Senator Dibble from the Committee on Transportation, to which was referred

S.F. No. 2082: 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.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"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**		**$ 4,931,001,000**	**$ 4,035,169,000**

Appropriations by Fund

	2026	2027
General	40,018,000	39,718,000
Airports	32,218,000	29,218,000
C.S.A.H.	1,110,688,000	1,142,263,000
M.S.A.S.	281,906,000	288,221,000
Trunk Highway	3,466,171,000	2,535,749,000

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**	24,348,000	21,348,000

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

$150,000 in fiscal year 2026 is for a grant to the city of McGregor to relocate the automated weather station at the McGregor Isedor Iverson Airport.

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**	9,533,000	9,683,000

Appropriations by Fund		
General	1,843,000	1,993,000
Airports	7,690,000	7,690,000

(3) **Civil Air Patrol**	180,000	180,000

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. The base is $22,114,000 in fiscal year 2028 and $22,113,000 in fiscal year 2029.

(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**	5,943,000	5,743,000

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

$200,000 in fiscal year 2026 is for a federal match for a service development plan for the Big Sky North Coast passenger rail corridor.

(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**	441,305,000	449,274,000

The base is $455,274,000 in each of fiscal years 2028 and 2029.

(b) **Program Planning and Delivery**

(1) **Planning and Research**	37,156,000	37,244,000

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

$150,000 in fiscal year 2026 is to conduct autonomous mowing research and to purchase an autonomous mower suitable for commercial mowing operations. The mower must be purchased from a company based in Minnesota.

$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**			287,588,000	288,701,000

Appropriations by Fund

General	2,000,000	2,000,000
Trunk Highway	285,588,000	286,701,000

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.

$2,000,000 in fiscal year 2026 is for project readiness development activities for a construction project that is geographically eligible for project selection under Minnesota Statutes, section 161.088, subdivision 4a, paragraph (a), clause (1).

$5,000,000 in each of fiscal years 2026 and 2027 is for the resilient pavement program under Minnesota Statutes 2024, section 174.205. This is a onetime appropriation.

(c) **State Road Construction**	2,227,557,000	1,262,157,000

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 $1,281,546,000 in each of fiscal years 2028 and 2029.

(d) **Corridors of Commerce**	30,000,000	30,000,000

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**	300,061,000	322,048,000

$297,061,000 in fiscal year 2026 and $319,048,000 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**	1,110,688,000	1,142,263,000

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**	281,906,000	288,221,000

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**	1,750,000	1,500,000

This appropriation is from the general fund.

(1) Local Transportation Disaster Support

$1,000,000 in each of fiscal years 2026 and 2027 is 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.

(2) Traffic Calming Infrastructure Improvements

$500,000 in each of fiscal years 2026 and 2027 is for grants to cities of the first class for traffic calming infrastructure improvements, including horizontal and vertical deflection elements, intersection improvements, paint, curb bump-outs, bollards, raised crosswalks, or other improvements to improve traffic safety in the right-of-way. Improvements made on nonmunicipal state-aid streets do not need to meet municipal state-aid streets standards. These are onetime appropriations. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner must not use any amount of this appropriation for administrative costs. The commissioner must distribute the grant aid as follows:

(i) 50 percent of the funds proportionally based on each city's share of population, according to the last federal decennial census, compared to the total population of all cities of the first class; and

(ii) 50 percent of the funds proportionally based on each city's share of money needs, as determined under Minnesota Statutes, section 162.13, subdivision 2, compared to the total money needs of all cities of the first class.

(3) Empowering Small Minnesota Communities

$250,000 in fiscal year 2026 is for transfer to the Board of Regents of the University of Minnesota for the empowering small Minnesota communities program under Minnesota Statutes, section 137.345.

Subd. 5. **Agency Management**

(a) **Agency Services**			91,533,000	95,124,000
Appropriations by Fund				
General	6,200,000	6,200,000		
Trunk Highway	85,333,000	88,924,000		
(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 clause (1) is appropriated from the trunk highway fund 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**	**$**	**128,734,000**	**$**	**134,567,000**

The appropriations in this section are from the general fund to the Metropolitan Council.

Subd. 2. **Transit System Operations**	16,227,000	16,227,000

This appropriation is for transit system operations under Minnesota Statutes, sections 473.371 to 473.449.

Subd. 3. **Special Transportation Service**	112,507,000	118,340,000

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**	**$**	**316,228,000**	**$**	**299,658,000**

Appropriations by Fund

	2026	2027
General	37,529,000	37,563,000
H.U.T.D.	1,382,000	1,395,000
Special Revenue	80,976,000	80,443,000
Trunk Highway	196,341,000	180,257,000

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**			11,429,000	11,473,000
Appropriations by Fund				
General	6,001,000	6,001,000		
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**			165,434,000	149,300,000
Appropriations by Fund				
General	37,000	37,000		

H.U.T.D.	92,000	92,000
Trunk Highway	165,305,000	149,171,000

$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, $10,365,000 in fiscal year 2029, and $1,672,000 in each subsequent fiscal year. The amounts in fiscal years 2028 and 2029 include funding to conduct an additional annual trooper academy.

$14,935,000 in fiscal year 2026 is from the trunk highway fund to purchase and equip a helicopter. This appropriation is available until June 30, 2027.

$2,996,000 in fiscal year 2026 is from the trunk highway fund to purchase a Cirrus single-engine airplane as a replacement for the current Cessna 182 aircraft. This appropriation is available until June 30, 2027.

$490,000 in fiscal year 2026 and $340,000 in fiscal year 2027 are from the trunk highway fund for maintenance staff and aviation supervisory staff.

The base from the trunk highway fund is $158,491,000 in each of fiscal years 2028 and 2029.

(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**	47,665,000	47,132,000

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

$317,000 in fiscal year 2026 is for rulemaking costs for the ignition interlock device program under Minnesota Statutes, section 171.306.

$218,000 in fiscal year 2026 is for costs of adding work zone safety information into the driver's manual and written examination and related rulemaking.

(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**			6,355,000	6,361,000

Appropriations by Fund

General	4,995,000	4,995,000
Trunk Highway	1,360,000	1,366,000

$1,500,000 in each year is from the general fund for operations and traffic safety projects, grants, 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 from the general fund; and (2) $187,000 in each year from the trunk highway fund.

$2,001,000 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 CANCELLATIONS; DEPARTMENT OF TRANSPORTATION.**

(a) $185,655,000 of the appropriation in fiscal year 2024 from the general fund for the Northern Lights Express intercity passenger rail project under Laws 2023, chapter 68, article 1, section 2, subdivision 2, paragraph (d), is canceled to the general fund.

(b) $3,130,000 of the appropriation in fiscal year 2023 from the general fund for rail corridor service analysis under Laws 2023, chapter 68, article 1, section 10, is canceled to the general fund.

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

Sec. 6. **TRANSFERS.**

(a) $8,155,000 in fiscal year 2026 and $8,284,000 in fiscal year 2027 are transferred from the general fund to the active transportation account under Minnesota Statutes, section 174.38. For fiscal years 2028 to 2031, the commissioner of management and budget must include a transfer of $8,284,000 each year from the general fund to the active transportation account, when preparing each forecast through the February 2027 forecast, under Minnesota Statutes, section 16A.103.

(b) $400,000 in fiscal year 2026 is transferred from the general fund to the local government road funding gap assistance account under Minnesota Statutes, section 162.175.

Sec. 7. Laws 2020, Fifth Special Session chapter 3, article 1, section 16, subdivision 34, is amended to read:

Subd. 34. **Chisago County; U.S. Highway 8 Reconstruction**	8,000,000

(a) For a grant to Chisago County to predesign, design, engineer, and construct a reconstruction of marked U.S. Highway 8 from Karmel Avenue in Chisago City to Interstate 35 and pedestrian and bike trails along and crossings of this portion of U.S. Highway 8. This reconstruction may include expanding segments of U.S. Highway 8 to four lanes, constructing or reconstructing frontage roads and backage roads, and realigning local roads to consolidate, remove, and relocate access onto and off of U.S. Highway 8. This appropriation is for the portion of the project that is eligible for use of proceeds of general obligation bonds. ~~This appropriation is available until the project is completed or abandoned~~ Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for the project in this subdivision are available until December 31, 2029.

(b) Amounts planned by the Department of Transportation for the resurfacing of U.S. Highway 8, as reflected in MnDOT's Metro District Ten-Year Capital Highway Investment Study 2020-2029, shall instead be applied to the reconstruction of U.S. Highway 8 to supplement appropriations for that purpose from any fund in this section.

Sec. 8. 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. 9. 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. 10. 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. 11. 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. 12. 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. 13. Laws 2023, chapter 68, article 1, section 4, subdivision 5, is amended to read:

Subd. 5. **Traffic Safety** 9,504,000 4,249,000

Appropriations by Fund		
	2024	2025
General	8,803,000	3,494,000
Trunk Highway	701,000	755,000

$1,000,000 in fiscal year 2024 is from the general fund for grants to local units of government to perform additional traffic safety enforcement activities in safe road zones under Minnesota Statutes, section 169.065. In allocating funds, the commissioner must account for other sources of funding for increased traffic enforcement.

$2,000,000 in fiscal year 2024 is from the general fund for grants to local units of government to increase traffic safety enforcement activities, including training, equipment, overtime, and related costs for peace officers to perform duties that are specifically related to traffic management and traffic safety.

$2,000,000 in fiscal year 2024 is from the general fund for grants to law enforcement agencies to undertake targeted speed reduction efforts on rural high-risk roadways identified by the commissioner based on crash information and consultation with the Advisory Council on Traffic Safety under Minnesota Statutes, section 4.076, and local traffic safety partners.

$50,000 in fiscal year 2024 is from the general fund for an education and awareness campaign on motor vehicles passing school buses, designed to: (1) help reduce occurrences of motor vehicles unlawfully passing school buses; and (2) inform drivers about the safety of pupils boarding and unloading from school buses, including laws requiring a motor vehicle to stop when a school bus has extended the stop-signal arm and is flashing red lights and penalties for violations. The commissioner must identify best practices, review effective communication methods to educate drivers, and consider multiple forms of media to convey the information.

$100,000 in fiscal year 2024 is from the general fund for a public awareness campaign to promote understanding and compliance with laws regarding the passing of parked authorized vehicles.

$350,000 in fiscal year 2024 is from the general fund for grants to local units of government for safe ride programs that provide safe transportation options for patrons of hospitality and entertainment businesses within a community.

$250,000 in fiscal year 2024 is from the general fund for the traffic safety violations disposition analysis under article 4, section 109.

$2,000,000 in each year is from the general fund for operations and traffic safety projects, grants, and activities of the Advisory Council on Traffic Safety under Minnesota Statutes, section 4.076. These amounts are available until June 30, 2027.

$98,000 in each year is from the general fund to coordinate a statewide traffic safety equity program, including staff costs.

The following amounts are for the staff and operating costs related to a Traffic Safety Data Analytics Center: (1) $407,000 in fiscal year 2024 and $813,000 in fiscal year 2025 from the general fund; and (2) $140,000 in each year is from the trunk highway fund. The base from the trunk highway fund is $187,000 in each of fiscal years 2026 and 2027.

Sec. 14. Laws 2023, chapter 68, article 2, section 2, subdivision 9, as amended by Laws 2024, chapter 104, article 1, section 105, is amended to read:

Subd. 9. **U.S. Highway 8; Chisago County**	42,000,000

This appropriation is for predesign, design, engineering, and reconstruction of marked U.S. Highway 8 from Karmel Avenue in Chisago City to marked Interstate Highway 35, including pedestrian and bike trails along and crossings of this segment of marked U.S. Highway 8. The reconstruction project may include expanding segments of marked U.S. Highway 8 to four lanes, constructing or reconstructing frontage roads and backage roads, and realigning local roads to consolidate, remove, and relocate access onto and off of U.S. Highway 8. This appropriation is for the portion of the project that is eligible for use of proceeds of trunk highway bonds. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond sale proceeds for this project are available until December 31, 2029.

Sec. 15. 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.

Sec. 16. Laws 2024, chapter 127, article 1, section 4, subdivision 3, is amended to read:

Subd. 3. **Traffic Safety**	-0-	1,400,000

Notwithstanding Minnesota Statutes, section 299A.705, regarding the use of funds from this account, $1,200,000 in fiscal year 2025 is from the driver and vehicle services operating account in the special revenue fund for the Lights On grant program under Minnesota Statutes, section 169.515. The commissioner must contract with the Lights On! microgrant program to administer and operate the grant program. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to two percent of this appropriation for administrative costs. This is a onetime appropriation and is available until June 30, 2026.

$200,000 in fiscal year 2025 is from the motorcycle safety account in the special revenue fund for the public education campaign on motorcycle operation under article 3, section 122. This is a onetime appropriation and is available until June 30, 2027.

Sec. 17. **ALLOCATION; METROPOLITAN COUNCIL; WASHINGTON AVENUE PEDESTRIAN BRIDGE.**

(a) Of the revenue collected under Minnesota Statutes, section 297A.9915, and allocated to the Metropolitan Council under Minnesota Statutes, section 473.4465, subdivision 2, paragraph (a), clause (1), the Metropolitan Council must provide a grant of $9,000,000 in fiscal year 2026 to the Board of Regents of the University of Minnesota to be spent in accordance with Minnesota Statutes, section 135A.046. This section is notwithstanding the provisions of Minnesota Statutes, section 473.4465, subdivision 3.

(b) This grant must be used to design and construct pedestrian enclosure and suicide deterrent barriers on the Washington Avenue Pedestrian Bridge on the Twin Cities campus, including temporary barrier improvements and permanent barriers. The board must consult with persons affected by suicide at this bridge, suicide prevention organizations, and experts in the field of suicide prevention in designing the project.

(c) Any amount allocated under this section and not used by June 30, 2027, cancels to the Metropolitan Council for its original purpose.

Sec. 18. **ALLOCATION; METROPOLITAN COUNCIL; TRANSPORTATION MANAGEMENT ORGANIZATIONS.**

(a) Of the revenue collected under Minnesota Statutes, section 297A.9915, and allocated to the Metropolitan Council under Minnesota Statutes, section 473.4465, subdivision 2, paragraph (a), clause (2), the Metropolitan Council must provide grants that total $1,406,000 in fiscal year 2026 to transportation management organizations in the metropolitan area. This section is notwithstanding the provisions of Minnesota Statutes, section 473.4465, subdivision 3.

(b) The grants must be allocated as follows:

(1) $600,000 to the I-494 Corridor Commission;

(2) $600,000 to the St. Paul transportation management organization; and

(3) $206,000 to the downtown Minnesota transportation management organization.

Sec. 19. **MICROTRANSIT SERVICE.**

From sales tax revenue, as defined in Minnesota Statutes, section 473.4465, subdivision 1, the Metropolitan Council must provide financial assistance to replacement service providers under Minnesota Statutes, section 473.388, for improvements related to demand response transit service. The council must make grants in fiscal year 2026 as follows:

(1) $2,300,000 to Minnesota Valley Transit Authority for vehicle costs;

(2) $3,500,000 to Minnesota Valley Transit Authority for infrastructure and other capital costs;

(3) $3,000,000 to SouthWest Transit for vehicle costs, infrastructure, and other capital costs; and

(4) $200,000 to Maple Grove Transit for vehicle costs.

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

ARTICLE 2
TRUNK HIGHWAY BONDS

Section 1. **BOND APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds account in the trunk highway fund to the commissioner of transportation or other named entity to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, articles XI and XIV. Unless otherwise specified, money appropriated in this article for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget.

SUMMARY

Department of Transportation	$	100,000,000
Department of Management and Budget	$	100,000
TOTAL	**$**	**100,100,000**

APPROPRIATIONS

Sec. 2. **STATE ROAD CONSTRUCTION**	$	100,000,000

This appropriation is to the commissioner of transportation for construction, reconstruction, and improvement of trunk highways, including design-build contracts, internal department costs associated with delivering the construction program, and consultant usage to support these activities. The commissioner may use up to 17 percent of the amount for program delivery.

Sec. 3. **BOND SALE EXPENSES**	**$**	**100,000**

This appropriation is to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4.

Sec. 4. **BOND SALE AUTHORIZATION.**

<u>To provide the money appropriated in this article from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to $100,100,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.</u>

ARTICLE 3
TRANSPORTATION FINANCE POLICY

Section 1. Minnesota Statutes 2024, section 4.076, subdivision 4, is amended to read:

Subd. 4. **Duties.** The advisory council must:

(1) advise the governor and heads of state departments and agencies on policies, programs, and services affecting traffic safety;

(2) advise the appropriate representatives of state departments on the activities of the Toward Zero Deaths program, including but not limited to educating the public about traffic safety;

(3) encourage state departments and other agencies to conduct needed research in the field of traffic safety;

(4) review recommendations of the subcommittees and working groups;

(5) review and comment on ~~all grants dealing with traffic safety and on~~ the development and implementation of state and local traffic safety plans; ~~and~~

(6) <u>advise the commissioner of public safety on grant agreements for projects under subdivision 5, paragraph (g); and</u>

<u>(7)</u> make recommendations on safe road zone safety measures under section 169.065.

<u>**EFFECTIVE DATE.**</u> <u>This section is effective the day following final enactment.</u>

Sec. 2. Minnesota Statutes 2024, section 4.076, subdivision 5, is amended to read:

Subd. 5. **Administration.** (a) The Office of Traffic Safety in the Department of Public Safety, in cooperation with the Departments of Transportation and Health, must serve as the host agency for the advisory council and must manage the administrative and operational aspects of the advisory council's activities. The commissioner of public safety must perform financial management on behalf of the council.

(b) The advisory council must meet no less than four times per year, or more frequently as determined by the chair, a vice chair, or a majority of the council members. The advisory council is subject to chapter 13D. The advisory council may host an annual state traffic safety conference.

(c) The chair must regularly report to the respective commissioners on the activities of the advisory council and on the state of traffic safety in Minnesota.

