 299A.705.

$2,189,000 in each year is for payments to deputy registrars under Minnesota Statutes, section 168.33, subdivision 7, and to driver's license agents under Minnesota Statutes, section 171.061, subdivision 4.

Subd. 5. **Traffic Safety**			9,855,000	9,861,000

Appropriations by Fund

General	8,495,000	8,495,000
Trunk Highway	1,360,000	1,366,000

$2,000,000 in each year is from the general fund for operations and traffic safety projects and activities of the Advisory Council on Traffic Safety under Minnesota Statutes, section 4.076.

The following amounts are for the staff and operating costs related to a Traffic Safety Data Analytics Center: (1) $813,000 in each year is from the general fund; and (2) $187,000 in each year is from the trunk highway fund.

$5,001,000 in each year is for the drug evaluation and classification program for drug recognition evaluator training; phlebotomists; drug recognition training for peace officers, as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c); required continuing education training for drug recognition experts; program administration; grants to local law enforcement divisions; and grants to eligible employers for drug evaluation and classification training costs of their staff. The commissioner must make reasonable efforts to reflect the geographic diversity of the state in making expenditures. Any balance in the first year does not cancel but is available in the second year.

Subd. 6. **Pipeline Safety**			2,003,000	2,003,000

Appropriations by Fund

General	560,000	560,000
Special Revenue	1,443,000	1,443,000

The appropriation from the special revenue fund is from the pipeline safety account under Minnesota Statutes, section 299J.18.

Sec. 5. **APPROPRIATION; DEPARTMENT OF ADMINISTRATION.**

$48,513,000 in each year is appropriated from the trunk highway fund to the commissioner of administration to design, construct, remodel, equip, and furnish a central headquarters building and support facilities for the State Patrol. This appropriation may also be used to predesign, design, remodel, equip, and furnish existing State Patrol facilities. This is a onetime appropriation and is available until June 30, 2030.

Sec. 6. **TRANSFER**

(a) $8,155,000 in fiscal year 2026 is transferred from the general fund to the active transportation account under Minnesota Statutes, section 174.38.

(b) $8,284,000 in fiscal year 2027 and each year thereafter is transferred from the general fund to the active transportation account under Minnesota Statutes, section 174.38.

Sec. 7. Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2, as amended by Laws 2024, chapter 127, article 1, section 10, is amended to read:

Subd. 2. **Multimodal Systems**

(a) **Aeronautics**

(1) **Airport Development and Assistance**			24,198,000	18,598,000

Appropriations by Fund

	2022	2023
General	5,600,000	-0-
Airports	18,598,000	18,598,000

This appropriation is from the state airports fund and must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

$5,600,000 in fiscal year 2022 is from the general fund for a grant to the city of Karlstad for the acquisition of land, predesign, design, engineering, and construction of a primary airport runway. This appropriation is for Phase 1 of the project.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after the year of the appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning the funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base for fiscal years 2024 and 2025.

(2) **Aviation Support Services**	8,332,000	8,340,000

Appropriations by Fund

	2022	2023
General	1,650,000	1,650,000
Airports	6,682,000	6,690,000

$28,000 in fiscal year 2022 and $36,000 in fiscal year 2023 are from the state airports fund for costs related to regulating unmanned aircraft systems.

(3) **Civil Air Patrol**	80,000	80,000

This appropriation is from the state airports fund for the Civil Air Patrol.

(b) **Transit and Active Transportation**	23,501,000	18,201,000

This appropriation is from the general fund.

$5,000,000 in fiscal year 2022 is for the active transportation program under Minnesota Statutes, section 174.38. This is a onetime appropriation and is available until June 30, 2025.

$300,000 in fiscal year 2022 is for a grant to the 494 Corridor Commission. The commissioner must not retain any portion of the funds appropriated under this section. The commissioner must make grant payments in full by December 31, 2021. Funds under this grant are for programming and service expansion to assist companies and commuters in telecommuting efforts and promotion of best practices. A grant recipient must provide telework resources, assistance, information, and related activities on a statewide basis. This is a onetime appropriation.

(c) **Safe Routes to School**	5,500,000	500,000

This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(d) **Passenger Rail**	10,500,000	500,000

This appropriation is from the general fund for passenger rail activities under Minnesota Statutes, sections 174.632 to 174.636.

$10,000,000 in fiscal year 2022 is for final design and construction to provide for a second daily Amtrak train service between Minneapolis and St. Paul and Chicago. The commissioner may expend funds for program delivery and administration from this amount. This is a onetime appropriation and is available until June 30, ~~2025~~ 2028.

(e) **Freight**	8,342,000	7,323,000

Appropriations by Fund

	2022	2023
General	2,464,000	1,445,000
Trunk Highway	5,878,000	5,878,000

$1,000,000 in fiscal year 2022 is from the general fund for procurement costs of a statewide freight network optimization tool. This is a onetime appropriation and is available until June 30, 2023.

$350,000 in fiscal year 2022 and $287,000 in fiscal year 2023 are from the general fund for two additional rail safety inspectors in the state rail safety inspection program under Minnesota Statutes, section 219.015. In each year, the commissioner must not increase the total assessment amount under Minnesota Statutes, section 219.015, subdivision 2, from the most recent assessment amount.

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

Sec. 8. Laws 2021, First Special Session chapter 14, article 11, section 45, is amended to read:

Sec. 45. **APPROPRIATION; DEPARTMENT OF TRANSPORTATION.**

$6,200,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of transportation for project development of a land bridge freeway lid over marked Interstate Highway 94 in a portion of the segment from Lexington Avenue to Rice Street in St. Paul. This amount is available to match federal funds and for project planning and development, including area planning, community and land use planning, economic development planning, design, and project management and analysis. From this amount, the commissioner may make grants to Reconnect Rondo to perform any eligible project development activities. This is a onetime appropriation and is available until June 30, ~~2025~~ 2026.

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

Sec. 9. Laws 2023, chapter 60, article 10, section 9, is amended to read:

Sec. 9. **DEPARTMENT OF TRANSPORTATION**	**$**	**310,000**	**$**	**-0-**

$310,000 the first year is ~~for awarding grants~~ to assist manufacturers to obtain environmental product declarations for certain construction materials used to build roads and other transportation infrastructure under Minnesota Statutes, section 16B.312. Of this amount, up to $10,000 is for the reasonable costs of the department to administer that section. This appropriation is available until June 30, 2027.