(d) The terms, compensation, and appointment of members are governed by section 15.059.

(e) The advisory council may appoint subcommittees and working groups. Subcommittees must consist of council members. Working groups may include nonmembers. Nonmembers on working groups must be compensated pursuant to section 15.059, subdivision 3, only for expenses incurred for working group activities.

(f) The commissioner of public safety may enter into contracts and interagency agreements for data, expertise, and research projects to inform the advisory council.

(g) The commissioner of public safety may enter into grant agreements for projects that reduce serious and fatal injury crashes. Priority for grant awards must be given to local traffic safety coalitions. Local units of government, nonprofit organizations, law enforcement agencies, and educational institutions are also eligible for grant awards.

(h) For purposes of paragraph (g), "projects that reduce serious and fatal injury crashes" include but are not limited to the following activities:

(1) improvements to rural high-risk roads;

(2) traffic safety training for law enforcement;

(3) safe and sober rides home programming;

(4) the study of motorcycle operation under the circumstances specified in section 169.974, subdivision 5, paragraph (g);

(5) work zone safety and work zone redesign activities; and

(6) safe road zones.

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

Sec. 3. Minnesota Statutes 2024, section 16A.88, subdivision 1a, is amended to read:

Subd. 1a. **Greater Minnesota transit account.** The greater Minnesota transit account is established within the transit assistance fund in the state treasury. Money in the account is annually appropriated to the commissioner of transportation for assistance to transit systems outside the metropolitan area under section 174.24. The commissioner may use up to two percent of the available revenues in the account in each fiscal year for administration of the transit program. The commissioner ~~shall~~ must use the account for transit operations as provided in section 174.24 and related program administration. The commissioner may maintain a reserved balance in the account of no more than five percent of the total annual transit assistance fund balance forward from the previous fiscal year.

Sec. 4. **[137.345] EMPOWERING SMALL MINNESOTA COMMUNITIES PROGRAM.**

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

(b) "Program" means the empowering small Minnesota communities program established by the Board of Regents of the University of Minnesota.

(c) "Small community" means either a local unit of government having a population of fewer than 15,000 or a collaboration between more than one local unit of government each having a population of fewer than 15,000.

Subd. 2. **Program assistance.** (a) An empowering small Minnesota communities program is established to create small community partnerships on infrastructure project analysis and development and provide support and assistance for small communities. Funds appropriated to the program must be used as specified in subdivision 3.

(b) Support and assistance under the program must be prioritized for a small community that is a political subdivision or federally recognized Tribal government. Prioritization must be based on insufficient capacity to undertake project development and apply for state or federal infrastructure grants.

Subd. 3. **Uses.** (a) Program activities under the program include:

(1) project partnership activities in the Regional Sustainable Development Partnerships, the Center for Transportation Studies, the Minnesota Design Center, the Humphrey School of Public Affairs, the Center for Urban and Regional Affairs, or other related entities; and

(2) support and assistance to small communities including:

(i) methods to incorporate consideration of sustainability, resiliency, and adaptation to the impacts of climate change; and

(ii) identification and cross-sector analysis of any potential associated projects and efficiencies through coordinated investments in other infrastructure or assets.

(b) An agreement with a small community may provide for infrastructure project analysis and development activities including but not limited to planning, scoping, analysis, predesign, and design.

Subd. 4. **Program information.** The Board of Regents must maintain information about the program on a website that includes, but is not limited to the following:

(1) a review of the program and implementation;

(2) a summary of projects under the program;

(3) financial information that identifies sources and uses of funds; and

(4) direction on applications for partnership assistance.

Sec. 5. Minnesota Statutes 2024, section 160.165, is amended to read:

160.165 MITIGATING TRANSPORTATION PROJECT IMPACTS ON BUSINESS.

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

(b) "Business impairment" has the meaning given in section 160.167, subdivision 1.

~~(1)~~ (c) "Project" means construction work to maintain, construct, reconstruct, or improve a street or highway or for a rail transit project~~;~~.

~~(2)~~ (d) "Substantial business impacts" means business impairment ~~of road access, parking, or visibility for one or more business establishments~~ as a result of a project, for a ~~minimum~~ period of at least one month~~; and~~.

~~(3)~~ (e) "Transportation authority" means the commissioner, as to trunk highways; the county board, as to county state-aid highways and county highways; the town board, as to town roads; statutory or home rule charter cities, as to city streets; the Metropolitan Council, for rail transit projects located entirely within the metropolitan area as defined in section 473.121, subdivision 2; and the commissioner, for all other rail transit projects.

Subd. 2. **Business liaison.** (a) Before beginning construction work on a project, a transportation authority ~~shall~~ must identify whether the project is anticipated to include substantial business impacts. For such projects, the transportation authority ~~shall~~ must designate an individual to serve as business liaison between the transportation authority and affected businesses.

(b) The business liaison ~~shall~~ must consult with affected businesses before and during construction to investigate and recommend means of mitigating project impacts to businesses. The mitigation considered must include signage. The business liaison ~~shall~~ must provide information to the identified businesses before and during construction, concerning project duration and timetables, lane and road closures, detours, access impacts, customer parking impacts, visibility, noise, dust, vibration, and public participation opportunities.

(c) The business liaison must inform affected businesses about potential opportunities for small business technical and financial assistance, including those available through the Department of Employment and Economic Development, the Small Business Administration, and area community development financial institutions. When requested, the business liaison must assist affected businesses to access and apply for appropriate assistance programs.

Subd. 4. **Construction communication plan.** (a) A transportation authority must implement a construction communication plan for each project in which a business liaison is required under subdivision 2. The transportation authority must develop the plan in consultation with the business liaison during project development.

(b) At a minimum, the communication plan must include:

(1) identification of methods to distribute project information;

(2) procedures to distribute construction-related notices to affected businesses, tenants, and other property owners;

(3) development of information on the project, including but not limited to the information specified under subdivision 2, paragraph (b); small business and technical assistance opportunities under subdivision 3, paragraph (c); and, as appropriate, potential financial assistance under the local business construction impacts assistance program under section 160.167; and

(4) a schedule and milestones for issuance of project updates, including but not limited to immediately prior to commencement of construction work and following any change in the scheduled date of substantial completion of the project.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to projects in which construction first commences on or after November 1, 2025.

Sec. 6. **[160.167] LOCAL BUSINESS CONSTRUCTION IMPACTS ASSISTANCE PROGRAM.**

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

(b) "Business entity" includes but is not limited to an individual, partnership, corporation, joint venture, association, or cooperative.

(c) "Business impairment" means impairment to a business establishment or nonprofit organization of at least one of the following:

(1) access to a retail location from:

(i) a project that is on a road that abuts the location and includes partial or full closure of the road within 1,000 feet of the location; or

(ii) more than one simultaneous project on a road that abuts the location in which a portion of each project (A) is within two miles of the location, and (B) includes partial or full closure of the road; or

(2) visibility of the primary identifying signage or entrance.

(d) "Covered project" means a project to maintain, construct, reconstruct, or improve a trunk highway within a statutory or home rule charter city, a county state-aid highway, a municipal state-aid street, transitway, or a combination.

(e) "Extensive business impacts" means business impairment as a result of a covered project for a period of at least 60 days.

(f) "Program" means the local business construction impacts assistance program established in this section.

(g) "Transportation authority" means either:

(1) the commissioner of transportation for a trunk highway within a statutory or home rule charter city, a county state-aid highway, a municipal state-aid street, or a combination; or

(2) the Metropolitan Council for a transitway located entirely within the metropolitan area as defined in section 473.121, subdivision 2.

Subd. 2. **Program established.** The commissioner must establish a program for financial assistance to eligible entities adversely impacted by street, highway, or transitway construction activity on covered projects.

Subd. 3. **Administration.** The commissioner must establish program requirements, including application procedures that minimize applicant burdens, eligibility criteria for recipients, qualifications for determining business impairment, program allocation amounts from project costs, the distribution amount and formula used to determine the distribution amount, and procedures for distribution of financial assistance. The commissioner must implement the program to provide financial assistance payments in a timely manner that are, to the extent practicable, before or during the time period of the extensive business impacts.

EFFECTIVE DATE. This section is effective the day following final enactment, and applies to projects in which construction first commences on or after October 1, 2025.

Sec. 7. Minnesota Statutes 2024, section 161.045, is amended to read:

161.045 HIGHWAY USER TAX DISTRIBUTION FUND APPROPRIATIONS; TRUNK HIGHWAY FUND APPROPRIATIONS.

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

(b) "Commissioner" means any commissioner of a state agency that either proposes to spend or spends funds out of the highway user tax distribution fund or the trunk highway fund.

(c) "Highway purposes" includes but is not limited to:

(1) construction, improvement, maintenance, and operations of a highway;

(2) multimodal infrastructure within a highway right-of-way related to any of the following: (i) transit; (ii) active transportation; and (iii) reduction of greenhouse gas emissions; and

(3) activities directly related to, or necessary to administer or support, the purposes specified in clauses (1) and (2).

(d) "Trunk highway purposes" includes but is not limited to highway purposes for the trunk highway system.

Subd. 2. **General expenditure requirements.** A commissioner may expend highway user tax distribution funds only for highway purposes and may expend trunk highway funds only for trunk highway purposes.

Subd. 3. **Limitations on spending.** (a) A commissioner must not pay for any of the following with funds from the highway user tax distribution fund or the trunk highway fund:

(1) Bureau of Criminal Apprehension laboratory;

(2) Explore Minnesota Tourism kiosks;

~~(3) Minnesota Safety Council;~~

~~(4) driver education programs;~~

~~(5)~~ (3) Office of Emergency Medical Services;

~~(6)~~ (4) Mississippi River Parkway Commission;

~~(7)~~ (5) payments to the Department of Information Technology Services in excess of actual costs incurred for trunk highway purposes;

~~(8)~~ (6) personnel costs incurred on behalf of the governor's office;

~~(9)~~ (7) the Office of Aeronautics within the Department of Transportation;

~~(10) the Office of Transit and Active Transportation within the Department of Transportation;~~

~~(11) the Office of Passenger Rail;~~

~~(12)~~ (8) purchase and maintenance of soft body armor under section 299A.38;

~~(13)~~ (9) tourist information centers;

~~(14)~~ (10) parades, events, or sponsorships of events;

~~(15) the installation, construction, expansion, or maintenance of public electric vehicle infrastructure;~~

~~(16)~~ (11) the statewide notification center for excavation services pursuant to chapter 216D; and

~~(17)~~ (12) manufacturing license plates.

(b) The prohibition in paragraph (a) includes all expenses for the named entity or program, including but not limited to payroll, purchased services, supplies, repairs, and equipment. This prohibition on spending applies to any successor entities or programs that are substantially similar to the entity or program named in this subdivision.

Sec. 8. Minnesota Statutes 2024, section 161.088, subdivision 2, is amended to read:

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

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

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

(2) reallocated efficiency savings from section 174.53, paragraph (b);

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

~~(3)~~ (4) made for the corridor investment management strategy program, unless specified otherwise.

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

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

EFFECTIVE DATE. This section is effective July 1, 2025, and applies to funds reallocated on or after that date.

Sec. 9. Minnesota Statutes 2024, section 161.115, subdivision 177, is amended to read:

Subd. 177. **Route No. 246.** Beginning at a point in or adjacent to Nerstrand; thence extending in a general northerly direction to a point westerly of Dennison; thence continuing in a general northwesterly direction to a point ~~on Route No. 1 at or~~ near 110th Street East near Northfield.

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

Sec. 10. Minnesota Statutes 2024, section 161.14, is amended by adding a subdivision to read:

Subd. 108. **Officer Jason B. Meyer Memorial Highway.** The segment of marked U.S. Highway 63 from the intersection with marked Trunk Highway 16 to the southerly city limit of Racine is designated as "Officer Jason B. Meyer Memorial Highway." Subject to section 161.139, the commissioner must adopt a suitable design to mark this highway and erect appropriate signs.

Sec. 11. **[161.1611] PURPOSE AND NEED STATEMENT CONTEXTUAL DEVELOPMENT REQUIREMENTS; SCOPING PROCESS REQUIRED.**

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meanings given:

(1) "planning worksheet scoping guide" means a checklist of considerations developed by the commissioner to consider with stakeholders for determining a project's scope in the scoping document;

(2) "project" means the scoping, assessment, study, or other analysis activity designed to identify or provide for development of a trunk highway project;

(3) "purpose and need" is a statement by the department to explain why a proposed action is being undertaken and its objectives by:

(i) identifying the need as a transportation problem or deficiency; and

(ii) identifying the purpose as a broad statement of the intended transportation result and other related objectives to be achieved by a proposed transportation improvement; and

(4) "scoping document" means a document that identifies a statement of what will be built as part of the project.

Subd. 2. **Application.** (a) The requirements in this section apply to a project that:

(1) involves construction, reconstruction, bridge replacement, increases or reductions in highway traffic capacity, alteration of access, or acquisitions of permanent right-of-way; or

(2) requires an environmental impact statement under chapter 116D for the project.

(b) Except for a project under paragraph (a), clause (1), the requirements in this section do not apply to reconditioning, resurfacing, milling, overlays, preventive maintenance, other routine roadway maintenance activities or projects, and associated set-asides.

Subd. 3. **Purpose and need.** (a) A purpose and need statement developed for a project must not identify a specific improvement as the need to avoid premature determination of investment approaches available for the project. Purpose and need statements must consider all possible approaches for a project and address the safety and access of all users of the transportation system.

(b) The commissioner must ensure that a purpose and need statement for a project can assess whether the need for a project is substantial enough to warrant investment inclusion in the state transportation improvement program, including relaxing expectations around the use of level-of-service metrics as the primary need for a project's development.

(c) The commissioner must incorporate multidisciplinary review processes under section 174.742 into the development of a context-specific purpose and need statement.

Subd. 4. **Scope; required before inclusion.** (a) The commissioner must require the use of a context-specific scoping document to identify the needs for a project before the project's inclusion in the state highway investment program. The scope document must conform with any adopted guidance by the commissioner and must:

(1) include a checklist of interested stakeholders to engage in the planning, design, and development of projects;

(2) recognize the degrees of variability and complexity across different project types; and

(3) require a context and modal accommodation analysis to:

(i) determine what modes of transportation are appropriate for the project corridor;

(ii) structure and document discussions around tradeoffs during early project development;

(iii) establish a suggested baseline for which modes should be prioritized based on the roadway type and land use context; and

(iv) provide a series of factors and questions to consider that would raise or lower the priority of each mode.

(b) Before finalization of any scoping document or draft scoping document for a project, the commissioner must require a coordination field visit and walking audit of the project corridor. To implement the requirements of this paragraph, the commissioner must develop guidance on coordinated field visits to:

(1) begin the initial engagement process with stakeholders for projects;

(2) provide guidance on what staff should identify in observing current conditions for all modes of travel and the surrounding land use; and

(3) coordinate across different jurisdictions to ensure collaboration and field visits at similar times in the project timeline.

Subd. 5. **Implementation.** The commissioner must implement the requirements of this section in a manner that does not conflict with the requirements under chapter 116D and the National Environmental Policy Act under United States Code, title 42, section 4331, et seq.

EFFECTIVE DATE. Subdivisions 1, 2, 3, and 5 are effective March 1, 2027, for projects on or after that date. Subdivision 4 is effective July 1, 2025, for projects scoped on or after that date.

Sec. 12. Minnesota Statutes 2024, section 162.02, is amended by adding a subdivision to read:

Subd. 1a. **State-aid standards.** Design and engineering standards for all new construction, reconstruction, rehabilitation, or resurfacing county state-aid projects approved by the state-aid engineer are determined and set by the most recent edition of the Facility Design Guide or successor document established by the commissioner.

EFFECTIVE DATE. This section is effective July 1, 2025, for county state-aid roadway projects on or after that date.

Sec. 13. Minnesota Statutes 2024, section 162.02, subdivision 3a, is amended to read:

Subd. 3a. **Variances from rules and engineering standards.** (a) The commissioner may grant variances from the rules and from the engineering standards developed pursuant to section 162.021 or 162.07, subdivision 2. A political subdivision in which a county state-aid highway is located or is proposed to be located may submit a written request to the commissioner for a variance for that highway. The commissioner ~~shall~~ must comply with section 174.75, subdivision 5, in evaluating a variance request related to a complete streets project.

(b) The commissioner may grant or deny the variance within 30 days of receiving the variance request. If the variance is denied, the political subdivision may request, within 30 days of receiving notice of denial, and ~~shall~~ must be granted a contested case hearing. The commissioner must use the criteria set forth in subdivision 3c to evaluate the variance request.

(c) If the commissioner denies a variance, the commissioner must notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation and provide justification for denying the variance within 30 days of notifying the political subdivision of the denial. The justification must include the commissioner's reasoning for the denial, the recommendation of the advisory committee on variances, and the reasoning used by the committee to approve or deny the variance.

~~(c)~~ (d) For purposes of this subdivision, "political subdivision" includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park authority.

(e) The commissioner must give special consideration to proposed modifications for:

(1) narrowing lanes from 11 feet to ten feet for roadways in an urban or suburban context;

(2) designs allowed by current Department of Transportation trunk highway standards for roadways of similar context;

(3) a proposed design intended to increase the safety of nonmotorized transportation to and from a school;

(4) any design element in a project funded by the safe routes to school program, except where specifically prohibited in the current Department of Transportation Facility Design Guide; or

(5) a variance request that specifically states the proposed design modification is based on the following alternative design manuals:

(i) the American Association of State Highway and Transportation Officials' (AASHTO) A Policy on Geometric Design Highways and Streets or other AASHTO design guides formally recognized by the Federal Highway Administration;

(ii) the Institute of Transportation Engineers' Designing Walkable Urban Thoroughfares: A Context Sensitive Approach and Implementing Context Sensitive Design Handbook;

(iii) the National Association of City Transportation Officials' (NACTO) Urban Street Design Guide and other NACTO design guides formally recognized by the Federal Highway Administration;

(iv) the Global Designing Cities Initiative's (GDCI) Global Street Design Guide and Designing Streets for Kids supplement; or

(v) any other design guide recognized or approved by the Federal Highway Administration in United States Code, title 23, section 109(o)(B).