Sec. 10. Laws 2023, chapter 68, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. **Multimodal Systems**

(a) **Aeronautics**

(1) **Airport Development and Assistance**	69,598,000	18,598,000

Appropriations by Fund

	2024	2025
General	36,000,000	-0-
Airports	33,598,000	18,598,000

The appropriation from the state airports fund must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

$36,000,000 in fiscal year 2024 is from the general fund for matches to federal aid and state investments related to airport infrastructure projects. This is a onetime appropriation and is available until June 30, 2027.

$15,000,000 in fiscal year 2024 is from the state airports fund for system maintenance of critical airport safety systems, equipment, and essential airfield technology.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, the appropriation from the state airports fund is available for five years after the year of the appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning the funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base for fiscal years 2026 and 2027.

(2) **Aviation Support Services**	15,397,000	8,431,000

Appropriations by Fund

	2024	2025
General	8,707,000	1,741,000
Airports	6,690,000	6,690,000

$7,000,000 in fiscal year 2024 is from the general fund to purchase two utility aircraft for the Department of Transportation.

(3) **Civil Air Patrol**	80,000	80,000

This appropriation is from the state airports fund for the Civil Air Patrol.

(b) **Transit and Active Transportation**	58,478,000	18,374,000

This appropriation is from the general fund.

$200,000 in fiscal year 2024 and $50,000 in fiscal year 2025 are for a grant to the city of Rochester to implement demand response transit service using electric transit vehicles.

The money is available for mobile software application development; vehicles and equipment, including accessible vehicles; associated charging infrastructure; and capital and operating costs.

$40,000,000 in fiscal year 2024 is for matches to federal aid and state investments related to transit and active transportation projects. This is a onetime appropriation and is available until June 30, 2027.

(c) **Safe Routes to School**	15,297,000	10,500,000

This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it. The appropriations in each year are available until June 30, 2027.

The base for this appropriation is $1,500,000 in each of fiscal years 2026 and 2027.

(d) **Passenger Rail**	197,521,000	4,226,000

This appropriation is from the general fund for passenger rail activities under Minnesota Statutes, sections 174.632 to 174.636.

$194,700,000 in fiscal year 2024 is for capital improvements and betterments for the Minneapolis-Duluth Northern Lights Express intercity passenger rail project, including preliminary engineering, design, engineering, environmental analysis and mitigation, acquisition of land and right-of-way, equipment and rolling stock, and construction. From this appropriation, the amount necessary is for: (1) Coon Rapids station improvements to establish a joint station that provides for Amtrak train service on the Empire Builder line between Chicago and Seattle; and (2) acquisition of equipment and rolling stock for purposes of participation in the Midwest fleet pool to provide for service on Northern Lights Express and expanded Amtrak train service between Minneapolis and St. Paul and Chicago. The commissioner of transportation must not approve additional stops or stations beyond those included in the Federal Railroad Administration's January 2018 Finding of No Significant Impact and Section 4(f) Determination if the commissioner determines that the resulting speed reduction would negatively impact total ridership. This appropriation is onetime and is available until June 30, 2028.

$1,833,000 in fiscal year 2024 and $3,238,000 in fiscal year 2025 are for a match to federal aid for capital and operating costs for expanded Amtrak train service between Minneapolis and St. Paul and Chicago. These amounts are available until June 30, 2028.

The base from the general fund is $5,742,000 in each of fiscal years 2026 and 2027.

(e) **Freight**	14,650,000	9,066,000

Appropriations by Fund

	2024	2025
General	8,283,000	2,400,000
Trunk Highway	6,367,000	6,666,000

$5,000,000 in fiscal year 2024 is from the general fund for matching federal aid grants for improvements, engineering, and administrative costs for the Stone Arch Bridge in Minneapolis. This is a onetime appropriation and is available until June 30, 2027.

$1,000,000 in each year is from the general fund for staff, operating costs, and maintenance related to weight and safety enforcement systems.

$974,000 in fiscal year 2024 is from the general fund for procurement costs of a statewide freight network optimization tool under Laws 2021, First Special Session chapter 5, article 4, section 133. This is a onetime appropriation and is available until June 30, 2025.

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

Sec. 11. Laws 2023, chapter 68, article 1, section 2, subdivision 3, is amended to read:

Subd. 3. **State Roads**

(a) **Operations and Maintenance**	414,220,000	425,341,000

Appropriations by Fund

	2024	2025
General	2,000,000	-0-
Trunk Highway	412,220,000	425,341,000

$1,000,000 in fiscal year 2024 is from the general fund for the highways for habitat program under Minnesota Statutes, section 160.2325. This amount is available until June 30, 2027.

$248,000 in each year is from the trunk highway fund for living snow fence implementation and maintenance activities.

$1,000,000 in fiscal year 2024 is from the general fund for safe road zones under

Minnesota Statutes, section 169.065, including development and delivery of public awareness and education campaigns about safe road zones.

(b) **Program Planning and Delivery**

(1) **Planning and Research**	32,679,000	33,465,000

The commissioner may use any balance remaining in this appropriation for program delivery under clause (2).

$130,000 in each year is available for administrative costs of the targeted group business program.

$266,000 in each year is available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

$900,000 in each year is available for grants for transportation studies outside the metropolitan area to identify critical concerns, problems, and issues. These grants are available: (i) to regional development commissions; (ii) in regions where no regional development commission is functioning, to joint powers boards established under agreement of two or more political subdivisions in the region to exercise the planning functions of a regional development commission; and (iii) in regions where no regional development commission or joint powers board is functioning, to the Department of Transportation district office for that region.

(2) **Program Delivery**	274,451,000	273,985,000

Appropriations by Fund

	2024	2025

General	2,250,000	2,000,000
Trunk Highway	272,201,000	271,985,000

This appropriation includes use of consultants to support development and management of projects.

$10,000,000 in fiscal year 2024 is from the trunk highway fund for roadway design and related improvements that reduce speeds and eliminate intersection interactions on rural high-risk roadways. The commissioner must identify roadways based on crash information and in consultation with the Advisory Council on Traffic Safety under Minnesota Statutes, section 4.076, and local traffic safety partners. This is a onetime appropriation and is available until June 30, 2026.

$2,000,000 in each year is from the general fund for implementation of climate-related programs as provided under the federal Infrastructure Investment and Jobs Act, Public Law 117-58.

$1,193,000 in fiscal year 2024 is from the trunk highway fund for costs related to the property conveyance to the Upper Sioux Community of state-owned land within the boundaries of Upper Sioux Agency State Park, including fee purchase, property purchase, appraisals, and road and bridge demolition and related engineering. This amount is available until June 30, 2027.

$250,000 in fiscal year 2024 is from the general fund for costs related to the Clean Transportation Fuel Standard Working Group established under article 4, section 124.

$1,000,000 in each year is available from the trunk highway fund for management of contaminated and regulated material on property owned by the Department of Transportation, including mitigation of property conveyances, facility acquisition or expansion, chemical release at maintenance facilities, and spills on the trunk highway system where there is no known responsible party. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(c) **State Road Construction**	1,207,013,000	1,174,045,000

Appropriations by Fund

	2024	2025
General	1,800,000	-0-
Trunk Highway	1,205,213,000	1,174,045,000

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts, internal department costs associated with delivering the construction program, consultant usage to support these activities, and the cost of actual payments to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses.

This appropriation includes federal highway aid. The commissioner of transportation must notify the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance of any significant events that cause the estimates of federal aid to change.

$1,500,000 in fiscal year 2024 is from the general fund for living snow fence implementation, including: acquiring and planting trees, shrubs, native grasses, and wildflowers that are climate adaptive to Minnesota; improvements; contracts; easements; rental agreements; and program delivery.

$300,000 in fiscal year 2024 is from the general fund for additions and modifications to work zone design or layout to reduce vehicle speeds in a work zone. This appropriation is available following a determination by the commissioner that the initial work zone design or layout insufficiently provides for reduced vehicle speeds.

The commissioner may expend up to one-half of one percent of the federal appropriations under this paragraph as grants to opportunity industrialization centers and other nonprofit job training centers for job training programs related to highway construction.

The commissioner may transfer up to $15,000,000 in each year to the transportation revolving loan fund.

The commissioner may receive money covering other shares of the cost of partnership projects. These receipts are appropriated to the commissioner for these projects.

The base from the trunk highway fund is $1,161,813,000 in each of fiscal years 2026 and 2027.

(d) **Corridors of Commerce**	25,000,000	25,000,000

This appropriation is for the corridors of commerce program under Minnesota Statutes, section 161.088. The commissioner may use up to 17 percent of the amount in each year for program delivery.

(e) **Highway Debt Service**	268,336,000	291,394,000

$265,336,000 in fiscal year 2024 and $288,394,000 in fiscal year 2025 are for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget must transfer the deficiency amount as provided under Minnesota Statutes, section 16A.641, and notify the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

(f) **Statewide Radio Communications**	8,653,000	6,907,000

Appropriations by Fund

	2024	2025
General	2,003,000	3,000
Trunk Highway	6,650,000	6,904,000

$3,000 in each year is from the general fund to equip and operate the Roosevelt signal tower for Lake of the Woods weather broadcasting.

$2,000,000 in fiscal year 2024 is from the general fund for Allied Radio Matrix for

Emergency Response (ARMER) tower building improvements and replacement.

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

Sec. 12. Laws 2024, chapter 127, article 1, section 2, subdivision 3, is amended to read:

Subd. 3. **State Roads**

(a) **Operations and Maintenance**	-0-	2,405,000

$300,000 in fiscal year 2025 is for rumble strips under Minnesota Statutes, section 161.1258.

$1,000,000 in fiscal year 2025 is for landscaping improvements located within trunk highway rights-of-way ~~under the Department of Transportation's community roadside landscape partnership program~~, with prioritization of tree planting as feasible.

$1,000,000 is from the general fund for the traffic safety camera pilot program under Minnesota Statutes, section 169.147, and the evaluation and legislative report under article 3, sections 116 and 117. With the approval of the commissioner of transportation, any portion of this appropriation is available to the commissioner of public safety. This is a onetime appropriation and is available until June 30, 2029.

$105,000 in fiscal year 2025 is for the cost of staff time to coordinate with the Public Utilities Commission relating to placement of high voltage transmission lines along trunk highways.

(b) **Program Planning and Delivery**	-0-	5,800,000

$3,000,000 in fiscal year 2025 is for implementation and development of statewide and regional travel demand modeling related to the requirements under Minnesota Statutes, section 161.178. This is a onetime appropriation and is available until June 30, 2026.

$800,000 in fiscal year 2025 is for one or more grants to metropolitan planning organizations outside the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, for modeling activities related to the requirements under Minnesota Statutes, section 161.178. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner must not use any amount of this appropriation for administrative costs. This is a onetime appropriation<u> and is available until June 30, 2026</u>.

$2,000,000 in fiscal year 2025 is to complete environmental documentation and for preliminary engineering and design for the reconstruction of marked Trunk Highway 55 from Hennepin County State-Aid Highway 19, north of the city of Loretto to Hennepin County Road 118 near the city of Medina. This is a onetime appropriation and is available until June 30, 2027.

(c) **State Road Construction**	-0-	10,900,000

$8,900,000 in fiscal year 2025 is for the acquisition, environmental analysis, predesign, design, engineering, construction, reconstruction, and improvement of trunk highway bridges, including design-build contracts, program delivery, consultant usage to support these activities, and the cost of payments to landowners for lands acquired for highway rights-of-way. Projects under this appropriation must follow eligible investment priorities identified in the Minnesota state highway investment plan under Minnesota Statutes, section 174.03, subdivision 1c. The commissioner may use up to 17 percent of this appropriation for program delivery. This is a onetime appropriation and is available until June 30, 2028.

$1,000,000 in fiscal year 2025 is for predesign and design of intersection safety improvements along marked Trunk Highway 65 from the interchange with marked U.S. Highway 10 to 99th Avenue Northeast in the city of Blaine. This is a onetime appropriation.

$1,000,000 in fiscal year 2025 is to design and construct trunk highway improvements associated with an interchange at U.S. Highway 169, marked Trunk Highway 282, and Scott County State-Aid Highway 9 in the city of Jordan, including accommodations for bicycles and pedestrians and for bridge and road construction. This is a onetime appropriation and is available until June 30, 2027.

(d) **Highway Debt Service**	-0-	468,000

This appropriation is for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget must transfer the deficiency amount as provided under Minnesota Statutes, section 16A.641, and notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

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

ARTICLE 2
TRANSPORTATION FINANCE AND POLICY

Section 1. Minnesota Statutes 2024, section 168.27, subdivision 8, is amended to read:

Subd. 8. **Exemptions.** (a) Salespeople and other employees of licensed dealers under this section are not required to obtain individual licenses. For purposes of this subdivision, independent contractors are not employees.