(f) Paragraph (e) does not apply to a natural preservation route established under section 162.021.

EFFECTIVE DATE. This section is effective July 1, 2025, for county state-aid roadway projects on or after that date.

Sec. 14. Minnesota Statutes 2024, section 162.02, is amended by adding a subdivision to read:

Subd. 3c. **Variance format.** To submit a formal request for a variance from applicable design standards under subdivision 1a, a political subdivision must submit a written request to the commissioner. The written request must be in the form of an adopted resolution. The request must:

(1) identify the project by location and termini;

(2) cite the specific part or standard for which the variance is requested from county state-aid design rules;

(3) describe the proposed modification and include technical information about the design, including:

(i) an index map; and

(ii) a typical section with an inplace section and a proposed section;

(4) describe the economic, social, safety, and environmental impacts that may result from the requested variance;

(5) identify the project's effectiveness in eliminating an existing and projected deficiency in the transportation system, including identifying and citing whether the existing roadway's design meets a recognized or approved Federal Highway Administration design guide standard for a similar road context;

(6) identify effects on adjacent lands;

(7) identify the number of persons affected; and

(8) identify relevant safety considerations as they apply to:

(i) pedestrians;

(ii) bicyclists;

(iii) vulnerable road users;

(iv) the motoring public; and

(v) fire, police, and emergency service providers.

EFFECTIVE DATE. This section is effective July 1, 2025, for county state-aid roadway projects on or after that date.

Sec. 15. Minnesota Statutes 2024, section 162.09, is amended by adding a subdivision to read:

Subd. 1a. **State-aid standards.** Design and engineering standards for all new construction, reconstruction, rehabilitation, or resurfacing municipal state-aid projects approved by the state-aid engineer are determined and set by the most recent edition of the Facility Design Guide or successor document established by the commissioner.

EFFECTIVE DATE. This section is effective July 1, 2025, for municipal state-aid roadway projects on or after that date.

Sec. 16. Minnesota Statutes 2024, section 162.09, subdivision 3a, is amended to read:

Subd. 3a. **Variances from rules and engineering standards.** (a) The commissioner may grant variances from the rules and from the engineering standards developed pursuant to section 162.13, subdivision 2. A political subdivision in which a municipal state-aid street is located or is proposed to be located may submit a written request to the commissioner for a variance for that street. The commissioner ~~shall~~ must comply with section 174.75, subdivision 5, in evaluating a variance request related to a complete streets project.

(b) The commissioner may grant or deny the variance within 30 days of receiving the variance request. If the variance is denied, the political subdivision may request, within 30 days of receiving notice of denial, and ~~shall~~ must be granted a contested case hearing. The commissioner must use the criteria set forth in subdivision 3b to evaluate the variance request.

(c) If the commissioner denies a variance, the commissioner must notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation and provide justification for denying the variance within 30 days of notifying the political subdivision of the denial. The justification must include the commissioner's reasoning for the denial, the recommendation of the advisory committee on variances, and the reasoning used by the committee to approve or deny the variance.

~~(c)~~ (d) For purposes of this subdivision, "political subdivision" includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park authority.

(e) The commissioner must give special consideration to proposed modifications for:

(1) narrowing lanes from 11 feet to ten feet for roadways in an urban or suburban context;

(2) designs allowed by current Department of Transportation trunk highway standards for roadways of similar context;

(3) a proposed design intended to increase the safety of nonmotorized transportation to and from a school;

(4) any design element in a project funded by the safe routes to school program, except where specifically prohibited in the current Department of Transportation Facility Design Guide; or

(5) a variance request that specifically states the proposed design modification is based on the following alternative design manuals:

(i) the American Association of State Highway and Transportation Officials' (AASHTO) A Policy on Geometric Design Highways and Streets or other AASHTO design guides formally recognized by the Federal Highway Administration;

(ii) the Institute of Transportation Engineers' Designing Walkable Urban Thoroughfares: A Context Sensitive Approach and Implementing Context Sensitive Design Handbook;

(iii) the National Association of City Transportation Officials' (NACTO) Urban Street Design Guide and other NACTO design guides formally recognized by the Federal Highway Administration;

(iv) the Global Designing Cities Initiative's (GDCI) Global Street Design Guide and Designing Streets for Kids supplement; or

(v) any other design guide recognized or approved by the Federal Highway Administration in United States Code, title 23, section 109(o)(B).

EFFECTIVE DATE. This section is effective July 1, 2025, for municipal state-aid roadway projects on or after that date.

Sec. 17. Minnesota Statutes 2024, section 162.09, is amended by adding a subdivision to read:

Subd. 3b. **Variance format.** To submit a formal request for a variance from municipal state-aid design rules, a political subdivision must submit a written request to the commissioner. The written request must be in the form of an adopted resolution. The request must:

(1) identify the project by location and termini;

(2) cite the specific part or standard for which the variance is requested from municipal state-aid design rules;

(3) describe the proposed modification and include technical information about the design, including:

(i) an index map; and

(ii) a typical section with an inplace section and a proposed section;

(4) describe the economic, social, safety, and environmental impacts that may result from the requested variance;

(5) identify the effectiveness of the project in eliminating an existing and projected deficiency in the transportation system, including identifying and citing whether the existing roadway's design meets a recognized or approved Federal Highway Administration design guide standard for a similar road context;

(6) identify effects on adjacent lands;

(7) identify the number of persons affected; and

(8) identify relevant safety considerations as they apply to:

(i) pedestrians;

(ii) bicyclists;

(iii) vulnerable road users;

(iv) the motoring public; and

(v) fire, police, and emergency service providers.

EFFECTIVE DATE. This section is effective July 1, 2025, for municipal state-aid roadway projects on or after that date.

Sec. 18. **[162.095] ADVISORY COMMITTEE ON DESIGN VARIANCES.**

Subdivision 1. **Establishment.** An advisory committee on design variances is established to investigate and determine a recommendation for each variance submitted under sections 162.02, subdivision 3a, and 162.09, subdivision 3a.

Subd. 2. **Membership.** (a) The advisory committee on design variances called by the commissioner under subdivision 3 must consist of the following members:

(1) not more than two county highway engineers, only one of whom may be from a county containing a city of the first class;

(2) not more than two city engineers, only one of whom may be from a city of the first class;

(3) not more than two county officials, only one of whom may be from a county containing a city of the first class;

(4) not more than two officials of an urban municipality, only one of whom may be from a city of the first class;

(5) not more than two representatives of the Office of Transit and Active Transportation in the Department of Transportation, one of whom must be an engineer; and

(6) one representative from the State Aid for Local Transportation Office in the Department of Transportation with experience in project design and the safety factors specified in sections 162.02, subdivision 3c, and 162.09, subdivision 3b.

(b) No elected or appointed official that represents a political subdivision may serve on the committee.

(c) The committee must have at least one member but not more than 12 members from a metropolitan area as defined in section 473.121, subdivision 2, as well as cities with a population over 50,000 according to the most recent federal census.

Subd. 3. **Operating procedure; open meeting law.** (a) The advisory committee must meet at the call of the commissioner, at which time the committee must be instructed as to the committee's responsibilities by a designee of the commissioner. The members of the advisory committee must elect a chair from the members of the group at the initial meeting and may set bylaws and procedures to investigate the requested variance.

(b) An advisory committee organized under this section is subject to the Minnesota Open Meeting Law under chapter 13D.

Subd. 4. **Factors considered.** The advisory committee must make a recommendation for a variance based on criteria set forth in sections 162.02, subdivision 3c, and 162.09, subdivision 3b. The advisory committee must give special consideration to safety if the proposed project design is intended to increase the safety of nonmotorized transportation to and from a school.

Subd. 5. **Recommendation.** After considering all data pertinent to the requested variance, the advisory committee must recommend to the commissioner approval or denial of the request. If the committee denies the variance, the committee must provide specific reasoning for the denial and identify the design standard used to evaluate the denial.

Subd. 6. **Administration.** Upon request of the advisory committee, the commissioner must provide meeting space, technical support, and administrative services for the group.

Subd. 7. **Legislative report.** By January 15 of each even-numbered year, the commissioner of transportation must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must summarize the activities of any advisory committee on variances from the prior two years, identify each committee's analysis and findings for each variance approved or denied, identify whether the commissioner and an advisory committee came to a different decision on a requested variance and identify the reasons for the difference, and provide recommendations on improvements to the advisory committee process.

EFFECTIVE DATE. This section is effective July 1, 2025, for state-aid design variances sought on or after that date.

Sec. 19. Minnesota Statutes 2024, section 162.155, is amended to read:

162.155 RULEMAKING.

~~(a) The commissioner shall adopt rules setting forth the criteria to be considered by the commissioner in evaluating requests for variances under sections 162.02, subdivision 3a and 162.09, subdivision 3a. The rules must include, but are not limited to, economic, engineering and safety guidelines.~~

~~(b)~~ (a) The commissioner shall adopt rules establishing the engineering standards for cost estimation under sections 162.07, subdivision 2, and 162.13, subdivision 2.

~~(c)~~ (b) The rules adopted by the commissioner under this section, and sections 162.02; 162.07, subdivision 2; 162.09; and 162.13, subdivision 2, are exempt from the rulemaking provisions of chapter 14. The rules are subject to section 14.386, except that, notwithstanding paragraph (b) of that section, the rules continue in effect until repealed or superseded by other law or rule.

Sec. 20. **[162.175] LOCAL GOVERNMENT ROAD FUNDING GAP ASSISTANCE.**

Subdivision 1. **Local government road funding gap assistance account.** A local government road funding gap assistance account is created in the special revenue fund. The account consists of money donated, allotted, transferred, or otherwise provided to the account. Money in the account is annually appropriated to the commissioner of transportation and may only be expended as provided under this section. Notwithstanding section 16B.98, subdivision 14, the commissioner must not use any amount of this appropriation for administrative costs.

Subd. 2. **Distribution.** (a) The commissioner must annually distribute, transfer, or grant the available money in the local government road funding gap assistance account equally among all eligible recipients. Money distributed under this section is available only for design, engineering, construction, reconstruction, and maintenance of roads solely under the jurisdiction of the recipient.

(b) For purposes of this section, "eligible recipient" or "recipient" means a political subdivision that:

(1) has a directly elected governing board;

(2) maintains sole jurisdiction over a roadway system;

(3) does not receive direct dedicated funding under section 162.07, 162.13, 162.145, 162.146, 297A.815, or 297A.9915; and

(4) either:

(i) has a population greater than 10,000 according to the last two federal decennial censuses; or

(ii) is contained within a city of the first class.

Sec. 21. Minnesota Statutes 2024, section 168.013, subdivision 1m, is amended to read:

Subd. 1m. **Electric vehicle.** ~~In addition to the tax under subdivision 1a~~ (a) Subject to paragraph (b), a surcharge of ~~$75~~ $200 is imposed for an all-electric vehicle, as defined in section 169.011, subdivision 1a. The surcharge is in addition to the tax under subdivision 1a.

(b) By October 1 annually, the commissioner must calculate and publish an adjusted surcharge under this subdivision, which applies to taxes payable for a registration period starting on or after the following January 1. Each adjusted surcharge must:

(1) equal:

(i) the surcharge under paragraph (a) as previously adjusted under this paragraph; multiplied by

(ii) one plus the percentage increase, if any, in the gasoline excise tax rate under section 296A.07, subdivision 3, as determined from the rate in effect at the time of calculation compared to the rate to be imposed on the following January 1; and

(2) be rounded to the nearest whole dollar.

(c) Notwithstanding subdivision 8, revenue from the fee imposed under this subdivision must be deposited in the highway user tax distribution fund.

EFFECTIVE DATE. This section is effective August 1, 2025, for surcharges imposed on or after that date.

Sec. 22. Minnesota Statutes 2024, section 168.013, is amended by adding a subdivision to read:

Subd. 1n. **Plug-in hybrid electric vehicle.** (a) Subject to paragraph (b), a surcharge of $100 is imposed for a plug-in hybrid electric vehicle as defined in section 169.011, subdivision 54a. The surcharge is in addition to the tax under subdivision 1a.

(b) By October 1 annually, the commissioner must calculate and publish an adjusted surcharge under this subdivision, which applies to taxes payable for a registration period starting on or after the following January 1. Each adjusted surcharge must:

(1) equal:

(i) the surcharge under paragraph (a) as previously adjusted under this paragraph; multiplied by

(ii) one plus the percentage increase, if any, in the gasoline excise tax rate under section 296A.07, subdivision 3, as determined from the rate in effect at the time of calculation compared to the rate to be imposed on the following January 1; and

(2) be rounded to the nearest whole dollar.

(c) Notwithstanding subdivision 8, revenue from the surcharge imposed under this subdivision must be deposited in the highway user tax distribution fund.

EFFECTIVE DATE. This section is effective August 1, 2025, for surcharges imposed on or after that date.

Sec. 23. Minnesota Statutes 2024, section 168.013, is amended by adding a subdivision to read:

Subd. 1o. **All-electric motorcycle.** (a) Subject to paragraph (b), a surcharge of $40 is imposed for an all-electric motorcycle as defined in section 169.011, subdivision 1b. The surcharge is in addition to the tax under subdivision 1b.

(b) By October 1 annually, the commissioner must calculate and publish an adjusted surcharge under this subdivision, which applies to taxes payable for a registration period starting on or after the following January 1. Each adjusted surcharge must:

(1) equal:

(i) the surcharge under paragraph (a) as previously adjusted under this paragraph; multiplied by

(ii) one plus the percentage increase, if any, in the gasoline excise tax rate under section 296A.07, subdivision 3, as determined from the rate in effect at the time of calculation compared to the rate to be imposed on the following January 1; and

(2) be rounded to the nearest whole dollar.

(c) Notwithstanding subdivision 8, revenue from the surcharge imposed under this subdivision must be deposited in the highway user tax distribution fund.

EFFECTIVE DATE. This section is effective August 1, 2025, for surcharges imposed on or after that date.

Sec. 24. Minnesota Statutes 2024, section 168.013, is amended by adding a subdivision to read:

Subd. 1p. **Plug-in hybrid electric motorcycle.** (a) Subject to paragraph (b), a surcharge of $20 is imposed for a plug-in hybrid electric motorcycle as defined in section 169.011, subdivision 54c. The surcharge is in addition to the tax under subdivision 1b.

(b) By October 1 annually, the commissioner must calculate and publish an adjusted surcharge under this subdivision, which applies to taxes payable for a registration period starting on or after the following January 1. Each adjusted surcharge must:

(1) equal:

(i) the surcharge under paragraph (a) as previously adjusted under this paragraph; multiplied by

(ii) one plus the percentage increase, if any, in the gasoline excise tax rate under section 296A.07, subdivision 3, as determined from the rate in effect at the time of calculation compared to the rate to be imposed on the following January 1; and

(2) be rounded to the nearest whole dollar.

(c) Notwithstanding subdivision 8, revenue from the surcharge imposed under this subdivision must be deposited in the highway user tax distribution fund.

EFFECTIVE DATE. This section is effective August 1, 2025, for surcharges imposed on or after that date.

Sec. 25. Minnesota Statutes 2024, section 168.091, is amended to read:

168.091 ~~31-DAY~~ 60-DAY TEMPORARY VEHICLE PERMIT.

Subdivision 1. **Nonresident buyer.** (a) Upon payment of a fee of $1, the commissioner may issue a permit to a nonresident purchasing a vehicle in this state for the sole purpose of allowing the vehicle to be removed from this state.

(b) The permit is in lieu of any other registration or taxation for use of the highways and is valid for a period of ~~31~~ 60 days from the date of sale, trade, or gift.

(c) The permit must be available in an electronic format as determined by the commissioner.

(d) If the sale, gift, or trade information is electronically transmitted to the commissioner by a dealer or deputy registrar of motor vehicles, the $1 fee is waived.

(e) The permit must be affixed to the rear of the vehicle where it is plainly visible. Each permit is valid only for the vehicle for which the permit was issued.

Subd. 2. **Dealer.** The registrar may issue permits to licensed dealers upon payment of the proper fee for each permit.

Subd. 3. **Proceeds to highway user fund.** All payments received for such permits shall be paid into the state treasury and credited to the highway user tax distribution fund.

EFFECTIVE DATE. This section is effective October 1, 2025, for permits issued on or after that date.

Sec. 26. 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 issue to every motor vehicle dealer, upon a request from the motor vehicle dealer licensed as provided in subdivision 2 or 3, 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 pay the registrar a fee of $25 and a sales tax on motor vehicles of $15 per registration year. The registrar shall 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. Motor vehicles, new or used, owned by the motor vehicle dealership and bearing the number plate, except vehicles leased to the 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, or parts vehicle, may be driven upon the 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;

(3) for use on a courtesy vehicle provided to a customer of the dealership while the customer's vehicle is being repaired;

(4) for demonstration purposes by any prospective buyer for a period of ~~48 hours or in the case of a truck, truck-tractor, or semitrailer, for a period of seven~~ 14 days; or

~~(4)~~ (5) in a promotional event that lasts no longer than four days in which at least three motor vehicles are involved.

(b) 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.

(c) All vehicles displaying a dealer plate issued under this subdivision must carry written documentation within the vehicle that includes:

(1) a valid driver's license;

(2) proof of insurance;

(3) the reason for use; and

(4) if the vehicle is for use as a courtesy vehicle under paragraph (a), clause (3), a courtesy vehicle user agreement that includes a list of authorized drivers for the vehicle and their driver's license numbers and the start and end dates of use.

(d) For purposes of paragraph (a), a "courtesy vehicle" means a passenger-class motor vehicle that a motor vehicle dealer temporarily provides at no or minimal cost to customers for customer service or mobility purposes while the customer's vehicle is serviced, repaired, or maintained. A courtesy vehicle with a dealer plate meeting the requirements of paragraph (a) is not subject to the 72-hour restriction specified in paragraph (b).

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

Sec. 27. 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 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. 28. 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, for vehicles transferred on or after that date.

Sec. 29. Minnesota Statutes 2024, section 168A.11, subdivision 1, is amended to read:

Subdivision 1. **Requirements upon subsequent transfer; service fee.** (a) A dealer who buys a vehicle and holds it for resale need not apply for a certificate of title. Upon transferring the vehicle to another person, other than by the creation of a security interest, the dealer must promptly execute the assignment and warranty of title by a dealer, showing the names and addresses of the transferee and of any secured party holding a security interest created or reserved at the time of the resale, and the date of the security agreement in the spaces provided on the certificate of title or secure reassignment.

(b) If a dealer elects to apply for a certificate of title on a vehicle held for resale, the dealer need not register the vehicle but must pay one month's registration tax. If a dealer elects to apply for a certificate of title on a vehicle held for resale, the commissioner must not place any legend on the title that no motor vehicle sales tax was paid by the dealer but may indicate on the title whether the vehicle is a new or used vehicle.

(c) With respect to motor vehicles subject to the provisions of section 325E.15, the dealer must also, in the space provided on the certificate of title or secure reassignment, state the true cumulative mileage registered on the odometer or that the exact mileage is unknown if the odometer reading is known by the transferor to be different from the true mileage.

(d) The transferee must complete the application for title section on the certificate of title or separate title application form prescribed by the commissioner. The dealer must mail or deliver the certificate to the commissioner or deputy registrar with the transferee's application for a new certificate and appropriate taxes and fees, within the period specified under section 168A.10, subdivision 2.

(e) With respect to vehicles sold to buyers who will remove the vehicle from this state, the dealer must remove any license plates from the vehicle, issue a ~~31-day~~ 60-day temporary permit pursuant to section 168.091, and notify the commissioner within 48 hours of the sale that the vehicle has been removed from this state. The notification must be made in an electronic format prescribed by the commissioner. The dealer may contract with a deputy registrar for the notification of sale to an out-of-state buyer. The deputy registrar may charge a fee of $7 per transaction to provide this service.

EFFECTIVE DATE. This section is effective October 1, 2025, for permits issued on or after that date.

Sec. 30. Minnesota Statutes 2024, section 169.011, is amended by adding a subdivision to read:

Subd. 1b. **All-electric motorcycle.** (a) "All-electric motorcycle" means an electric motorcycle that is solely able to be powered by an electric motor drawing current from rechargeable storage batteries, fuel cells, or other portable sources of electrical current.

(b) All-electric motorcycle excludes a plug-in hybrid electric motorcycle.

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

Sec. 31. Minnesota Statutes 2024, section 169.011, subdivision 36, is amended to read:

Subd. 36. **Intersection.** ~~(a)~~ "Intersection" means the area embraced within the prolongation or connection of the lateral curb lines or, if none, then the lateral boundary lines of the roadways of two highways which join one another at, or approximately at, right angles or the area within which vehicles traveling upon different highways joining at any other angle may come in conflict.

~~(b) Where a highway includes two roadways 30 feet or more apart, then every crossing of each roadway of such divided highway by an intersecting highway shall be regarded as a separate intersection. In the event such intersecting highway also includes two roadways 30 feet or more apart, then every crossing of two roadways of such highways shall be regarded as a separate intersection.~~

Sec. 32. Minnesota Statutes 2024, section 169.011, is amended by adding a subdivision to read:

Subd. 54c. **Plug-in hybrid electric motorcycle.** "Plug-in hybrid electric motorcycle" means an electric motorcycle that:

(1) contains an internal combustion engine and also allows power to be delivered to the drive wheels by a battery-powered electric motor;

(2) when connected to the electrical grid via an electrical outlet, is able to recharge its battery; and

(3) has the ability to travel at least 20 miles powered substantially by electricity.

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

Sec. 33. Minnesota Statutes 2024, section 169.06, subdivision 5, is amended to read:

Subd. 5. **Traffic-control signal.** (a) Whenever traffic is controlled by traffic-control signals exhibiting different colored lights, or colored lighted arrows, successively one at a time or in combination, only the colors Green, Red, and Yellow ~~shall~~ are permitted to be used, except for special pedestrian signals carrying a word or ~~legend~~ symbol. The traffic-control signal lights or colored lighted arrows indicate and apply to drivers of vehicles and pedestrians as follows:

(1) Green indication:

(i) Vehicular traffic facing a circular green signal may proceed straight through or turn right or left unless a sign prohibits either turn. But vehicular traffic, including vehicles turning right or left, ~~shall~~ must yield the right-of-way to other vehicles and to pedestrians lawfully within the intersection or adjacent crosswalk at the time this signal is exhibited. Vehicular traffic turning left or making a U-turn to the left ~~shall~~ must yield the right-of-way to other vehicles approaching from the opposite direction so closely as to constitute an immediate hazard.

(ii) Vehicular traffic facing a green arrow signal, shown alone or in combination with another indication, may cautiously enter the intersection only to make the movement indicated by the arrow, or other movement as permitted by other indications shown at the same time. Vehicular traffic ~~shall~~ must yield the right-of-way to pedestrians lawfully within an adjacent crosswalk and to other traffic lawfully using the intersection.

(iii) Unless otherwise directed by a pedestrian-control signal as provided in subdivision 6, pedestrians facing any green signal, except when the sole green signal is a turn arrow, may proceed across the roadway within any marked or unmarked crosswalk. Every driver of a vehicle ~~shall~~ must yield the right-of-way to such pedestrian, except that the pedestrian ~~shall~~ must yield the right-of-way to vehicles lawfully within the intersection at the time that the green signal indication is first shown.

(2) Steady yellow indication:

(i) Vehicular traffic facing a steady circular yellow or yellow arrow signal is thereby warned that the related green movement or flashing yellow movement is being terminated or that a red indication will be exhibited immediately thereafter when vehicular traffic must not enter the intersection, except for the continued movement allowed by any green arrow indication simultaneously exhibited.

(ii) Pedestrians facing a circular yellow signal, unless otherwise directed by a pedestrian-control signal as provided in subdivision 6, are thereby advised that there is insufficient time to cross the roadway before a red indication is shown and ~~no~~ a pedestrian ~~shall~~ must not then start to cross the roadway.

(3) Steady red indication:

(i) Vehicular traffic facing a circular red signal alone must stop at a clearly marked stop line but, if none, before entering the crosswalk on the near side of the intersection or, if none, then before entering the intersection and ~~shall~~ must remain standing until a green indication is shown, except as follows:

(A) the driver of a vehicle stopped as close as practicable at the entrance to the crosswalk on the near side of the intersection or, if none, then at the entrance to the intersection in obedience to a red or stop signal, and with the intention of making a right turn may make the right turn, after stopping, unless an official sign has been erected prohibiting such movement, but ~~shall~~ must yield the right-of-way to pedestrians and other traffic lawfully proceeding as directed by the signal at that intersection; or

(B) the driver of a vehicle on a one-way street intersecting another one-way street on which traffic moves to the left ~~shall~~ must stop in obedience to a red or stop signal and may then make a left turn into the one-way street, unless an official sign has been erected prohibiting the movement, but ~~shall~~ must yield the right-of-way to pedestrians and other traffic lawfully proceeding as directed by the signal at that intersection.

(ii) Unless otherwise directed by a pedestrian-control signal as provided in subdivision 6, pedestrians facing a steady red signal alone ~~shall~~ must not enter the roadway.

(iii) Vehicular traffic facing a steady red arrow signal, with the intention of making a movement indicated by the arrow, must stop at a clearly marked stop line but, if none, before entering the crosswalk on the near side of the intersection or, if none, then before entering the intersection and must remain standing until a permissive signal indication permitting the movement indicated by the red arrow is displayed, except as follows: when an official sign has been erected permitting a turn on a red arrow signal, the vehicular traffic facing a red arrow signal indication is permitted to enter the intersection to turn right, or to turn left from a one-way street into a one-way street on which traffic moves to the left, after stopping, but must yield the right-of-way to pedestrians and other traffic lawfully proceeding as directed by the signal at that intersection.

(b) In the event an official traffic-control signal is erected and maintained at a place other than an intersection, the provisions of this section are applicable except those which can have no application. Any stop required must be made at a sign or marking on the pavement indicating where the stop must be made, but in the absence of any such sign or marking the stop must be made at the signal.

(c) When a traffic-control signal indication or indications placed to control a certain movement or lane are so identified by placing a sign near the indication or indications, no other traffic-control signal indication or indications within the intersection controls vehicular traffic for that movement or lane.

(d) A peace officer is prohibited from stopping, detaining, or issuing a citation to a pedestrian for a violation of paragraph (a), clause (2), item (ii), or (3), item (ii), unless:

(1) the officer lawfully stops or detains the pedestrian for an unrelated violation or offense; or

(2) at the time of the violation, a vehicle is approaching in a manner that constitutes a hazard of collision between the vehicle and the pedestrian.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to violations committed on or after that date.

Sec. 34. Minnesota Statutes 2024, section 169.06, subdivision 6, is amended to read:

Subd. 6. **Pedestrian control signal.** (a) Whenever special pedestrian-control signals exhibiting the words "Walk" or "Don't Walk" or symbols of a "walking person" or "upraised hand" are in place, the signals or symbols indicate as follows:

(1) A steady "Walk" signal or the symbol of a "walking person" indicates that a pedestrian facing either of these signals may proceed across the roadway in the direction of the signal, possibly in conflict with turning vehicles. Every driver of a vehicle ~~shall~~ must yield the right-of-way to such pedestrian except that the pedestrian ~~shall~~ must yield the right-of-way to vehicles lawfully within the intersection at the time that either signal indication is first shown.

(2) A "Don't Walk" signal or the symbol of an "upraised hand," flashing or steady, indicates that a pedestrian ~~shall~~ must not start to cross the roadway in the direction of either signal, but any pedestrian who has partially crossed on the "Walk" or "walking person" signal indication ~~shall~~ must proceed to a sidewalk or safety island while the signal is showing.

(b) A pedestrian crossing a roadway in conformity with this section is lawfully within the intersection and, when in a crosswalk, is lawfully within the crosswalk.

(c) A peace officer is prohibited from stopping, detaining, or issuing a citation to a pedestrian for a violation of paragraph (a), clause (2), unless:

(1) the officer lawfully stops or detains the pedestrian for an unrelated violation or offense; or

(2) at the time of the violation, a vehicle is approaching in a manner that constitutes a hazard of collision between the vehicle and the pedestrian.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to violations committed on or after that date.

Sec. 35. Minnesota Statutes 2024, section 169.09, subdivision 8, is amended to read:

Subd. 8. **Officer to report accident to commissioner.** (a) A peace officer who investigates in the regular course of duty an accident that is required to be reported under this section must submit an electronic or written report of the accident to the commissioner of public safety within ten days after the date of the accident. Within two business days after identification of a fatality that resulted from an accident, the reporting agency must notify the commissioner of the basic circumstances of the accident. A report or notification under this subdivision must be in the format as prescribed in subdivision 9.

(b) Accidents on streets, highways, roadways, sidewalks, shoulders, shared use paths, or any other portion of a public right-of-way must be reported under the requirements of this section if the accident results in:

(1) a fatality;

(2) bodily injury ~~to a person who, because of the injury, immediately receives medical treatment away from or at the scene of the accident~~;

(3) one or more of the motor vehicles incurring disabling damage that requires a vehicle to be transported away from the scene of the accident by tow truck or other vehicle; or

(4) damage to fixtures, infrastructure, or any other property alongside or on a highway.

(c) An accident involving a school bus, as defined in section 169.011, subdivision 71, must be reported under the requirements of this section and section 169.4511.

(d) An accident involving a commercial motor vehicle, as defined in section 169.781, subdivision 1, paragraph (a), must be reported under the requirements of this section and section 169.783.

(e) Accidents occurring on public lands or trail systems that result in the circumstances specified in paragraph (b) must be reported under the requirements of this section.

Sec. 36. Minnesota Statutes 2024, section 169.14, is amended by adding a subdivision to read:

Subd. 5k. **Speed limit on Steele County State-Aid Highway 12 in the city of Medford.** (a) Notwithstanding any provision to the contrary in this section, the speed limit on Steele County State-Aid Highway 12 is:

(1) 45 miles per hour between 6th Street Southeast in the city of Medford and Steele County State-Aid Highway 1; and

(2) 30 miles per hour between 5th Street Southeast and 6th Street Southeast in the city of Medford.

(b) The county engineer must erect appropriate signs displaying the speed limits specified in this subdivision.

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

Sec. 37. Minnesota Statutes 2024, section 169.14, is amended by adding a subdivision to read:

Subd. 5l. **Beltrami County State-Aid Highway 20.** Notwithstanding any provision to the contrary in this section, the speed limit on Beltrami County State-Aid Highway 20 is 30 miles per hour from the intersection with Beltrami County State-Aid Highway 21 to the entrance to Lake Bemidji State Park. The county engineer must erect appropriate signs displaying the speed limit.

EFFECTIVE DATE. This section is effective the day following final enactment. The new speed limit is effective when the required signs are erected.

Sec. 38. Minnesota Statutes 2024, section 169.21, subdivision 3, is amended to read:

Subd. 3. **Crossing between intersections.** (a) Every pedestrian crossing a roadway at any point other than within a marked crosswalk or at an intersection with no marked crosswalk ~~shall~~ must yield the right-of-way to all vehicles upon the roadway.

(b) Any pedestrian crossing a roadway at a point where a pedestrian tunnel or overhead pedestrian crossing has been provided ~~shall~~ must yield the right-of-way to all vehicles upon the roadway.

(c) Between adjacent intersections at which traffic-control signals are in operation pedestrians ~~shall~~ must not cross at any place except in a marked crosswalk.

(d) Notwithstanding the other provisions of this section, every driver of a vehicle ~~shall~~ must (1) exercise due care to avoid colliding with any bicycle or pedestrian upon any roadway, and (2) give an audible signal when necessary and exercise proper precaution upon observing any child or any obviously confused or incapacitated person upon a roadway.

(e) A peace officer is prohibited from stopping, detaining, or issuing a citation to a pedestrian for a violation of paragraph (c), unless:

(1) the officer lawfully stops or detains the pedestrian for an unrelated violation or offense; or

(2) at the time of the violation, a vehicle is approaching in a manner that constitutes a hazard of collision between the vehicle and the pedestrian.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to violations committed on or after that date.

Sec. 39. Minnesota Statutes 2024, section 169.71, subdivision 4a, is amended to read:

Subd. 4a. **Glazing material; exceptions.** (a) Subdivision 4 does not apply to glazing materials that:

(1) have not been modified since the original installation, nor to original replacement windows and windshields, that were originally installed or replaced in conformity with Federal Motor Vehicle Safety Standard 205;

(2) are required to satisfy prescription or medical needs, provided:

(i) the vehicle's driver or a passenger possesses a prescription or a physician's statement of medical need;

(ii) the prescription specifically states whether the medical need is a temporary or permanent condition;

(iii) the prescription or statement specifically states the minimum percentage that light transmittance may be reduced to satisfy the prescription or medical needs of the patient; and

~~(iii)~~ (iv) the prescription or statement contains an expiration date provided by the physician, which must be no more than two years after the date the prescription or statement was issued, unless an indication is made by the physician that the driver's condition is permanent and no expiration date is appropriate; or

(3) are applied to:

(i) the rear windows of a pickup truck as defined in section 168.002, subdivision 26;

(ii) the rear windows or the side windows on either side behind the driver's seat of a van as defined in section 168.002, subdivision 40;

(iii) the side and rear windows of a vehicle used to transport human remains by a funeral establishment holding a license under section 149A.50;

(iv) the side and rear windows of a limousine as defined in section 168.002, subdivision 15; or

(v) the rear and side windows of a police vehicle.

(b) For the purposes of paragraph (a), clause (2), a driver of a vehicle may rely on a prescription or physician's statement of medical need issued to a person not present in the vehicle if:

(1) the prescription or physician's statement of medical need is issued to (i) the driver's parent, child, grandparent, grandchild, sibling, or spouse, or (ii) a person for whom the driver is a personal care attendant;

(2) the prescription or physician's statement of medical need specifies the make, model, and license plate of one or two vehicles that will have tinted windows; and

(3) the driver is in possession of the prescription or physician's statement of medical need.

EFFECTIVE DATE. This section is effective July 1, 2025, and applies to prescriptions issued on or after that date.

Sec. 40. Minnesota Statutes 2024, section 171.01, is amended by adding a subdivision to read:

Subd. 52. **Work zone.** "Work zone" has the meaning given in section 169.011, subdivision 95.

Sec. 41. 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. 42. Minnesota Statutes 2024, section 171.0605, subdivision 2, is amended to read:

Subd. 2. **Evidence; identity; date of birth.** (a) Only the following is satisfactory evidence of an applicant's identity and date of birth under section 171.06, subdivision 3, paragraph (b):

(1) a driver's license or identification card that:

(i) complies with all requirements of the REAL ID Act;

(ii) is not designated as temporary or limited term; and

(iii) is current or has been expired for five years or less;

(2) a valid, unexpired United States passport, including a passport booklet or passport card, issued by the United States Department of State;

(3) a certified copy of a birth certificate issued by a government bureau of vital statistics or equivalent agency in the applicant's state of birth, which must bear the raised or authorized seal of the issuing government entity;

(4) a consular report of birth abroad, certification of report of birth, or certification of birth abroad, issued by the United States Department of State, Form FS-240, Form DS-1350, or Form FS-545;

(5) a valid, unexpired permanent resident card issued by the United States Department of Homeland Security or the former Immigration and Naturalization Service of the United States Department of Justice, Form I-551. If the Form I-551 validity period has been automatically extended by the United States Department of Homeland Security, it is deemed unexpired, regardless of the expiration date listed;

(6) a foreign passport with an unexpired temporary I-551 stamp or a temporary I-551 printed notation on a machine-readable immigrant visa with a United States Department of Homeland Security admission stamp within the validity period;

(7) a United States Department of Homeland Security Form I-94 or Form I-94A with a photograph and an unexpired temporary I-551 stamp;

(8) a United States Department of State Form DS-232 with a United States Department of Homeland Security admission stamp and validity period;

(9) a certificate of naturalization issued by the United States Department of Homeland Security, Form N-550 or Form N-570;

(10) a certificate of citizenship issued by the United States Department of Homeland Security, Form N-560 or Form N-561;

(11) an unexpired employment authorization document issued by the United States Department of Homeland Security, Form I-766 or Form I-688B. If the Form I-766 validity period has been automatically extended by the United States Department of Homeland Security, it is deemed unexpired, regardless of the expiration date listed;

(12) a valid, unexpired passport issued by a foreign country and a valid, unexpired United States visa accompanied by documentation of the applicant's most recent lawful admittance into the United States; or

(13) a document as designated by the United States Department of Homeland Security under Code of Federal Regulations, title 6, part 37.11 (c)(1)(x)~~;~~.