(b) Isolated or occasional sales or leases of new or used motor vehicles are exempt from this section. A person who makes only isolated or occasional sales or leases is not required to be licensed under this section, is not considered to be in the business of selling or leasing motor vehicles, and does not qualify to receive dealer plates under subdivision 16. "Isolated or occasional sales or leases" means: (1) the sale or lease of a motor vehicle with an actual cash value of $1,000 or less made by a charitable organization; (2) the sale, purchase, or lease of not more than five motor vehicles in a 12-month period, other than pioneer or classic motor vehicles as defined in section 168.10, subdivisions 1a and 1b~~,~~; or (3) sales by a licensed auctioneer selling motor vehicles at an auction if, in the ordinary course of the auctioneer's business, the sale of motor vehicles is incidental to the sale of other real or personal property. For purposes of this subdivision, charitable organization means a nonprofit charitable organization that qualifies for tax exemption under section 501(c)(3) of the Internal Revenue Code.

(c) A person whose sales of new and used motor vehicles consist solely of sales to political subdivisions and their agencies of vehicles used solely as firefighting equipment is not required to obtain a license under this section. The person may apply for and receive in-transit plates under subdivision 17 in the same manner as licensed motor vehicle dealers for the purpose of allowing firefighting equipment to be transported from the dealer's source of supply or other place of storage to the dealer's place of business, to another place of storage, or directly to the purchaser.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 2. Minnesota Statutes 2024, section 168.27, subdivision 11, is amended to read:

Subd. 11. **Dealers' licenses; location change notice; fee.** (a) Application for a dealer's license or notification of a change of location of the place of business on a dealer's license must include a street address, not a post office box, and is subject to the commissioner's approval.

(b) Upon the filing of an application for a dealer's license and the proper fee, unless the application on its face appears to be invalid, the commissioner ~~shall~~ must grant a 90-day temporary license. During the 90-day period following issuance of the temporary license, the commissioner ~~shall~~ must inspect the place of business site and insure compliance with this section and rules adopted under this section.

(c) The commissioner may extend the temporary license 30 days to allow the temporarily licensed dealer to come into full compliance with this section and rules adopted under this section.

(d) In no more than 180 days following issuance of the temporary license, the dealer license must either be granted or denied.

(e) A license must be denied under the following conditions:

(1) if ~~within the previous ten years~~ the applicant was enjoined due to a violation of section 325F.69 or convicted of violating section 325E.14, 325E.15, 325E.16, or 325F.69, or convicted under section 609.53 of receiving or selling stolen vehicles, or convicted of violating United States Code, title 49, sections 32701 to 32711 or pleaded guilty, entered a plea of nolo contendere or no contest, or has been found guilty in a court of competent jurisdiction of any charge of failure to pay state or federal income or sales taxes or felony charge of forgery, embezzlement, obtaining money under false pretenses, theft by swindle, extortion, conspiracy to defraud, ~~or~~ bribery, or similar offenses committed in another state; or

(2) if the applicant has had a dealer license revoked within the previous ten years.

(f) A license may be denied if a dealer is not in compliance with location requirements under subdivision 10 or has intentionally misrepresented any information on the dealer license application that would be grounds for suspension or revocation under subdivision 12.

(g) If the application is approved, the commissioner ~~shall~~ must license the applicant as a dealer for one year from the date the temporary license is granted and issue a certificate of license that must include a distinguishing number of identification of the dealer. The license must be displayed in a prominent place in the dealer's licensed place of business.

(h) Each initial application for a license must be accompanied by a fee of $100 in addition to the annual fee. The annual fee is $150. The initial fees and annual fees must be paid into the state treasury and credited to the general fund except that $50 of each initial and annual fee must be paid into the driver and vehicle services operating account under section 299A.705.

(i) An applicant for a dealer's license under this section must submit to a criminal history records check of state data completed by the Bureau of Criminal Apprehension and a national criminal history records check, including a search of the records of the Federal Bureau of Investigation. The results of the background check must be returned to the commissioner.

(j) An applicant for a dealer's license must consent to a fingerprint-based criminal history background check as required under paragraph (i), pay all required fees, and cooperate with all requests for information. An applicant must complete a new criminal history background check if more than one year has elapsed since the applicant last applied for a license.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 3. Minnesota Statutes 2024, section 168.27, subdivision 16, is amended to read:

Subd. 16. **Dealer plates: distinguishing number, fee, tax, use.** (a) The registrar ~~shall~~ must issue to every motor vehicle dealer, upon a request from the motor vehicle dealer licensed as provided in subdivision 2 or 3 and subject to the limits provided in paragraph (d), one or more plates displaying a general distinguishing number. This subdivision does not apply to a scrap metal processor, a used vehicle parts dealer, or a vehicle salvage pool. The fee for each of the first four plates is $75 per registration year, of which $60 must be paid to the registrar and the remaining $15 is payable as sales tax on motor vehicles under section 297B.035. For each additional plate, the dealer ~~shall~~ must pay the registrar a fee of $25 and a sales tax on motor vehicles of $15 per registration year. The registrar ~~shall~~ must deposit the tax in the state treasury to be credited as provided in section 297B.09. Replacement plates are subject to the fees in section 168.12. New or used motor vehicles~~,~~ ~~new or used,~~ owned by the motor vehicle dealership and bearing the number plate, except vehicles leased to ~~the~~ a user who is not an employee of the dealer during the term of the lease, held for hire, or used by the dealer as a tow truck, service truck, maintenance vehicle, or parts vehicle, may be driven upon ~~the~~ Minnesota streets and highways ~~of this state~~:

(1) by the motor vehicle dealer or dealer's spouse, or any full-time employee of the motor vehicle dealer for either private or business purposes;

(2) by a part-time employee when the use is directly related to a particular business transaction of the dealer; or

(3) for demonstration purposes by any prospective buyer for a period of no more than 48 hours or in the case of a truck, truck-tractor, or semitrailer, for a period of no more than seven days~~; or~~.

~~(4) in a promotional event that lasts no longer than four days in which at least three motor vehicles are involved.~~

(b) Prior to the demonstration period under paragraph (a), clause (3), a dealer must confirm the prospective buyer's driver's license is valid by accessing the driver and vehicle services information system. Dealers must maintain records of each vehicle demonstration. Demonstration records must include the vehicle identification number, license plate number, driver or drivers, start date and time, end date and time, and location of the vehicle demonstration. Demonstration records must be made available to the commissioner for inspection.

~~(b)~~ (c) A new or used motor vehicle sold by the motor vehicle dealer and bearing the motor vehicle dealer's number plate may be driven upon the public streets and highways for a period of 72 hours by the buyer ~~for either of the following purposes: (1) removing the vehicle from this state for registration in another state, or (2) permitting the buyer to use the motor vehicle~~ before the buyer receives number plates pursuant to registration. Use of a motor vehicle by the buyer ~~under clause (2)~~ before the buyer receives number plates pursuant to registration constitutes a use of the public streets or highways for the purpose of the time requirements for registration of motor vehicles.

(d) The registrar may issue two plates displaying a general distinguishing number to a motor vehicle dealer. The registrar may issue additional plates to the motor vehicle dealer based on the motor vehicle dealer's inventory as follows:

(1) one plate for each of the five vehicles carried in highest inventory up to and including 400 vehicles; and

(2) one plate for each of the seven vehicles in excess of 400 vehicles up to a maximum of 100 plates.

(e) A motor vehicle dealer must maintain insurance sufficient to cover the number of dealer plates issued to the motor vehicle dealer and provide an annual attestation to the registrar confirming insurance coverage.

(f) A motor vehicle dealer must destroy any dealer plate in its possession in excess of the number the registrar may issue to the dealer under paragraph (d). A motor vehicle dealer must destroy any dealer plate for which the annual registration fee has not been paid. A motor vehicle dealer must provide an annual attestation to the registrar confirming the destruction of excess plates and plates whose registration fee has not been paid.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 4. Minnesota Statutes 2024, section 168.33, subdivision 7, is amended to read:

Subd. 7. **Filing fees; allocations.** (a) In addition to all other statutory fees and taxes:

(1) an $8 filing fee is imposed on every vehicle registration renewal, excluding pro rate transactions; and

(2) a $12 filing fee is imposed on every other type of vehicle transaction, including motor carrier fuel licenses under sections 168D.05 and 168D.06, and pro rate transactions.

(b) Notwithstanding paragraph (a):

(1) a filing fee may not be charged for a document returned for a refund or for a correction of an error made by the Department of Public Safety, a dealer, or a deputy registrar; and

(2) no filing fee or other fee may be charged for the permanent surrender of a title for a vehicle.

(c) The filing fee must be shown as a separate item on all registration renewal notices sent out by the commissioner.

(d) The statutory fees and taxes, the filing fees imposed under paragraph (a), and the surcharge imposed under paragraph (f) may be paid by credit card or debit card. The deputy registrar may collect a surcharge on the payment made under this paragraph not greater than the cost of processing a credit card or debit card transaction, in accordance with emergency rules established by the commissioner of public safety. The surcharge authorized by this paragraph must be used to pay the cost of processing credit and debit card transactions.

(e) The fees collected under paragraph (a) by the department must be allocated as follows:

(1) of the fees collected under paragraph (a), clause (1):

(i) $6.50 must be deposited in the driver and vehicle services operating account under section 299A.705, subdivision 1; and

(ii) $1.50 must be deposited in the driver and vehicle services technology account under section 299A.705, subdivision 3; and

(2) of the fees collected under paragraph (a), clause (2):

(i) $3.50 must be deposited in the general fund;

(ii) $7 must be deposited in the driver and vehicle services operating account under section 299A.705, subdivision 1; and

(iii) $1.50 must be deposited in the driver and vehicle services technology account under section 299A.705, subdivision 3.

(f) In addition to all other statutory fees and taxes, a deputy registrar must assess a $1 surcharge on every transaction for which filing fees are collected under this subdivision. The surcharge authorized by this paragraph must be (1) deposited in the treasury of the place for which the deputy registrar is appointed, or (2) if the deputy registrar is not a public official, retained by the deputy registrar. For purposes of this paragraph, a deputy registrar does not include the commissioner.

(g) The commissioner must issue payment to a deputy registrar as follows:

(1) $2 for paying an account balance;

(2) $4 for the following transactions:

(i) updating a vehicle's address or the county in which the vehicle is kept;

(ii) changing or verifying an address related to the International Registration Plan or the International Fuel Tax Agreement;

(iii) updating contact information for the International Registration Plan or the International Fuel Tax Agreement;

(iv) processing a vehicle that has been sold, donated, or removed from the state; and

(v) marking a vehicle as junked;

(3) $8 for the following transactions:

(i) changing a customer's personal identification number;

(ii) adding or removing liens for veterans with a total service-connected disability;

(iii) providing a duplicate title;

(iv) issuing International Fuel Tax Agreement decals;

(v) managing an International Fuel Tax Agreement license; and

(vi) administrative review requests; and

(4) the amount of the fee established under section 168.33, subdivision 7, paragraph (a), clause (2), for the following transactions:

(i) vehicle renewal for veterans with a total service-connected disability;

(ii) plate change for veterans with a total service-connected disability;

(iii) correcting or changing title and vehicle details;

(iv) issuing a new disability parking certificate;

(v) new title and registration for veterans with a total service-connected disability;

(vi) transferring title and registration for veterans with a total service-connected disability; and

(vii) replacing plates, stickers, or registration cards.

(h) The following transactions for which no filing fee is collected are not eligible for payment of any kind:

(1) collection of another fee type, including but not limited to a record request fee or a fast track fee;

(2) voluntary waiver of a fee by the deputy registrar; and

(3) ancillary to a transaction for which a filing fee may be imposed.

(i) If the amount appropriated for payments under paragraph (g) is insufficient, the commissioner must prorate the payments.

EFFECTIVE DATE. This section is effective August 1, 2025.

Sec. 5. Minnesota Statutes 2024, section 168A.10, is amended by adding a subdivision to read:

Subd. 7. **Removal of license plates.** If an owner transfers interest in a vehicle other than by the creation of a security interest or as defined in section 297B.01, subdivision 16, paragraph (c), clauses (1) to (5), the owner must remove the existing license plates from the vehicle, and the purchaser must, at the time of transfer, obtain new plates for the vehicle and pay the fees specified in section 168.12, subdivision 5, paragraph (b).

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 6. Minnesota Statutes 2024, section 169.14, subdivision 1a, is amended to read:

Subd. 1a. **License revocation for extreme speed.** The driver's license of a person who violates any speed limit established in this section, by driving in excess of 100 miles per hour or 35 miles per hour or more over the posted speed limit, is revoked for six months under section 171.17, or for a longer minimum period of time applicable under section 169A.53, 169A.54, or 171.174.