~~(14) a copy of the applicant's certificate of marriage certified by the issuing government jurisdiction;~~

~~(15) a certified copy of a court order that specifies the applicant's name change; or~~

~~(16) a certified copy of a divorce decree or dissolution of marriage that specifies the applicant's name change, issued by a court.~~

(b) A document under paragraph (a) must be legible and unaltered.

Sec. 43. Minnesota Statutes 2024, section 171.0605, is amended by adding a subdivision to read:

Subd. 7. **Evidence of name change.** The following is satisfactory evidence of an applicant's name change:

(1) a copy of the applicant's certificate of marriage certified by the issuing government jurisdiction;

(2) a certified copy of a court order that specifies the applicant's name change; or

(3) a certified copy of a court-issued divorce decree or dissolution of marriage that specifies the applicant's name change.

Sec. 44. 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. 45. Minnesota Statutes 2024, section 171.0701, is amended by adding a subdivision to read:

Subd. 1c. **Driver education; work zone safety.** The commissioner must adopt rules for persons enrolled in driver education programs offered at public schools, private schools, and commercial driver training schools to require inclusion of a section on work zone and road construction worker safety in the course of instruction. The instruction must include information on:

(1) safe speeds in work zones, including speeds when workers are present;

(2) the specific duties of a driver when encountering, entering, traveling through, and exiting a work zone;

(3) the dangers of distracted driving through work zones;

(4) the legal markings of a work zone, including flagging, traffic control devices, barrels, lights, or other signage that indicate the segment of street or highway under construction, reconstruction, or maintenance; and

(5) safely merging into travel lanes when a lane is closed due to construction, reconstruction, or maintenance.

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

Sec. 46. Minnesota Statutes 2024, section 171.0705, is amended by adding a subdivision to read:

Subd. 2a. **Driver's manual; work zone safety.** The commissioner must include in each edition of the driver's manual published by the department a section relating to work zone safety and road construction worker safety that, at a minimum, includes:

(1) traffic laws related to work zone safety, including work zone speed limits and the surcharge imposed for a person convicted of speeding in a work zone;

(2) commonly used work zone markings and traffic control devices;

(3) traffic laws related to distracted driving, with an emphasis on the dangers of distracted driving in work zones; and

(4) lane merger benefits and best practices, including information on motorists safely merging from two lanes into a single lane of traffic when a lane is closed due to construction, reconstruction, or maintenance.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to the next published edition of the driver's manual published on or after that date.

Sec. 47. Minnesota Statutes 2024, section 171.071, subdivision 2, is amended to read:

Subd. 2. **Certain head wear permitted.** If an accident involving a head injury, serious illness, or treatment of the illness has resulted in hair loss or the need to maintain continuous coverage of the head or scalp with a medical covering by an applicant for a driver's license or identification card, the commissioner ~~shall~~ must permit the applicant to wear a hat or similar head wear <u>or the covering </u>in the photograph or electronically produced image. The hat<u>, medically required covering,</u> or head wear must be of an appropriate size and type to allow identification of the holder of the license or card and must not obscure the holder's face.

<u>**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to images produced on or after that date.</u>

Sec. 48. Minnesota Statutes 2024, section 171.13, subdivision 1, is amended to read:

Subdivision 1. **Examination subjects and locations; provisions for color blindness, disabled veterans.** (a) Except as otherwise provided in this section, the commissioner must examine each applicant for a driver's license by such agency as the commissioner directs. This examination must include:

(1) a test of the applicant's eyesight, provided that this requirement is met by submission of a vision examination certificate under section 171.06, subdivision 7;

(2) a test of the applicant's ability to read and understand highway signs regulating, warning, and directing traffic;

(3) a test of the applicant's knowledge of (i) traffic laws; (ii) the effects of alcohol and drugs on a driver's ability to operate a motor vehicle safely and legally, and of the legal penalties and financial consequences resulting from violations of laws prohibiting the operation of a motor vehicle while under the influence of alcohol or drugs; (iii) railroad grade crossing safety; (iv) slow-moving vehicle safety; (v) laws relating to pupil transportation safety, including the significance of school bus lights, signals, stop arm, and passing a school bus; (vi) traffic laws related to bicycles; ~~and~~ (vii) the circumstances and dangers of carbon monoxide poisoning<u>; and (viii) work zone and road construction worker safety, including work zone speed limits, work zone markings, vehicle operation requirements in work zones, and the dangers of distracted driving in work zones;</u>

(4) an actual demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle; and

(5) other physical and mental examinations as the commissioner finds necessary to determine the applicant's fitness to operate a motor vehicle safely upon the highways.

(b) Notwithstanding paragraph (a), the commissioner must not deny an application for a driver's license based on the exclusive grounds that the applicant's eyesight is deficient in color perception or that the applicant has been diagnosed with diabetes mellitus. War veterans operating motor vehicles especially equipped for disabled persons, if otherwise entitled to a license, must be granted such license.

(c) The commissioner must ensure that an applicant may take an exam either in the county where the applicant resides or in an adjacent county at a reasonably convenient location. The schedule for each exam station must be posted on the department's website.

(d) Subject to the requirements of paragraph (e), the commissioner must make class D road skills examination appointments available six months in advance, with at least 50 percent of projected appointments available to book three months in advance, at least 75 percent of projected appointments available to book two months in advance, and 100 percent of projected appointments available to book one month in advance.

(e) The commissioner must ensure only qualifying applicants may book a class D road skills examination appointment earlier than one month in advance. For purposes of this paragraph, a qualifying applicant means:

(1) an applicant who resides in the same county in which an exam station is located; or

(2) an applicant who resides in an adjacent county in which an exam station is located.

(f) The commissioner shall ensure that an applicant is able to obtain an appointment for an examination to demonstrate ability under paragraph (a), clause (4), within 14 days of the applicant's request if, under the applicable statutes and rules of the commissioner, the applicant is eligible to take the examination.

~~(e)~~ (g) The commissioner must provide real-time information on the department's website about the availability and location of exam appointments. The website must show the next available exam dates and times for each exam station. The website must also provide an option for a person to enter an address to see the date and time of the next available exam at each exam station sorted by distance from the address provided.

EFFECTIVE DATE. Paragraphs (d) and (e) are effective August 1, 2025, for examinations made on or after that date. Paragraph (a), clause (3), item (viii), is effective January 1, 2027, and applies to examinations administered on or after that date.

Sec. 49. Minnesota Statutes 2024, section 171.13, subdivision 7, is amended to read:

Subd. 7. **Examination fees.** (a) A fee of $10 must be paid by an individual to take a third and any subsequent knowledge test administered by the department if the individual has failed two previous consecutive knowledge tests on the subject.

(b) A fee of $20 must be paid by an individual to take a third and any subsequent skills or road test administered by the department if the individual has previously failed two consecutive skill or road tests in a specified class of motor vehicle.

(c) A fee of ~~$20~~ $50 must be paid by an individual who fails to appear for a scheduled skills or road test or who cancels a skills or road test ~~within~~ less than 24 hours ~~of~~ before the appointment time. A fee of $20 must be paid by an individual who cancels a scheduled skills or road test between 24 hours and 72 hours before the appointment time.

(d) All fees received under this subdivision must be paid into the state treasury and credited to the driver and vehicle services operating account under section 299A.705.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to examinations on or after that date.

Sec. 50. Minnesota Statutes 2024, section 171.17, subdivision 1, is amended to read:

Subdivision 1. **Offenses.** (a) The department shall immediately revoke the license of a driver upon receiving a record of the driver's conviction of:

(1) manslaughter resulting from the operation of a motor vehicle ~~or~~ under section 609.20 or 609.205;

(2) criminal vehicular homicide or injury under section 609.2112, 609.2113, or 609.2114, or Minnesota Statutes 2012, section 609.21;

~~(2)~~ (3) a violation of section 169A.20 or 609.487;

~~(3)~~ (4) a felony in the commission of which a motor vehicle was used;

~~(4)~~ (5) failure to stop and disclose identity and render aid, as required under section 169.09, in the event of a motor vehicle accident, resulting in the death or personal injury of another;

~~(5)~~ (6) perjury or the making of a false affidavit or statement to the department under any law relating to the application, ownership, or operation of a motor vehicle, including on the certification required under section 171.05, subdivision 2, paragraph (a), clause (1), item (ii), subitem (C), to issue an instruction permit to a homeschool student;

~~(6)~~ (7) except as this section otherwise provides, three charges of violating within a period of 12 months any of the provisions of chapter 169 or of the rules or municipal ordinances enacted in conformance with chapter 169, for which the accused may be punished upon conviction by imprisonment;

~~(7)~~ (8) two or more violations, within five years, of the misdemeanor offense described in section 169.444, subdivision 2, paragraph (a);

~~(8)~~ (9) the gross misdemeanor offense described in section 169.444, subdivision 2, paragraph (b);

~~(9)~~ (10) an offense in another state that, if committed in this state, would be grounds for revoking the driver's license; or

~~(10)~~ (11) a violation of an applicable speed limit by a person driving in excess of 100 miles per hour. The person's license must be revoked for six months for a violation of this clause, or for a longer minimum period of time applicable under section 169A.53, 169A.54, or 171.174.

(b) The department shall immediately revoke the school bus endorsement of a driver upon receiving a record of the driver's conviction of the misdemeanor offense described in section 169.443, subdivision 7.

Sec. 51. Minnesota Statutes 2024, section 171.301, subdivision 5, is amended to read:

Subd. 5. **Expiration.** A reintegration driver's license expires ~~15~~ 24 months from the date of issuance of the license. A reintegration driver's license may not be renewed.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to reintegration licenses issued on or after that date.

Sec. 52. Minnesota Statutes 2024, section 171.301, subdivision 6, is amended to read:

Subd. 6. **Issuance of regular driver's license.** (a) Notwithstanding any statute or rule to the contrary, the commissioner must issue a REAL ID-compliant or noncompliant license to a person who possesses a reintegration driver's license if:

(1) the person has possessed the reintegration driver's license for at least one full year;

(2) the reintegration driver's license has not been canceled under subdivision 4 and has not been expired for more than 90 days from the date under subdivision 5;

(3) the person meets the application requirements under section 171.06, including payment of the applicable fees, surcharge, and filing fee under sections 171.06, subdivisions 2 and 2a, and 171.061, subdivision 4; and

(4) issuance of the license does not conflict with the requirements of the nonresident violator compact.

(b) The commissioner must forgive any outstanding balance due on a reinstatement fee or surcharge under sections 171.20, subdivision 4, and 171.29, subdivision 2, for a person who is eligible and applies for a license under paragraph (a).

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

Sec. 53. 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. 54. **[171.397] FLEXIBLE INSTRUCTION PERMITTED.**

A student may receive a combination of online driver's education instruction under section 171.396, teleconference driver's education instruction under section 171.395, and classroom instruction if:

(1) the instruction is from a single licensed or authorized driver's education provider;

(2) the curriculum content is identical between the online, teleconference, and in-person settings; and

(3) the driver's education provider is authorized by the commissioner to provide students at least two methods of classroom instruction under the requirements of this chapter and Minnesota Rules, chapter 7411, or successor rules.

EFFECTIVE DATE. This section is effective August 1, 2025, for driver's education instruction commenced on or after that date.

Sec. 55. Minnesota Statutes 2024, section 174.03, is amended by adding a subdivision to read:

Subd. 1e. **Outcome analysis of plan required.** Upon subsequent revisions of the 20-year Minnesota state highway investment plan, the commissioner must analyze all trunk highway projects included in the statewide multimodal transportation plan based on:

(1) the year a project was added to the statewide multimodal transportation plan;

(2) an explanation of the project purpose and need and development documentation requirements under section 161.1611;

(3) a timeline that provides any key milestones of the project;

(4) project purposes relative to objectives in the statewide multimodal transportation plan and investment priority areas established in the Minnesota state highway investment plan;

(5) identified links between project implementation processes, including environmental impact studies, programming, funding, and construction and the priorities identified in the statewide multimodal transportation plan;

(6) identifying the scoping process for the project's inclusion in the statewide multimodal transportation plan to determine whether the project was prioritized based on the current condition or output of the roadway rather than expected outcomes or other practical-based selection criteria; and

(7) an explanation of the multidisciplinary project development efforts required by section 174.742.

Sec. 56. Minnesota Statutes 2024, section 174.03, is amended by adding a subdivision to read:

Subd. 13. **Asset sustainability ratio targets.** (a) The commissioner must calculate and report the asset sustainability ratio (ASR) for pavements for each fiscal year. The ASR must be based on criteria developed by the commissioner and found in the Pavement Design Manual. The ASR is calculated as:

(1) total mile years added; divided by

(2) total system mileage.

(b) The department must meet the following pavement system targets for ASR:

(1) not less than 0.65 by 2027;

(2) not less than 0.75 by 2029; and

(3) not less than 0.85 by 2031 and thereafter.

(c) The commissioner must report ASR results from projects constructed by the department for each year and include the results in the annual transportation system performance report under subdivision 12, paragraph (d).

Sec. 57. **[174.205] RESILIENT PAVEMENT PROGRAM.**

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

(b) "Baseline project" means a trunk highway project without revision to pavement design life.

(c) "Commissioner" means the commissioner of transportation.

(d) "Modified project" means a project that is revised or under a revision analysis to contain a modified pavement design life using funds provided under the program.

(e) "Pavement cost" means the estimated total cost of pavement items for the project, including anticipated maintenance, rehabilitation, and resurfacing over a 50-year design life.

(f) "Program" means the resilient pavement program under this section.

Subd. 2. **Program established.** Subject to available funds, the commissioner must establish a resilient pavement program to provide supplemental funding for revisions to pavement design of trunk highway projects on the basis of long-term cost effectiveness.

Subd. 3. **Administration.** (a) In implementing the program, the commissioner must:

(1) establish procedures for identification, analysis, and selection of projects that receive funding and are accordingly revised in the pavement design; and

(2) specify a pavement design life of at least 50 years for modified projects.

(b) The commissioner must determine the pavement design life period using the current pavement design models and methodologies recognized by the department models used by the department for pavement design.

Subd. 4. **Project eligibility; cost effectiveness.** (a) To be eligible for funds under the program, a project must:

(1) be for trunk highway construction, reconstruction, rehabilitation, maintenance, or improvement;

(2) be included in a prior or the current state transportation improvement program or capital highway investment plan with a proposed design life of less than or equal to 20 years;

(3) be a modified project with a pavement design life as specified under subdivision 3, paragraph (a), clause (2); and

(4) have a cost effectiveness ratio, as calculated under paragraph (b), that equals or is greater than 1.

(b) The cost effectiveness ratio is calculated as:

(1) the pavement cost of the baseline project, divided by the pavement design life of the baseline project; divided by

(2) the pavement cost of the modified project, divided by the modified pavement design life.

(c) All infrastructure projects funded by the program must incorporate research findings and best practices as developed and validated by the National Road Research Alliance and its partners.

Subd. 5. **Use of funds.** (a) For a project selected under the program, the commissioner may expend program funds for up to 110 percent of the difference in anticipated pavement costs between the modified project and the baseline project.

(b) The commissioner may expend up to one-third of the funds on projects located wholly or substantially inside the Department of Transportation metropolitan district, as calculated using total funds under the program over (1) the current fiscal year, and (2) the latest prior two years in which funds are allocated.

(c) The commissioner must not expend funds under the program for program delivery.

Subd. 6. **Public information.** The commissioner must publish information regarding the program on the department's website. The information must include:

(1) a description of program implementation;

(2) identification of projects analyzed and selected under the program; and

(3) for each project selected, an overview that includes a brief project description, the pavement design changes, and information on expenditures from program funds.

Sec. 58. Minnesota Statutes 2024, section 174.53, is amended to read:

174.53 DEPARTMENT OF TRANSPORTATION EFFICIENCIES.

(a) Beginning in fiscal years 2018 and 2019, the commissioner of transportation must implement efficiencies equal to at least 15 percent of the appropriations made annually to the commissioner from the trunk highway fund that are above base appropriations for fiscal years 2018 and 2019.

(b) The efficiency savings resulting from the requirements in paragraph (a) ~~are~~ must be used for the construction, maintenance, or rehabilitation of trunk highways~~, including roads and bridges~~ under the corridors of commerce program under section 161.088.

Sec. 59. Minnesota Statutes 2024, section 174.634, subdivision 2, is amended to read:

Subd. 2. **Passenger rail account; transfers; appropriation.** (a) A passenger rail account is established in the special revenue fund. The account consists of funds as provided in this subdivision and any other money donated, allotted, transferred, collected, or otherwise provided to the account.

(b) By July 15 annually beginning in calendar year ~~2027~~ 2029, the commissioner of revenue must transfer an amount from the general fund to the passenger rail account that equals 50 percent of the portion of the state general tax under section 275.025 levied on railroad operating property, as defined under section 273.13, subdivision 24, in the prior calendar year.

(c) Money in the account is annually appropriated to the commissioner of transportation for the operating and capital maintenance costs of intercity passenger rail, which may include but are not limited to planning, designing, developing, constructing, equipping, administering, operating, promoting, maintaining, and improving passenger rail service within the state, after accounting for operating revenue, federal funds, and other sources.

(d) By November 1 each year, the commissioner must report on the passenger rail account to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must, at a minimum, include:

(1) the actual revenue and expenditures in each of the previous two fiscal years;

(2) the budgeted and forecasted revenue and expenditures in the current fiscal year and each fiscal year within the state forecast period;

(3) the plan for collection of fees and revenue, as defined and authorized under subdivision 3, in the current fiscal year and each fiscal year within the state forecast period; and

(4) the uses of expenditures or planned expenditures in each fiscal year included under clauses (1) and (2).

Sec. 60. **[174.742] MULTIDISCIPLINARY PROJECT DEVELOPMENT REQUIRED.**

(a) For purposes of this section, "eligible project" has the meaning given for a capacity expansion project in section 161.178, subdivision 1.

(b) The commissioner must require the use of interdisciplinary planning and decision-making methods and staff for eligible projects. Staff must form a core project team for eligible projects with diverse and multimodal expertise across social science disciplines to staff a project from planning to final construction. The core project team must:

(1) integrate field visits and walking audits into training, design, development, and review of eligible projects;

(2) include a planner who has experience and familiarity with the project's area or corridor to bring context in all phases of project delivery;

(3) serve as co-reviewers, where applicable, in project purpose and need contextual development requirements under section 161.1611, planning, design, and budgeting decisions;

(4) assess project decisions against statewide multimodal transportation plan priorities; and

(5) analyze projects and project decisions based on alternative transportation metrics to determine community mobility needs for all users, including but not limited to:

(1) economic development and equity outcomes;

(2) transportation insecurity performance metrics;

(3) access to essential services and jobs;

(4) transportation affordability;

(5) access for historically underserved communities;

(6) environmental justice concerns; and

(7) public health impacts.

EFFECTIVE DATE. This section is effective March 1, 2027.

Sec. 61. Minnesota Statutes 2024, section 174.75, subdivision 2, is amended to read:

Subd. 2. **Implementation.** (a) The commissioner must implement a revised complete streets policy after consultation with stakeholders, state and regional agencies, local governments, and road authorities. The commissioner, after such consultation, must address relevant protocols, guidance, standards, requirements, and training.

(b) The complete streets policy must include but is not limited to:

(1) integration of related principles of context-sensitive solutions;

(2) integration throughout the project development process;

(3) integration of multidisciplinary project development resources under section 174.742;

(4) integration of purpose and need context development strategies under section 161.1611;

(5) methods to evaluate inclusion of active transportation facilities in a project, which may include but are not limited to sidewalks, crosswalk markings, pedestrian accessibility, and bikeways; and

~~(4)~~ (6) consideration of consultation with other road authorities regarding existing and planned active transportation network connections.

EFFECTIVE DATE. This section is effective March 1, 2027.

Sec. 62. Minnesota Statutes 2024, section 174.75, subdivision 2a, is amended to read:

Subd. 2a. **Implementation guidance.** The commissioner must maintain guidance that accompanies the complete streets policy under this section. The guidance must include sections on:

(1) an analysis framework that provides for:

(i) identification of characteristics of a project and the required purpose and need context development strategies;

(ii) highway system categorization based on context, including population density, land use, density and scale of surrounding development, volume of highway use, and the nature and extent of active transportation; and

(iii) relative emphasis for different road system users in each of the categories under item (ii) in a manner that supports safety and mobility of vulnerable road users, motorcyclists or other operators of two- or three-wheeled vehicles, and public transit users; and

(2) an analysis of speed limit reductions and associated roadway design modifications to support safety and mobility in active transportation.

EFFECTIVE DATE. This section is effective March 1, 2027.

Sec. 63. Minnesota Statutes 2024, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of management and budget shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit in the state treasury the revenues collected under section 297A.64, subdivision 1, including interest and penalties and minus refunds, and credit them to the highway user tax distribution fund.

(e) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit of revenues under paragraph (d), the commissioner shall deposit into the state treasury and credit to the highway user tax distribution fund an amount equal to the estimated revenues derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The commissioner shall estimate the amount of sales tax revenue deposited under this paragraph based on the amount of revenue deposited under paragraph (d).

(g) The commissioner must deposit the revenues derived from the taxes imposed under section 297A.62, subdivision 1, on the sale and purchase of motor vehicle repair and replacement parts in the state treasury and credit:

(1) ~~43.5 percent in each fiscal year~~ a percentage to the highway user tax distribution fund as follows:

(i) 43.5 percent in each of fiscal years 2024 to 2027;

(ii) 36.5 percent in fiscal year 2028;

(iii) 29.5 percent in fiscal year 2029; and

(iv) 43.5 percent in fiscal year 2030 and thereafter;

(2) a percentage to the transportation advancement account under section 174.49 as follows:

(i) 3.5 percent in fiscal year 2024;

(ii) 4.5 percent in fiscal year 2025;

(iii) 5.5 percent in fiscal year 2026;

(iv) 7.5 percent in fiscal year 2027;

(v) 14.5 percent in fiscal year 2028;

(vi) 21.5 percent in fiscal year 2029;

(vii) 28.5 percent in fiscal year 2030;

(viii) 36.5 percent in fiscal year 2031;

(ix) 44.5 percent in fiscal year 2032; and

(x) 56.5 percent in fiscal year 2033 and thereafter; and

(3) the remainder in each fiscal year to the general fund.

For purposes of this paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11, and "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories, and equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor vehicle as part of the motor vehicle maintenance or repair. For purposes of this paragraph, "tire" means any tire of the type used on highway vehicles, if wholly or partially made of rubber and if marked according to federal regulations for highway use.

(h) 81.56 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 47.5 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants;

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo; and

(6) 2.5 percent of the receipts must be deposited in the pollinator account established in section 103B.101, subdivision 19.

(i) 1.5 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65 must be deposited in a regional parks and trails account in the natural resources fund and may only be spent for parks and trails of regional significance outside of the seven-county metropolitan area under section 85.535, based on recommendations from the Greater Minnesota Regional Parks and Trails Commission under section 85.536.

(j) 1.5 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65 must be deposited in an outdoor recreational opportunities for underserved communities account in the natural resources fund and may only be spent on projects and activities that connect diverse and underserved Minnesotans through expanding cultural environmental experiences, exploration of their environment, and outdoor recreational activities.

(k) The revenue dedicated under paragraph (h) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (h) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (h) must be allocated for field operations.

(l) The commissioner must deposit the revenues, including interest and penalties minus any refunds, derived from the sale of items regulated under section 624.20, subdivision 1, that may be sold to persons 18 years old or older and that are not prohibited from use by the general public under section 624.21, in the state treasury and credit:

(1) 25 percent to the volunteer fire assistance grant account established under section 88.068;

(2) 25 percent to the fire safety account established under section 297I.06, subdivision 3; and

(3) the remainder to the general fund.

For purposes of this paragraph, the percentage of total sales and use tax revenue derived from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be sold to persons 18 years old or older and are not prohibited from use by the general public under section 624.21, is a set percentage of the total sales and use tax revenues collected in the state, with the percentage determined under Laws 2017, First Special Session chapter 1, article 3, section 39.

(m) The revenues deposited under paragraphs (a) to (l) do not include the revenues, including interest and penalties, generated by the sales tax imposed under section 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota Constitution, article XI, section 15.

Sec. 64. Minnesota Statutes 2024, section 299A.55, subdivision 2, is amended to read:

Subd. 2. **Railroad and pipeline safety account.** (a) A railroad and pipeline safety account is created in the special revenue fund. The account consists of funds collected under subdivision 4 and funds donated, allotted, transferred, or otherwise provided to the account.

~~(b) $560,000 is annually appropriated from the railroad and pipeline safety account to the commissioner of the Pollution Control Agency for environmental protection activities related to railroad discharge preparedness under chapter 115E.~~

~~(c) $750,000 in fiscal year 2024 and $1,500,000 in each subsequent fiscal year are transferred from the railroad and pipeline safety account to the grade crossing safety account under section 219.1651.~~

~~(d) Following the appropriation in paragraph (b) and the transfer in paragraph (c), the remaining money in the account is annually appropriated to the commissioner of public safety for the purposes specified in subdivision 3.~~

~~(e)~~ (b) By January 15, 2026, the commissioner of public safety must submit a report on the railroad and pipeline safety account to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must list detailed revenues to and expenditures from the account for the previous two fiscal years and must include information on the purpose of each expenditure.

~~(f)~~ (c) If the balance of the account at the end of a fiscal biennium is greater than $2,000,000, the amount above $2,000,000 must be transferred to the grade crossing safety account under section 219.1651.

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

Sec. 65. Minnesota Statutes 2024, section 299A.55, subdivision 4, is amended to read:

Subd. 4. **Assessments.** (a) The commissioner of public safety must annually assess ~~$4,000,000~~ $3,418,000 to railroad ~~and pipeline~~ companies ~~based on the formula specified in paragraph (b). The commissioner must deposit funds collected under this subdivision in the railroad and pipeline safety account under subdivision 2.~~

~~(b) The assessment for each railroad is 70 percent of the total annual assessment amount~~, divided in equal proportion ~~between~~ among applicable rail carriers based on route miles operated in Minnesota. ~~The assessment for each pipeline company is 30 percent of the total annual assessment amount~~ Of the amount collected annually under this paragraph:

(1) $560,000 is deposited in the railroad and pipeline safety account and appropriated to the commissioner of the Pollution Control Agency for environmental protection activities related to railroad discharge preparedness under chapter 115E;

(2) $1,500,000 is deposited in the grade crossing safety account under section 219.1651; and

(3) the remainder is deposited in the railroad and pipeline safety account and appropriated to the commissioner of public safety for the purposes specified in subdivision 3.

(b) The commissioner of public safety must annually assess $582,000 to pipeline companies, divided in equal proportion ~~between~~ among companies based on the yearly aggregate gallons of oil and other hazardous substances transported by pipeline in Minnesota. Money collected under this paragraph is deposited in the railroad and pipeline safety account and appropriated to the commissioner of public safety for the purposes specified in subdivision 3.

(c) In addition to the ~~amount~~ amounts identified in ~~paragraph~~ paragraphs (a) and (b), the commissioner must assess the rail carrier or pipeline company involved in an incident compelling a significant response for all postincident review and analysis costs under subdivision 5 incurred by the state and local units of government. This paragraph applies regardless of whether an assessment is imposed under paragraph (a) or (b) in a fiscal year.

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

Sec. 66. Minnesota Statutes 2024, section 360.511, is amended by adding a subdivision to read:

Subd. 22a. **Coordinated unmanned aircraft system fleet event for entertainment purposes.** "Coordinated unmanned aircraft system fleet event for entertainment purposes" means a one-day event involving a group of unmanned aircraft 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. 67. Minnesota Statutes 2024, section 360.511, is amended by adding a subdivision to read:

Subd. 23a. **Electronic attestation.** "Electronic attestation" means a statement of fact or confirmation, submitted by the owner in digital form, regarding the ownership and status of an aircraft and its compliance with applicable regulations. For purposes of this subdivision, "aircraft" includes unmanned aircraft systems.

Sec. 68. 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~~ must list it for taxation and registration ~~as follows~~ and execute an electronic attestation or sworn affidavit stating: ~~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 electronic attestation or sworn affidavit must be ~~filed with~~ submitted to the commissioner along with a fee of $25.

(c) Upon satisfaction that the electronic attestation or sworn affidavit is true and correct, the commissioner ~~shall~~ must issue ~~to the applicant~~ a registration certificate to the applicant. The registration certificate is valid without renewal as long as the owner operates 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 void, and the owner ~~shall~~ must list the aircraft for taxation and registration ~~in accordance with the other provisions of~~ under 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~~ under sections 360.511 to 360.67, whichever is applicable.

Sec. 69. 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 be listed for taxation and registration by executing ~~a~~ an electronic attestation or 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 electronic attestation or sworn affidavit must be ~~filed with~~ submitted to the commissioner along with an annual $25 fee.

(b) ~~On being satisfied~~ Upon satisfaction that the electronic attestation or sworn affidavit is true and correct, the commissioner ~~shall~~ must issue ~~to the applicant~~ a registration certificate to the applicant.

(c) ~~Should~~ 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) 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. 70. Minnesota Statutes 2024, section 360.55, subdivision 8, is amended to read:

Subd. 8. **Agricultural aircraft.** Aircraft registered with the Federal Aviation Administration as restricted category aircraft used for agricultural purposes must be listed for taxation and registration ~~upon filing by the owner a sworn affidavit with~~. The owner must execute and submit an annual electronic attestation or sworn affidavit to the commissioner. The electronic attestation or sworn affidavit must state:

(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 registration number, and manufacturer's identification number; and

(4) that the aircraft is owned and operated solely for agricultural operations and purposes.

The owner ~~shall file the~~ must submit an electronic attestation or a sworn affidavit to the commissioner and pay an annual fee established under sections 360.511 to 360.67, which must not exceed $500. ~~Should~~ If the aircraft ~~be~~ is operated other than for agricultural purposes, the owner ~~shall~~ must list the aircraft for taxation and registration under sections 360.511 to 360.67. If the aircraft is sold, the new owner ~~shall~~ must list the aircraft for taxation and registration under this subdivision or under sections 360.511 to 360.67, as applicable.

Sec. 71. Minnesota Statutes 2024, section 360.55, subdivision 9, is amended to read:

Subd. 9. **Small unmanned aircraft systems.** (a) Any small unmanned aircraft system in which the unmanned aircraft system weighs less than 55 pounds at takeoff, including payload and anything affixed to the aircraft 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 system is owned and operated solely for recreational purposes.

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

Sec. 72. Minnesota Statutes 2024, section 360.55, is amended by adding a subdivision to read:

Subd. 10. **Coordinated unmanned aircraft system fleets.** (a) An operator planning to conduct a coordinated unmanned aircraft 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 aircraft systems to be used;

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

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

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

(c) A daily registration fee of $2 per unmanned aircraft 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. 73. Minnesota Statutes 2024, section 473.129, is amended by adding a subdivision to read:

Subd. 13. **Direct negotiation.** Notwithstanding section 471.345, if the estimated total contractual obligation of the council for a directly negotiated contract or contracts for construction work or maintenance work on any single project does not exceed the amount in section 161.32, subdivision 2, the council may enter into a contract by direct negotiation by obtaining two or more quotations for the work without advertising for bids or otherwise complying with the requirements of competitive bidding.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 74. Minnesota Statutes 2024, section 473.13, subdivision 1, is amended to read:

Subdivision 1. **Budget.** (a) On or before December 20 of each year, the council shall adopt a final budget covering its anticipated receipts and disbursements for the ensuing year and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget. The budget shall state in detail the expenditures for each program to be undertaken, including the expenses for salaries, consultant services, overhead, travel, printing, and other items. The budget shall state in detail the capital expenditures of the council for the budget year, based on a five-year capital program adopted by the council and transmitted to the legislature. After adoption of the budget and no later than five working days after December 20, the council shall certify to the auditor of each metropolitan county the share of the tax to be levied within that county, which must be an amount bearing the same proportion to the total levy agreed on by the council as the net tax capacity of the county bears to the net tax capacity of the metropolitan area. The maximum amount of any levy made for the purpose of this chapter may not exceed the limits set by the statute authorizing the levy.

~~(b) Each even-numbered year the council shall prepare for its transit programs a financial plan for the succeeding three calendar years, in half-year segments. The financial plan must contain schedules of user charges and any changes in user charges planned or anticipated by the council during the period of the plan. The financial plan must contain a proposed request for state financial assistance for the succeeding biennium.~~

~~(c)~~ (b) In addition, the budget must show for each year:

(1) the estimated operating revenues from all sources including funds on hand at the beginning of the year, and estimated expenditures for costs of operation, administration, maintenance, and debt service;

(2) capital improvement funds estimated to be on hand at the beginning of the year and estimated to be received during the year from all sources and estimated cost of capital improvements to be paid out or expended during the year, all in such detail and form as the council may prescribe; and

(3) the estimated source and use of pass-through funds.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, and Scott.

Sec. 75. Minnesota Statutes 2024, section 473.13, subdivision 6, is amended to read:

Subd. 6. **Transportation financial review.** (a) Annually by January 15, the council must submit a financial review that details revenue and expenditures for the transportation components under the council's budget, as specified in paragraph (c). A financial review submitted under this paragraph must provide the information using state fiscal years.

(b) Annually by the earlier of the accounting close of a budget year or August 15, the council must submit a financial review update that provides the following for the most recent completed budget year: actual revenues; expenditures; transfers; reserves; balances; and a comparison between the budgeted and actual amounts. A financial review update under this paragraph must include the information specified in paragraph (d).

(c) At a minimum, a financial review must identify:

(1) the actual revenues, expenditures, transfers, reserves, and balances in each of the previous four years;

(2) budgeted and forecasted revenues, expenditures, transfers, reserves, and balances in the current year and each year within the state forecast period;

(3) for the most recent completed year, a comparison between the budgeted and actual amounts under clause (1); and

(4) for the most recent completed year, fund balances for each replacement service provider under section 473.388. By December 15 each year, each replacement service provider under section 473.388 must report to the council the provider's projected total operating expenditures and projected operating reserve fund balance as of the previous December 31.

(d) The information under paragraph (c), clauses (1) to (3), must include:

(1) a breakdown by each transportation funding source identified by the council, including but not limited to legislative appropriations; federal funds; fare collections; property tax; and sales tax, including sales tax used for active transportation under section 473.4465, subdivision 2, paragraph (a), clause (1);

(2) a breakdown by each transportation operating budget category established by the council, including but not limited to bus, light rail transit, commuter rail, planning, special transportation service under section 473.386, and assistance to replacement service providers under section 473.388; and

(3) data for operations, capital maintenance, and transit capital.