Sec. 7. Minnesota Statutes 2024, section 169.686, subdivision 1, is amended to read:

Subdivision 1. **Seat belt requirement.** (a) Except as provided in section 169.685, a properly adjusted and fastened seat belt, including both the shoulder and lap belt when the vehicle is so equipped, ~~shall~~ must be worn by the driver and passengers of a passenger vehicle, commercial motor vehicle, type III vehicle, and type III Head Start vehicle. Notwithstanding the equipment exemption in section 169.685, subdivision 1, this paragraph applies to the driver and passengers of an autocycle equipped with seat belts. This paragraph applies to the operator and passengers of a class 2 all-terrain vehicle when operated on or within the right-of-way of a public road when the all-terrain vehicle is factory-equipped with seat belts.

(b) A person who is 15 years of age or older and who violates paragraph (a) is subject to a fine of $25. The driver of the vehicle in which a violation occurs is subject to a $25 fine for each violation of paragraph (a) by the driver or by a passenger under the age of 15, but the court may not impose more than one surcharge under section 357.021, subdivision 6, on the driver. The Department of Public Safety ~~shall~~ must not record a violation of this subdivision on a person's driving record.

(c) The driver of a bus is not subject to the fine under paragraph (b) for a violation of paragraph (a) by a passenger under the age of 15. This paragraph does not apply to: (1) a school bus, including a type III vehicle; and (2) a Head Start bus, including a type III Head Start vehicle.

Sec. 8. Minnesota Statutes 2024, section 171.05, subdivision 1, is amended to read:

Subdivision 1. **Person 18 or more years of age.** (a) Any person who is 18 or more years of age and who, except for a lack of instruction in operating a motor vehicle, would otherwise be qualified to obtain a class D driver's license under this chapter~~,~~ may apply for an instruction permit, and the department ~~shall~~ must issue the permit. The instruction permit entitles the applicant to drive a motor vehicle for which a class D license is valid upon the highways for a period of two years if the permit holder:

(1) has the permit in immediate possession; and

(2) is driving the vehicle while accompanied by an adult licensed driver who is actually occupying a seat beside the driver.

(b) Any license of a lower class may be used as an instruction permit to operate a vehicle requiring a higher class license for a period of ~~six months~~ one year after passage of the written test or tests required for the higher class and when the licensee is accompanied by and receiving instruction from a holder of the appropriate higher class license. A copy of the record of examination taken for the higher class license must be carried by the driver while using the lower class license as an instruction permit.

Sec. 9. Minnesota Statutes 2024, section 171.06, is amended by adding a subdivision to read:

Subd. 7a. **Online renewal.** (a) For purposes of this subdivision, "applicant" means a person who renews a REAL ID-compliant or noncompliant driver's license or identification card or applies for a duplicate card through the department's online renewal system established in this subdivision.

(b) The commissioner must establish a process for an applicant to renew or request a duplicate of a REAL ID-compliant or noncompliant driver's license or identification card, whether by website or some other means, as provided in this subdivision. Notwithstanding subdivision 3, an applicant for a renewal or duplicate driver's license or identification card submitted through the department's online renewal system may not designate a temporary mailing address for the delivery of the driver's license or identification card.

(c) The commissioner may renew or request a duplicate of a REAL ID-compliant or noncompliant driver's license or identification card for an individual who does not renew in person if:

(1) there is no change in identity, including any change to the applicant's name, address, signature, and driver's license or identification card number;

(2) the renewal application is not for a different type or class of driver's license or identification card;

(3) the renewal or duplicate application is not for an enhanced driver's license or identification card;

(4) the commissioner has a previous photograph of the applicant on file that was taken within the last five years or in conjunction with the most recent issuance of the applicant's current credential;

(5) the applicant is at least 18 years of age at the time of the application;

(6) the applicant's license or identification card is valid or has been expired for less than one year;

(7) the applicant has not obtained a driving credential or identification card from another state or jurisdiction since the most recent issuance of the applicant's Minnesota credential;

(8) no knowledge or road tests are required to maintain the credential;

(9) the applicant submits a vision examination certificate as described in subdivision 7; and

(10) the application is in a form prescribed by the commissioner.

(d) The commissioner must use the photograph on file as specified in paragraph (c), clause (4), for the applicant's REAL ID-compliant or noncompliant driver's license or identification card.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 10. Minnesota Statutes 2024, section 171.061, subdivision 4, is amended to read:

Subd. 4. **Fee; equipment.** (a) The agent may charge and retain a filing fee for each application as follows:

(1)	New application for a noncompliant, REAL ID-compliant, or enhanced driver's license or identification card	$ 16.00
(2)	Renewal application for a noncompliant, REAL ID-compliant, or enhanced driver's license or identification card	$ 11.00

Except as provided in paragraph (c), the fee must cover all expenses involved in receiving, accepting, or forwarding to the department the applications and fees required under sections 171.02, subdivision 3; 171.06, subdivisions 2 and 2a; and 171.07, subdivisions 3 and 3a.

(b) The statutory fees and the filing fees imposed under paragraph (a) may be paid by credit card or debit card. The driver's license agent may collect a convenience fee on the statutory fees and filing fees not greater than the cost of processing a credit card or debit card transaction. The convenience fee must be used to pay the cost of processing credit card and debit card transactions. The commissioner must adopt rules to administer this paragraph using the exempt procedures of section 14.386, except that section 14.386, paragraph (b), does not apply.

(c) The department must maintain the photo identification and vision examination equipment for all agents. All photo identification and vision examination equipment must be compatible with standards established by the department.

(d) A filing fee retained by the agent employed by a county board must be paid into the county treasury and credited to the general revenue fund of the county. An agent who is not an employee of the county must retain the filing fee in lieu of county employment or salary and is considered an independent contractor for pension purposes, coverage under the Minnesota State Retirement System, or membership in the Public Employees Retirement Association.

(e) Before the end of the first working day following the final day of the reporting period established by the department, the agent must forward to the department all applications and fees collected during the reporting period except as provided in paragraph (d).