(e) A financial review under paragraph (a) or (b) must provide information or a methodology sufficient to establish a conversion between state fiscal years and budget years, summarize reserve policies, identify the methodology for cost allocation, and describe revenue assumptions and variables affecting the assumptions.

(f) The council must submit each financial review to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over transportation policy and finance and to the commissioner of management and budget.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, and Scott.

Sec. 76. Minnesota Statutes 2024, section 473.142, is amended to read:

473.142 SMALL BUSINESSES.

(a) The Metropolitan Council and agencies specified in section 473.143, subdivision 1, may award ~~up to~~ a ~~six percent~~ preference ~~in the amount bid~~ up to the percentage under section 16C.16, subdivision 6, paragraph (a), for specified goods or services to small targeted group businesses and veteran-owned small businesses designated under section 16C.16. The council and each agency specified in section 473.143, subdivision 1, may award a preference up to the percentage under section 161.321, subdivision 2, paragraph (a), in the amount bid for specified construction work to small targeted group businesses and veteran-owned small businesses designated under section 16C.16.

(b) The council and each agency specified in section 473.143, subdivision 1, may designate a ~~purchase of~~ contract for construction, goods, or services for award only to small targeted group businesses designated under section 16C.16 if the council or agency determines that at least three small targeted group businesses are likely to ~~bid~~ respond to a solicitation. The council and each agency specified in section 473.143, subdivision 1, may designate a ~~purchase of~~ contract for construction, goods, or services for award only to veteran-owned small businesses designated under section 16C.16 if the council or agency determines that at least three veteran-owned small businesses are likely to ~~bid~~ respond to a solicitation.

(c) The council and each agency specified in section 473.143, subdivision 1, as a condition of awarding ~~a construction contract~~ or approving a contract ~~for consultant, professional, or technical services~~, may set goals that require the prime contractor to subcontract a portion of the contract to small targeted group businesses and veteran-owned small businesses designated under section 16C.16. The council or agency must establish a procedure for granting waivers from the subcontracting requirement when qualified small targeted group businesses and veteran-owned small businesses are not reasonably available. The council or agency may establish financial incentives for prime contractors who exceed the goals for use of subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. The subcontracting requirements of this paragraph do not apply to prime contractors who are small targeted group businesses and veteran-owned small businesses. At least 75 percent of the value of the subcontracts awarded to small targeted group businesses under this paragraph must be performed by the business to which the subcontract is awarded or by another small targeted group business. At least 75 percent of the value of the subcontracts awarded to veteran-owned small businesses under this paragraph must be performed by the business to which the subcontract is awarded or another veteran-owned small business.

(d) The council and each agency listed in section 473.143, subdivision 1, ~~are encouraged to purchase from~~ may award a contract for construction, goods, or services directly to small targeted group businesses ~~and~~ or veteran-owned small businesses designated under section 16C.16 ~~when making purchases that are not subject to competitive bidding procedures~~, up to a total contract award value, including extension options, of the amount specified in section 16C.16, subdivision 6, paragraph (b), without completing a competitive solicitation process.

(e) The council and each agency may adopt rules to implement this section.

(f) Each council or agency contract must require the prime contractor to pay any subcontractor within ten days of the prime contractor's receipt of payment from the council or agency for undisputed services provided by the subcontractor. The contract must require the prime contractor to pay interest of 1-1/2 percent per month or any part of a month to the subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of $100 or more is $10. For an unpaid balance of less than $100, the prime contractor shall pay the actual penalty due to the subcontractor. A subcontractor who prevails in a civil action to collect interest penalties from a prime contractor must be awarded its costs and disbursements, including attorney fees, incurred in bringing the action.

(g) This section does not apply to procurement financed in whole or in part with federal funds if the procurement is subject to federal disadvantaged, minority, or women business enterprise regulations. The council and each agency shall report to the commissioner of administration on compliance with this section. The information must be reported at the time and in the manner requested by the commissioner.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 77. Minnesota Statutes 2024, section 473.1425, is amended to read:

473.1425 WORKING CAPITAL FUND.

The Metropolitan Council or a metropolitan agency defined in section 473.121, subdivision 5a, to the extent allowed by other law or contract, may grant available money that has been appropriated for socially or economically disadvantaged business programs to a guaranty fund administered by a nonprofit organization that makes or guarantees working capital loans to businesses owned and operated by a socially ~~or~~ and economically disadvantaged ~~persons~~ individual as defined in Code of Federal Regulations, title 49, section ~~23.5~~ 26.5. The purpose of loans made or guaranteed by the organization must be to provide short-term working capital to enable eligible businesses to ~~be awarded~~ participate in contracts for goods and services or for construction related services from government agencies.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 78. Minnesota Statutes 2024, section 473.386, subdivision 10, is amended to read:

Subd. 10. **Forecasted funding.** (a) For purposes of this subdivision, "biennium" and "fiscal year" have the meanings given in section 16A.011, subdivisions 6 and 14, respectively.

(b) In each February and November forecast of state revenues and expenditures under section 16A.103, the commissioner of management and budget must incorporate a state obligation from the general fund for the annual net costs to the council to implement the special transportation service under this section. Notwithstanding section 16A.11, subdivision 3, the appropriation base in each fiscal year of the upcoming biennium is as determined in this subdivision.

(c) The commissioner must determine net costs under paragraph (b) as:

(1) the amount necessary to:

(i) maintain service levels accounting for expected demand, including service area, hours of service, ride scheduling requirements, and fares per council policy;

(ii) maintain the general existing condition of the special transportation service bus fleet, including bus maintenance and replacement; and

(iii) meet the requirements of this section; plus

(2) the amount of forecast adjustments, as determined by the commissioner of management and budget in consultation with the council, necessary to match (i) actual special transportation service program costs in the prior fiscal year, and (ii) adjusted program costs forecasted for the second year of the current biennium, for a forecast prepared in the first year of the biennium; less

(3) funds identified for the special transportation service from nonstate sources.

(d) In conjunction with each February and November forecast, the council must submit a financial review of the special transportation service to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance and to the commissioner of management and budget. At a minimum, the financial review must include:

(1) a summary of special transportation service sources of funds ~~and expenditures for the prior two fiscal years and~~ each fiscal year of the forecast period, which must include:

(i) a breakout by expenditures categories; and

(ii) information that is sufficient to identify a conversion between state fiscal years and the fiscal years of the council;

(2) details on cost assumptions used in the forecast;

(3) information on ridership and farebox recovery rates for the prior two fiscal years and each fiscal year of the forecast period;

(4) identification of the amount of appropriations necessary for any forecast adjustments as identified under paragraph (c), clause (2); and

(5) information as prescribed by the commissioner.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, and Scott.

Sec. 79. 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. 80. Minnesota Statutes 2024, section 473.412, subdivision 3, is amended to read:

Subd. 3. **Report required; cleaning standards and expenditures.** (a) ~~By October 1, 2024, and every year thereafter,~~ Annually by February 15, the Metropolitan Council must report to the chairs and ranking minority members of the legislative committees with jurisdiction over transit policy and finance on transit cleanliness and the ridership experience.

(b) The report under paragraph (a) must provide information on the council's cleanliness standards required under subdivision 2, including whether the council adopted new cleanliness standards or revisions to current cleanliness standards. A report prepared under this subdivision must include information gathered from the required public feedback on cleanliness and rider experience required in subdivision 2, paragraph (b). The council must consider and recommend revisions to cleanliness standards based on the collection of public feedback and must summarize feedback received by the council in the report.

(c) A report submitted under this subdivision must include:

(1) the total expenditures for cleaning and repairing transit stations and transit vehicles;

(2) the frequency, type, and location of repairs;

(3) whether specific transit stations needed a higher proportion of cleaning or repairs and detail the council's strategy to resolve identified and persistent concerns at those locations;

(4) recommendations to address workforce challenges for the implementation and maintenance of cleanliness and repair standards adopted by the council, including whether the council maintained agreements with third-party services for cleaning and repair; and

(5) whether the council has adopted preventative measures against vandalism or graffiti~~;~~ ~~and~~.

~~(6) any recommendations for additions to the transit rider code of conduct under section 473.4065 or the transit rider investment program under section 473.4075.~~

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, and Scott.

Sec. 81. 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.

Sec. 82. Laws 2023, chapter 68, article 4, section 109, is amended to read:

Sec. 109. **TRAFFIC SAFETY VIOLATIONS DISPOSITION ANALYSIS.**

(a) The commissioner of public safety must enter into an agreement with the Center for Transportation Studies at the University of Minnesota to conduct an evaluation of the disposition in recent years of citations for speeding, impairment, distraction, and seatbelt violations. The evaluation under the agreement must include but is not limited to analysis of:

(1) rates of citations issued compared to rates of citations contested in court and the outcomes of the cases;

(2) amounts of fines imposed compared to counts and amounts of fine payments; and

(3) any related changes in patterns of traffic enforcement from 2017 to 2022.

(b) The agreement must require the Center for Transportation Studies to submit an interim progress report by July 1, 2024, and a final report by ~~July 1, 2025~~ January 15, 2026, to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance and public safety.

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

Sec. 83. Laws 2024, chapter 127, article 3, section 61, is amended to read:

Sec. 61. Minnesota Statutes 2022, section 169.974, subdivision 5, is amended to read:

Subd. 5. **Driving rules.** (a) An operator of a motorcycle must ride only upon a permanent and regular seat which is attached to the vehicle for that purpose. No other person may ride on a motorcycle, except that passengers may ride (1) upon a permanent and regular operator's seat if designed for two persons, (2) upon additional seats attached to or in the vehicle, or (3) in a sidecar attached to the vehicle. The operator of a motorcycle is prohibited from carrying passengers in a number in excess of the designed capacity of the motorcycle or sidecar attached to it. A passenger is prohibited from being carried in a position that interferes with the safe operation of the motorcycle or the view of the operator.

(b) No person may ride upon a motorcycle as a passenger unless the person can reach the footrests or floorboards with both feet.

(c) Except for passengers of sidecars, drivers and passengers of three-wheeled motorcycles, and persons in an autocycle, no person may operate or ride upon a motorcycle except while sitting astride the seat, facing forward, with one leg on either side of the motorcycle.

(d) No person may operate a motorcycle while carrying animals, packages, bundles, or other cargo that prevent the person from keeping both hands on the handlebars.

(e) Motorcycles may, with the consent of both drivers, be operated not more than two abreast in a single traffic lane if the vehicles fit safely within the designated space of the lane.

(f) Except under the conditions specified in paragraph (g), no person may operate a motorcycle:

(1) between lanes of moving or stationary vehicles headed in the same direction of travel;

(2) abreast of moving or stationary vehicles within the same traffic lane; or

(3) to overtake or pass another vehicle within the same traffic lane.

(g) A person may operate a motorcycle ~~and overtake and pass another vehicle in~~ between lanes of stationary vehicles headed in the same direction of travel ~~and~~, within the same traffic lane of a stationary vehicle, or on the shoulder of a highway abreast of stationary traffic headed in the same direction of travel if the motorcycle is operated~~:~~

~~(1)~~ at not more than 25 miles per hour~~; and~~

~~(2) no more than 15 miles per hour over the speed of traffic in the relevant traffic lanes~~. For purposes of this paragraph, "traffic lane" does not include:

(1) the approach, drive-through, or exit of a roundabout;

(2) a work zone where only a single travel lane is available for use; or

(3) a school zone established under section 169.14, subdivision 5a.

(h) Motor vehicles including motorcycles are entitled to the full use of a traffic lane and no motor vehicle may be driven or operated in a manner so as to deprive a motorcycle of the full use of a traffic lane.

(i) A person operating a motorcycle upon a roadway must be granted the rights and is subject to the duties applicable to a motor vehicle as provided by law, except as to those provisions which by their nature can have no application.

(j) Paragraphs (e) and (f) of this subdivision do not apply to police officers in the performance of their official duties.

(k) No person may operate a motorcycle on a street or highway unless the headlight or headlights are lighted at all times the motorcycle is so operated.

(l) A person parking a motorcycle on the roadway of a street or highway must:

(1) if parking in a marked parking space, park the motorcycle completely within the marked space; and

(2) park the motorcycle in such a way that the front of the motorcycle is pointed or angled toward the nearest lane of traffic to the extent practicable and necessary to allow the operator to (i) view any traffic in both directions of the street or highway without having to move the motorcycle into a lane of traffic and without losing balance or control of the motorcycle, and (ii) ride the motorcycle forward and directly into a lane of traffic when the lane is sufficiently clear of traffic.

Sec. 84. Laws 2024, chapter 127, article 3, section 61, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective July 1, ~~2025~~ 2026.

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

Sec. 85. **ADDITIONAL FULL-SERVICE PROVIDER FOR CIRCLE PINES.**

Notwithstanding Minnesota Statutes, sections 168.33 and 171.061, and rules adopted by the commissioner of public safety limiting sites for the office of deputy registrar or driver's license agent based on either the distance to an existing deputy registrar or driver's license agent office or the annual volume of transactions processed by any deputy registrar or driver's license agent before or after the proposed appointment, the commissioner of public safety must appoint the deputy registrar of motor vehicles currently at 9201 Lexington Avenue North in the city of Circle Pines as a driver's license agent to operate as a full-service office. The addition of a driver's license agent establishes the location as a full-service office with full authority to function as a registration and motor vehicle tax collection and driver's license bureau. All other provisions regarding the appointment and operation of a deputy registrar of motor vehicles and driver's license agent under Minnesota Statutes, sections 168.33 and 171.061, and Minnesota Rules, chapters 7404 and 7406, apply to the office.

Sec. 86. **AUTONOMOUS MOWERS RESEARCH AND DEVELOPMENT.**

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

(b) "Autonomous mower" means a robotic or automated device designed, programmed, and operated to cut grass or vegetation with predefined routes to minimize the need for manual assistance or intervention.

(c) "Commissioner" means the commissioner of transportation.

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

Subd. 2. **Research and development authorized.** (a) The commissioner must conduct research on the use of automation and robotics for mowing and vegetation management at property owned by the department. The research must examine the use of autonomous mower technology at the following locations:

(1) rest areas;

(2) highway rights-of-way, including ditches, shoulders, or other varied or sloped terrain; or

(3) other roadside or public-facing property owned by the department.

(b) The research must examine the use of autonomous mowing technology for mowing or vegetation management by other states or government entities. The research conducted under this section must analyze different configurations and types of autonomous mowers, including mowers that require different levels of human intervention, to research for future statewide deployment at rest areas, at or along the trunk highway system, or on other property owned by the department.

(c) The commissioner must research the current and potential commercial availability of autonomous mowing products used by public or private entities for applications that include but are not limited to rest area mowing, highway right-of-way ditch mowing, vegetation management, or other applications related to property or roadside maintenance.

(d) The commissioner must include research on Minnesota-based companies engaged in autonomous mower technology. If the commissioner elects to purchase autonomous mower technology for research under this section, the commissioner must purchase the technology from a Minnesota-based company.

(e) The research must analyze whether an autonomous mower can operate safely in varied terrain, including ditches, and navigate obstacles such as culvert ends, guardrails, signposts, other barriers, and unexpected debris that may be found on or alongside a highway right-of-way. The research must examine the potential impact of autonomous mowing technology on worker safety and maintenance staffing needs.

(f) The commissioner must propose an autonomous mower pilot project to further study and examine the challenges to implementing autonomous mower technology into roadside vegetation management activities. The proposed pilot project must include the proposed location for the pilot project, the autonomous mower activities examined, and the anticipated timeline for implementation of the proposed pilot project.

Subd. 3. **Report.** By February 15, 2027, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy on the results of the autonomous mower research authorized in subdivision 2. The report must include:

(1) information and analysis of other governmental agencies or private entities using autonomous mowing operations;

(2) the commissioner's detailed plan for conducting a pilot project with autonomous mowing technology, once available, at rest areas; at or alongside trunk highway rights-of-way, including ditches, shoulders, and other terrain; and at other properties owned by the department;

(3) the timeline and funding needed to conduct an autonomous mowing pilot project established in subdivision 2, paragraph (f);

(4) a cost-benefit analysis of whether autonomous mowing technology can yield productivity or efficiency gains in maintenance of department property compared to traditional methods of mowing;

(5) an analysis of whether the operation of autonomous mowing technology by the department would yield improvements compared to traditional mowing methods in worker safety, congestion, environmental impact outcomes, cost savings, maintenance scheduling, or any other factor deemed relevant by the commissioner; and

(6) an analysis of the costs and any other short-term or long-term challenges posed by the pilot project or the future operation of autonomous mowing technology on property owned by the department.

Sec. 87. **DEPARTMENT OF TRANSPORTATION; COST PARTICIPATION POLICY UPDATE REQUIRED.**

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meanings given:

(1) "commissioner" means the commissioner of transportation;

(2) "cost participation policy" is the policy between the Department of Transportation and local units of government to determine the potential expenditure of trunk highway funds on elements of cooperative construction projects and maintenance responsibilities between the department and local units of government; and

(3) "department" means the Department of Transportation.

Subd. 2. **Policy update.** By March 1, 2026, the commissioner, in consultation with representatives of local units of government, must update and adopt the department's cost participation policy. The updated policy must identify the circumstances where local units of government will not be responsible for any trunk highway fund eligible construction project costs to deliver the project scope the department deems necessary. The policy may consider a local unit of government's ability to pay as a factor in determining the amount of local contribution, if any.

Subd. 3. **Report.** By February 1, 2026, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy. The report must:

(1) contain the department's draft cost participation policy;

(2) identify the local units of government consulted in developing the updated cost participation policy;

(3) identify and analyze all cost participation options explored by the commissioner and local units of government in determining the cost participation policy adopted by the commissioner; and

(4) propose legislation to enable the department to cover the cost of relocating utilities owned by local units of government with remaining service life when necessitated by a trunk highway construction project led by the department.

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

Sec. 88. **DEPARTMENT OF TRANSPORTATION; PROJECT COMMITTEE PROCESS; POLICY ADVISORY COMMITTEE.**

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

(b) "Commissioner" means the commissioner of transportation.