(f) The commissioner must issue payment to a driver's license agent as follows:

(1) $2 for paying an account balance;

(2) $4 for the following transactions:

(i) correcting credentials for veterans with a total service-connected disability, homeless fee, and those with reduced-fee credentials; and

(ii) payment of reinstatement fees for veterans with a total service-connected disability and homeless youth;

(3) $8 for the following transactions:

(i) changing a customer's personal identification number; and

(ii) mail-in application photograph renewal; and

(4) the amount of the fee established under section 168.33, subdivision 7, paragraph (a), clause (2), for the following transactions:

(i) addition of court order review;

(ii) paper temporary receipt of application permit for veterans with a total service-connected disability; and

(iii) issuing a credential for veterans with a total service-connected disability, homeless youth, and those with reduced-fee credentials.

(g) The following transactions for which no filing fee is collected are not eligible for payment of any kind:

(1) collection of another fee type, including but not limited to a record request fee or a fast track fee;

(2) voluntary waiver of a fee by the driver's license agent; and

(3) ancillary to a transaction for which a filing fee may be imposed.

(h) If the amount appropriated for payments under paragraph (f) is insufficient, the commissioner must prorate the payments.

EFFECTIVE DATE. This section is effective August 1, 2025.

Sec. 11. Minnesota Statutes 2024, section 171.306, subdivision 8, is amended to read:

Subd. 8. **Rulemaking.** ~~In establishing~~ The commissioner must adopt the performance standards and certification process of subdivision 2~~,~~ and the program guidelines of subdivision 3~~,~~ as rules and any other rules necessary to implement this section, ~~the commissioner is~~ subject to chapter 14.

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

Sec. 12. Minnesota Statutes 2024, section 174.02, is amended by adding a subdivision to read:

Subd. 12. **Emissions reduction goals; financial assistance.** The commissioner may provide grants or other financial assistance at the commissioner's discretion pursuant to grant requirements under state law to meet the state's goals under subdivision 1a, clause (3), or section 216H.02.

Sec. 13. Minnesota Statutes 2024, section 174.38, subdivision 4, is amended to read:

Subd. 4. **Program administration.** (a) The commissioner must establish active transportation program requirements, including:

(1) assistance eligibility, subject to the requirements under subdivision 5;

(2) a solicitation and application process that minimizes the burden on applicants; and

(3) procedures to award and pay financial assistance.

(b) The commissioner must ~~annually~~ conduct ~~a solicitation~~ solicitations for active transportation projects under the program.

(c) The commissioner must make reasonable efforts to publicize each application solicitation among all eligible recipients. The commissioner must assist applicants to create and submit applications, with an emphasis on providing assistance in communities that are historically and currently underrepresented in local or regional planning, including communities of color, low-income households, people with disabilities, and people with limited English proficiency.

(d) The commissioner may provide grants or other financial assistance for a project.

(e) The commissioner is prohibited from expending more than one percent of available funds in a fiscal year under this section on program administration.

Sec. 14. Minnesota Statutes 2024, section 299A.01, is amended by adding a subdivision to read:

Subd. 9. **Grant contracts and programs; administrative costs.** (a) Notwithstanding any other law to the contrary, unless money is otherwise appropriated for administrative costs, the department may retain the following percentages of a grant appropriation for staff and related operating costs for grant administration:

(1) five percent for grants enacted by the legislature, single or sole source grants, and formula grants; and

(2) ten percent for competitively awarded grants.

(b) This subdivision applies to all new and existing grant programs administered by the department.

(c) This subdivision does not apply to grants funded with an appropriation of proceeds from the sale of state general obligation bonds.

Sec. 15. Minnesota Statutes 2024, section 360.511, is amended by adding a subdivision to read:

Subd. 22a. **Coordinated unmanned aerial system fleet event for entertainment purposes.** "Coordinated unmanned aerial system fleet event for entertainment purposes" means a one-day event involving a group of unmanned aerial systems flying together as a unified and coordinated entity to accomplish a shared entertainment objective, including but not limited to choreographed flight patterns, synchronized lighting, and music for visual displays.

Sec. 16. Minnesota Statutes 2024, section 360.531, subdivision 2, is amended to read:

Subd. 2. **Rate.** The tax shall be as follows:

Base Price	Tax
Not over $500,000	~~$100~~ $115
over $500,000 but not over $1,000,000	~~$200~~ $230
over $1,000,000 but not over $2,500,000	~~$2,000~~ $2,300
over $2,500,000 but not over $5,000,000	~~$4,000~~ $4,600
over $5,000,000 but not over $7,500,000	~~$7,500~~ $8,625
over $7,500,000 but not over $10,000,000	~~$10,000~~ $11,500
over $10,000,000 but not over $12,500,000	~~$12,500~~ $14,375
over $12,500,000 but not over $15,000,000	~~$15,000~~ $17,250
over $15,000,000 but not over $17,500,000	~~$17,500~~ $20,125
over $17,500,000 but not over $20,000,000	~~$20,000~~ $23,000
over $20,000,000 but not over $22,500,000	~~$22,500~~ $25,875
over $22,500,000 but not over $25,000,000	~~$25,000~~ $28,750
over $25,000,000 but not over $27,500,000	~~$27,500~~ $31,625
over $27,500,000 but not over $30,000,000	~~$30,000~~ $34,500
over $30,000,000 but not over $40,000,000	~~$50,000~~ $57,500
over $40,000,000	~~$75,000~~ $86,250

Sec. 17. Minnesota Statutes 2024, section 360.55, subdivision 4, is amended to read:

Subd. 4. **Collector's aircraft.** (a) For purposes of this subdivision:

(1) "antique aircraft" means an aircraft constructed by the original manufacturer, or its licensee, on or before December 31, 1945, with the exception of certain pre-World War II aircraft models that had only a small postwar production, such as Beechcraft Staggerwing, Fairchild 24, and Monocoupe; and

(2) "classic aircraft" means an aircraft constructed by the original manufacturer, or its licensee, on or after January 1, 1946, and has a first year of life that precedes the date of registration by at least 50 years.

(b) If an antique or classic aircraft is owned and operated solely as a collector's item, its owner may list it for taxation and registration ~~as follows:~~ under this paragraph. A sworn affidavit must be executed stating:

(1) the name and address of the owner~~,~~;

(2) the name and address of the ~~person from whom purchased,~~ seller;

(3) the aircraft's make, year, model number, federal aircraft registration number, and manufacturer's identification number~~,~~; and

(4) that the aircraft is owned and operated solely as a collector's item and not for general transportation or commercial operations purposes.

The affidavit must be filed with the commissioner along with ~~a~~ an annual fee of $25.

(c) Upon satisfaction that the affidavit is true and correct, the commissioner ~~shall~~ must issue to the applicant a registration certificate. The registration certificate is valid ~~without renewal as long as~~ for one year from the date of issue, provided the owner ~~operates~~ continues to operate the aircraft solely as a collector's item.

(d) ~~Should~~ If an antique or classic aircraft ~~be~~ is operated other than as a collector's item, the registration certificate ~~becomes~~ is void, and the owner ~~shall~~ must list the aircraft for taxation and registration in accordance with the other provisions of sections 360.511 to 360.67.

~~(e) Upon the sale of an antique or classic aircraft, the new owner must list the aircraft for taxation and registration in accordance with this subdivision, including the payment of a $5 fee to transfer the registration to the new owner, or the other provisions of sections 360.511 to 360.67, whichever is applicable.~~

Sec. 18. Minnesota Statutes 2024, section 360.55, subdivision 4a, is amended to read:

Subd. 4a. **Recreational aircraft; classic license.** (a) An aircraft that has a base price for tax purposes under section 360.531 of $10,000 or less~~,~~ and ~~that~~ is owned and operated solely for recreational purposes, ~~may~~ must be listed for taxation and registration by executing ~~a~~ an annual sworn affidavit stating:

(1) the name and address of the owner~~,~~;

(2) the name and address of the ~~person from whom purchased,~~ seller;

(3) the aircraft's make, year, model number, federal aircraft registration number, and manufacturer's identification number~~,~~; and

(4) that the aircraft is owned and operated solely as a recreational aircraft and not for commercial operational purposes.

The affidavit must be filed with the commissioner along with ~~an annual~~ a registration fee of $25 ~~fee~~.

(b) An annual fee of $25 is required for registration renewal.

~~(b)~~ (c) On being satisfied that the affidavit is true and correct, the commissioner ~~shall~~ must issue to the applicant a registration certificate.

~~(c) Should~~ (d) If the aircraft ~~be~~ is operated other than as a recreational aircraft, the owner ~~shall~~ must list the aircraft for taxation and registration and pay the appropriate registration fee under sections 360.511 to 360.67.

~~(d)~~ (e) If the aircraft is sold, the new owner ~~shall~~ must list the aircraft for taxation and registration under this subdivision, including the payment of the annual $25 fee, or under sections 360.511 to 360.67, whichever is applicable.

Sec. 19. Minnesota Statutes 2024, section 360.55, subdivision 9, is amended to read:

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

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

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

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

Sec. 20. Minnesota Statutes 2024, section 360.55, is amended by adding a subdivision to read:

Subd. 10. **Coordinated unmanned aerial system fleets.** (a) An operator planning to conduct a coordinated unmanned aerial system fleet event for entertainment purposes, as defined in section 360.511, subdivision 22a, must register the fleet at least 15 days before the event.

(b) The registration under this subdivision must include:

(1) the name and contact information of the event organizer;

(2) the date, time, and location of the event;

(3) the number of unmanned aerial systems to be used;

(4) proof of liability insurance for the unmanned aerial systems;

(5) a copy of the operator's unmanned aerial systems pilot's license; and

(6) a copy of the commercial operator's license.

(c) A daily registration fee of $2 per unmanned aerial system used in the fleet applies to fleets registered under this subdivision. This fee is in lieu of the registration fee in subdivision 9. Fleets registered under this subdivision are exempt from the aircraft registration tax under sections 360.511 to 360.67.

Sec. 21. Minnesota Statutes 2024, section 360.55, is amended by adding a subdivision to read:

Subd. 11. **Aircraft used for air ambulance service.** Aircraft licensed under section 144E.12 and used exclusively to provide air ambulance service are subject to the tax provided by sections 360.511 to 360.67, except that any registration or tax imposed by sections 360.511 to 360.67 must not exceed $1,000 annually.

Sec. 22. Minnesota Statutes 2024, section 360.653, is amended to read:

360.653 AIRCRAFT REGISTRATION AND TAX EXEMPTIONS.

The following aircraft, under the conditions specified, ~~shall be~~ are exempt from the registration and the tax provided by sections 360.511 to 360.67~~.~~:

(1) any aircraft held by a dealer listed and used as provided in section 360.63, except that aircraft held by dealers on October 1, of each year, ~~shall~~ must be registered and the entire tax provided by sections 360.511 to 360.67 ~~shall~~ must be paid for the portion of the fiscal year, prorated on a monthly basis remaining after the aircraft came into the possession of the dealer. ~~It is further provided that~~ A dealer who has previously had aircraft on withholding may register ~~such~~ the aircraft in September of each fiscal year by payment of an amount equal to one-third of the annual tax, which ~~tax shall be~~ is applicable for the

months of September through December, and in January, the dealer may again list these aircraft on the dealer's withholding form~~.~~;

(2) aircraft remaining in the possession of aircraft manufacturers ten months after completion ~~shall become~~ are subject to the tax provided by sections 360.511 to 360.67. The tax ~~shall be~~ is computed from the expiration of the ten months period and ~~shall be~~ is prorated on a monthly basis~~.~~; and

(3) aircraft while in the hands of aircraft refitters for the purpose of being refitted or modified or both, and while being refitted or modified or both.

~~(4) Aircraft licensed under section 144E.12 and used exclusively to provide air ambulance service.~~

Sec. 23. Minnesota Statutes 2024, section 473.408, is amended by adding a subdivision to read:

Subd. 11. **Transit service for certified disabled riders.** The council must provide regular route transit, as defined in section 473.385, subdivision 1, free of charge to an individual who is:

(1) certified as disabled under the Americans with Disabilities Act requirements of the Federal Transit Administration; or

(2) certified by the council under section 473.386, subdivision 2a.

(b) The requirements under this subdivision apply to operators of regular route transit receiving financial assistance under section 473.388 or operating under section 473.405, subdivision 12.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2025, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 24. Minnesota Statutes 2024, section 473.4465, is amended by adding a subdivision to read:

Subd. 2a. **Use of funds; Metropolitan Council; loan authorized.** From the amounts in subdivision 2, paragraph (a), clause (2), the council is authorized to loan to the Department of Transportation up to $250,000,000 to advance and coordinate highway construction with one major transitway project in the metropolitan area. Funds may be used for any costs related to the selected project, including but not limited to construction, engineering, and administration. The loan agreement, including repayment terms, must be mutually agreed to by the council and the Department of Transportation.

APPENDIX
Article locations for 25-01563