(c) "Department" means the Department of Transportation.

(d) "Policy advisory committee" means an established and organized committee consisting of elected and appointed officials for the following projects:

(1) the rethinking I-94 project in the cities of Minneapolis and St. Paul;

(2) Trunk Highway 252 and Interstate 94 in the cities of Brooklyn Park, Brooklyn Center, and Minneapolis; and

(3) Trunk Highway 55-Olson Memorial Highway in the city of Minneapolis.

(e) "Project website" means a website maintained by the department for the project for a policy advisory committee specified under paragraph (d).

(f) "Scoping decision document" means the formal documents required by the Minnesota Environmental Quality Board rules for a state environmental impact statement required under Minnesota Statutes, chapter 116D.

Subd. 2. **Policy advisory committee; purpose.** The department must provide elected and appointed members of policy advisory committees the ability to provide input on all policy and funding decisions relevant to their project and the technical information used by the department for a scoping decision document. Input under this section includes, but is not limited to:

(1) reviewing current public engagement efforts by the department for the project;

(2) identifying historically underserved communities for further engagement by the department;

(3) reviewing whether a proposed project design achieves the community's needs for all modes of travel, land use considerations, and other community-identified implications for the corridor;

(4) reviewing and offering comment on all designs presented by the commissioner;

(5) adopting a resolution to recommend the commissioner establish a community-recommended alternative design process; and

(6) adopting a resolution to request additional public meetings for public comment and feedback:

(i) before the commissioner proceeds with the selection of a project design or preferred alternative or makes any revision to a project design or preferred alternative; or

(ii) in historically underserved communities in the impacted project area if the advisory committee determines by resolution that previous engagement efforts by the department were insufficient.

Subd. 3. **Policy advisory committee; bylaws.** The commissioner must draft and propose to a policy advisory committee, for the committee's approval, bylaws and procedures to implement the requirements of subdivision 2. Adopted bylaws must include:

(1) the establishment of a regular meeting schedule, with a minimum of 30 days of public notice between meetings;

(2) a process by which policy advisory committee members can introduce resolutions to be voted on by the advisory committee to take formal positions, introduce and approve new bylaws to govern the operation of the policy advisory committee, and make requests of the department for the project; and

(3) the establishment of procedures for organizing and holding public meetings under the requirements of subdivision 4.

Subd. 4. **Policy advisory committee; public meetings; information required; Open Meeting Law.** (a) A policy advisory committee must include a robust and meaningful process for public participation and community engagement by the impacted community in project development. The commissioner must conduct, in coordination with the policy advisory committee, in-person public hearings at different locations and times with historically underserved communities in the impacted project area. Meetings must:

(1) be held with a minimum of 30 days of public notice and notice to elected officials, with the notice specifying the date, time, and location of the meeting;

(2) include a published meeting agenda and post the agenda publicly on the department's website;

(3) mandate at least 15 minutes of a public comment period for members of the public to testify, provide context, and offer input on the project and development of a preferred alternative;

(4) offer the opportunity for written comment in advance of the hearing which must be reviewed and included in meeting records; and

(5) require the department to respond to public comments submitted in advance and explain whether and how the input will be used to influence future project decisions.

(b) The commissioner must clearly organize and provide all meeting recordings, meeting information or slides, and any other material from a public meeting on the department's project website no more than two weeks after the meeting is held.

(c) The commissioner must ensure that the department regularly maintains the project website at a reasonable interval with project documents, data analysis to determine purpose and need, worksheets to determine context and modal needs, traffic modeling, design and land use considerations, and any other relevant material to inform policy advisory committee members and the general public. A policy advisory committee may adopt a resolution to request:

(1) additional project information from the commissioner; or

(2) further explanation and analysis from the commissioner on information produced to a policy advisory committee.

(d) A policy advisory committee is subject to the Minnesota Open Meeting Law under chapter 13D.

Subd. 5. **Policy advisory committee; legislative report.** Beginning February 15, 2026, and each year thereafter, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must detail the activities of policy advisory committees during the prior calendar year. The report must also provide a detailed summary of public feedback and comment on projects specified in subdivision 1, paragraph (d), as well as any resolutions adopted by the policy advisory committee and the response of the department to the resolution's contents.

Sec. 89. **RULEMAKING; LOSS OF VOLUNTARY CONTROL PROVISIONS MODIFICATION.**

(a) By July 1, 2026, the commissioner of public safety must amend Minnesota Rules, part 7410.2500, subpart 5, by adding an item F, to no longer require an annual physician's statement from a driver if:

(1) a single nonepileptic seizure was responsible for the driver's loss of consciousness or voluntary control;

(2) the driver has been free from episodes of loss of consciousness or voluntary control for five years from the date of the incident under clause (1);

(3) the driver has not been prescribed or taking any antiseizure medication for five years from the date of the incident under clause (1); and

(4) a physician has indicated that no further review of the driver's condition is necessary due to the driver being in good health and the risk of reoccurrence for the condition responsible for causing a loss of consciousness or voluntary control is minimal.

(b) By July 1, 2026, the commissioner of public safety must amend Minnesota Rules, part 7410.2500, subpart 5, by adding an item G, to no longer require an annual physician's statement from a driver if:

(1) the driver has been free from episodes of loss of consciousness or voluntary control for ten years;

(2) the driver has not been prescribed or taking any antiseizure medication for ten years; and

(3) a physician has indicated that no further review of the driver's condition is necessary due to the driver being in good health and the risk of reoccurrence for the condition responsible for causing a loss of consciousness or voluntary control is minimal.

(c) A review by a physician under Minnesota Rules, part 7410.2500, subpart 5, item F or G, does not apply to a driver who is required to hold a valid medical examiner's certificate under Code of Federal Regulations, title 49, section 391.43, and does not constitute a determination of that driver's physical qualifications as required under Code of Federal Regulations, title 49, section 391.41.

(d) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section. Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

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

Sec. 90. **STUDY; ACCESSIBLE ON-DEMAND RIDES OPERATED BY STATE TRANSPORTATION NETWORK COMPANY; SURCHARGE-FUNDED GRANTS FOR WHEELCHAIR-ACCESSIBLE VEHICLES.**

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

(b) "Accessible vehicles" means a vehicle equipped with a ramp or lift capable of transporting eligible riders and is subject to the requirements of Minnesota Statutes, sections 299A.11 to 299A.17.

(c) "Commissioner" means the commissioner of transportation.

(d) "Digital network," "prearranged ride," "transportation network company," "transportation network company driver," and "transportation network company rider" have the meanings given in Minnesota Statutes, section 65B.472, subdivision 1.

(e) "Eligible rider" means an individual who requires the use of a wheelchair, nonfolding motorized wheelchair, mobility scooter, or other mobility device.

(f) "State-operated TNC" means a publicly-operated entity that uses a digital network similar to a transportation network company to connect eligible riders with accessible vehicles that provides prearranged rides.

(g) "Study" means the wheelchair-accessible vehicle transportation network study required under this section.

Subd. 2. **Study and legislative report required.** (a) The commissioner must conduct a comprehensive study on:

(1) requiring transportation network companies that operate in Minnesota to make vehicles wheelchair accessible via a per-ride surcharge to fund grants for:

(i) the purchase of accessible vehicles by taxicab companies and transportation network company drivers;

(ii) the modification of existing vehicles into accessible vehicles for riders with disabilities or who require the use of a mobility device;

(iii) maintenance expenses for equipment; or

(iv) per-ride reimbursement to drivers after providing rides to riders with accessibility challenges or who require the use of a mobility device; and

(2) the creation and management of a state-operated TNC for riders with disabilities or who require the use of an accessible vehicle, which must include a feasibility study to assess the demand for the service, the potential market for the service, and financial viability of creating and maintaining the service.

(b) The study required under paragraph (a), clause (1), must:

(1) evaluate existing accessibility features and services provided by private transportation network companies;

(2) assess the feasibility of incorporating a per-ride surcharge to fund transportation accessibility initiatives;

(3) compare the proposed per-ride surcharge with the provision in Minnesota Statutes, section 181C.03, paragraph (a), clause (2);

(4) make recommendations on a potential nondiscrimination policy to be adopted by a transportation network company to ensure services provided by drivers using the digital network are offered in a nondiscriminatory manner; and

(5) propose legislation to administer grants using funds collected from a per-ride surcharge and identify potential uses of grant funds under the requirements of paragraph (a), clause (1).

(c) The study required under paragraph (a), clause (2), must:

(1) evaluate the operational, technical, financial, and legal feasibility of establishing a state-operated TNC solely for use by people seeking rides in accessible vehicles;

(2) conduct a comprehensive analysis of current transportation network providers in Minnesota, with a focus on the provider's operations and technological infrastructure;

(3) develop appropriate regulations and define essential operational standards, driver qualifications, vehicle requirements, insurance coverage, and other procedures to ensure safety, reliability, and quality of service;

(4) analyze how a state-operated TNC can ensure a sufficient number of accessible vehicles, in-app accessibility options, driver training on disability awareness, and other measures to promote inclusivity and nondiscrimination;

(5) analyze the compatibility of a state-operated TNC with existing special transportation service providers; Metro Transit and Metro Mobility; demand response transit service offerings by replacement service providers under Minnesota Statutes, section 473.388; or any other public transit provider offering on-demand ride hailing service for first- and last-mile connections in Minnesota, Wisconsin, Iowa, South Dakota, or North Dakota;

(6) analyze whether drivers and vehicles providing rides on a state-operated TNC should be regulated under the same operating standards and requirements for special transportation services as provided in Minnesota Statutes, section 174.30;

(7) identify best practices and innovative solutions to ensure that the state-operated TNC is fully accessible to individuals with disabilities;

(8) outline a phased implementation plan, including timelines, key milestones, and responsible entities for administering a state-operated TNC;

(9) propose policies and regulations for drivers on the state-operated TNC, including:

(i) whether drivers will have specified hours for rides solely on the state-operated TNC network or may alternate across transportation network platforms;

(ii) the employment classification of drivers on the state-operated TNC, including whether drivers are eligible for state employee benefits, the selection or hiring of drivers through the open appointment process, and any other identified employment concern;

(iii) whether the state will own or lease accessible vehicles, and if not, the responsible paying entity for gas, maintenance, storage, and insurance;

(iv) whether the state will be responsible for vehicle maintenance costs if the vehicle is used by a driver to provide rides on a private transportation network company;

(v) training standards and certification requirements for assisting people with disabilities, including continuing education and training requirements; and

(vi) standards for employment, including background checks of drivers, the inspection of vehicles, verification of insurance, or any other requirements of a taxicab driver or a transportation network driver under either city or state law;

(10) determine whether the state could develop the required digital network to host the state-operated TNC or whether a contract with a third-party would be appropriate to build and maintain the digital infrastructure necessary to operate the TNC; and

(11) highlight key user-friendly features for a state-operated TNC for both passengers and drivers and develop a plan to promote the availability and accessibility of the state-operated TNC among individuals with disabilities and their caregivers.

(d) The commissioner may conduct the study in coordination with other efforts at the department to review and analyze special transportation services provided by the Metropolitan Council. The commissioner must issue a preliminary report on the study upon submission of the report required in Laws 2024, chapter 127, article 3, section 125, to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy.

(e) Upon request by the commissioner, a transportation network company operating in Minnesota must provide sufficient information to assist in the preparation of the report. Information submitted by a transportation network company to the commissioner must include:

(1) the estimated time of arrival for wheelchair-accessible vehicles in Minnesota;

(2) the total number of wheelchair-accessible vehicles requested;

(3) the total number of rides fulfilled in wheelchair-accessible vehicles;

(4) the total number of wheelchair-accessible rides that were denied;

(5) the total number of requested wheelchair-accessible rides that were referred to a third party; and

(6) programs and best practices the transportation network company has implemented to improve the accessibility of service to individuals with disabilities.

Subd. 3. **Stakeholders.** (a) In developing the report and proposed legislation, the commissioner must consult interested stakeholders to evaluate current accessibility challenges and constraints for transportation network company riders who use a wheelchair or otherwise require specialized equipment or service for their prearranged ride.

(b) Stakeholders under paragraph (a) must include, but are not limited to:

(1) the Minnesota Council on Disability;

(2) a driver advocacy organization representing transportation network drivers;

(3) providers of nonemergency medical transportation and special transportation services in Minnesota;

(4) the State Patrol;

(5) transportation network companies operating in Minnesota;

(6) an organization with expertise in transportation and mobility planning or accessible transportation design;

(7) technology accessibility organizations to ensure a proposed state-operated TNC is designed and operated with all relevant accessibility features;

(8) the Department of Human Services;

(9) persons with disabilities and parents and caregivers of people with disabilities; and

(10) senior citizens or recipients of Social Security disability benefits.

(c) The commissioner must also establish a public notification and comment process on the department's website on the study required in subdivision 2, paragraph (b). The public notification process must attempt to raise public awareness of the potential development of a state-operated transportation network company among individuals with disabilities and solicit feedback from the public on technical and service considerations.

Subd. 4. **Report.** By August 15, 2026, the commissioner must submit a final report on the study to the chairs and ranking minority members of the legislative committees having jurisdiction over transportation finance and policy. The report must include an identified amount of funds necessary for initial design and development of the state-operated TNC by the department.

Subd. 5. **Expiration.** This section expires upon the submission of the report required in subdivision 4 or June 30, 2027, whichever is earlier.

Sec. 91. **REVISOR INSTRUCTION.**

The revisor of statutes must renumber the subdivisions in Minnesota Statutes, section 169.011, so that the definitions appear in alphabetical order. The revisor must make necessary cross-reference changes in Minnesota Statutes consistent with the renumbering.

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

Sec. 92. **REPEALER.**

(a) Minnesota Statutes 2024, section 473.452, is repealed.

(b) Laws 2019, First Special Session chapter 3, article 2, section 34, as amended by Laws 2020, chapter 100, section 22, is repealed.

(c) Minnesota Rules, parts 8820.2500; 8820.3300, subparts 1, 1a, 3, and 4; 8820.3400; 8820.9926, subpart 1; 8820.9936; 8820.9946; 8820.9956; and 8820.9995, are repealed.

EFFECTIVE DATE. Paragraph (c) is effective July 1, 2025, for new state-aid roadway projects designed, constructed, reconstructed, rehabilitated, or resurfaced on or after that date."

Delete the title and insert:

"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; modifying various transportation policy provisions relating to driver's licenses, traffic safety, speed limits, the Advisory Council on Traffic Safety, cost participation policy development, commercial driver's instructional permits, autonomous mower research, electronic aircraft attestation, pedestrian citations, work zone safety incorporated into driver's education and driver's examination, reintegration driver's licenses, resilient pavement and asset sustainability programming, courtesy use of dealer plates and extension of expiration for certain temporary license plates, driver's license agents and deputy registrars, various project development and design policies for the Department of Transportation and State-Aid Office; delaying the effective date of when a motorcycle may lane filter and removing the authorization to split lanes; modifying various transportation finance policy provisions; increasing the surcharge for all-electric vehicles and instituting a surcharge for plug-in hybrid vehicles, all-electric motorcycles, and plug-in hybrid electric vehicles; requiring rulemaking from the Department of Public Safety; repealing State-Aid design standards and certain provisions related to state-aid design variances; requiring reports; amending Minnesota Statutes 2024, sections 4.076, subdivisions 4, 5; 16A.88, subdivision 1a; 160.165; 161.045; 161.088, subdivision 2; 161.115, subdivision 177; 161.14, by adding a subdivision; 162.02, subdivision 3a, by adding subdivisions; 162.09, subdivision 3a, by adding subdivisions; 162.155; 168.013, subdivision 1m, by adding subdivisions; 168.091; 168.27, subdivision 16; 168.33, subdivision 7; 168A.10, by adding a subdivision; 168A.11, subdivision 1; 169.011, subdivision 36, by adding subdivisions; 169.06, subdivisions 5, 6; 169.09, subdivision 8; 169.14, by adding subdivisions; 169.21, subdivision 3; 169.71, subdivision 4a; 171.01, by adding a subdivision; 171.05, subdivision 1; 171.0605, subdivision 2, by adding a subdivision; 171.061, subdivision 4; 171.0701, by adding a subdivision; 171.0705, by adding a subdivision; 171.071, subdivision 2; 171.13, subdivisions 1, 7; 171.17, subdivision 1; 171.301, subdivisions 5, 6; 171.306, subdivision 8; 174.03, by adding subdivisions; 174.53; 174.634, subdivision 2; 174.75, subdivisions 2, 2a; 297A.94; 299A.55, subdivisions 2, 4; 360.511, by adding subdivisions; 360.55, subdivisions 4, 4a, 8, 9, by adding a subdivision; 473.129, by adding a subdivision; 473.13, subdivisions 1, 6; 473.142; 473.1425; 473.386, subdivision 10; 473.408, by adding a subdivision; 473.412, subdivision 3; 473.4465, by adding a subdivision; Laws 2020, Fifth Special Session chapter 3, article 1, section 16, subdivision 34; 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, sections 2, subdivisions 2, 3; 4, subdivision 5; article 2, section 2, subdivision 9, as amended; article 4, section 109; Laws 2024, chapter 127, article 1, sections 2, subdivision 3; 4, subdivision 3; article 3, section 61; proposing coding for new law in Minnesota Statutes, chapters 137; 160; 161; 162; 171; 174; repealing Minnesota Statutes 2024, section 473.452; Laws 2019, First Special Session chapter 3, article 2, section 34, as amended; Minnesota Rules, parts 8820.2500; 8820.3300, subparts 1, 1a, 3, 4; 8820.3400; 8820.9926, subpart 1; 8820.9936; 8820.9946; 8820.9956; 8820.9995."

And when so amended the bill do pass and be re-referred to the Committee on Finance.

Amendments adopted. Report adopted.

D. Scott Dibble
....
(Committee Chair)

April 10, 2025..
(Date of Committee recommendation)