

A bill for an act relating to transportation finance; appropriating money for transportation, Metropolitan Council, and public safety activities; providing for grants, a pilot project, a task force, fund transfers, general contingent accounts, highway debt service, local roads, town road signs, planning for the Republican National Convention, and tort claims; authorizing sale and issuance of trunk highway bonds for highways, transportation facilities, and transit facilities; modifying motor fuel and registration taxes; allocating motor vehicle sales and lease tax revenues; modifying county state-aid allocation formula; modifying metropolitan county wheelage tax; authorizing local transportation sales and use taxes; modifying fees for license plates, drivers' licenses, identification cards, and state patrol escort and flight services; modifying provisions relating to various transportation-related funds and accounts; providing for transit and other transportation-related activities; making technical and clarifying changes; amending Minnesota Statutes 2006, sections 16A.88; 161.081, subdivision 3; 162.06; 162.07, subdivision 1, by adding subdivisions; 163.051; 168.011, subdivision 6; 168.013, subdivisions 1, 1a; 168.017, subdivision 3; 168.12, subdivision 5; 168A.29, subdivision 1; 171.02, subdivision 3; 171.06, subdivision 2; 171.07, subdivisions 3a, 11; 171.20, subdivision 4; 171.29, subdivision 2; 174.03, subdivision 9; 174.24, subdivisions 1, 3b, 5; 296A.07, subdivision 3; 296A.08, subdivision 2; 297A.64, subdivision 2; 297A.815, by adding a subdivision; 297A.94; 297B.09, subdivision 1; 299D.09; 473.388, subdivision 4; 473.446, subdivision 1; Laws 2005, First Special Session chapter 6, article 1, section 4, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 296A; 297A; 398A; repealing Minnesota Statutes 2006, section 174.32.

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

ARTICLE 1  
TRANSPORTATION APPROPRIATIONS

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

2.1		<u>2008</u>	<u>2009</u>	<u>Total</u>
2.2	<u>General</u>	\$ <u>138,597,000</u>	\$ <u>112,392,000</u>	\$ <u>250,989,000</u>
2.3	<u>Trunk Highway</u>	<u>1,135,229,000</u>	<u>1,357,199,000</u>	<u>2,492,428,000</u>
2.4	<u>H.U.T.D.</u>	<u>8,938,000</u>	<u>9,238,000</u>	<u>18,176,000</u>
2.5	<u>Airports</u>	<u>25,557,000</u>	<u>25,659,000</u>	<u>51,216,000</u>
2.6	<u>C.S.A.H.</u>	<u>474,098,000</u>	<u>526,895,000</u>	<u>1,000,993,000</u>
2.7	<u>M.S.A.S.</u>	<u>127,663,000</u>	<u>141,649,000</u>	<u>269,312,000</u>
2.8	<u>Special Revenue</u>	<u>47,950,000</u>	<u>49,038,000</u>	<u>96,988,000</u>
2.9	<u>Total</u>	\$ <u>1,958,032,000</u>	\$ <u>2,222,070,000</u>	\$ <u>4,180,102,000</u>

2.10    Sec. 2. TRANSPORTATION APPROPRIATIONS.

2.11        The sums shown in the columns marked "Appropriations" are appropriated to  
2.12 the agencies and for the purposes specified in this article. The appropriations are from  
2.13 the trunk highway fund, or another named fund, and are available for the fiscal years  
2.14 indicated for each purpose. The figures "2008" and "2009" used in this article mean that  
2.15 the appropriations listed under them are available for the fiscal year ending June 30, 2008,  
2.16 or June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is  
2.17 fiscal year 2009. "The biennium" is fiscal years 2008 and 2009. Appropriations for the  
2.18 fiscal year ending June 30, 2007, are effective the day following final enactment.

2.19	<u>APPROPRIATIONS</u>
2.20	<u>Available for the Year</u>
2.21	<u>Ending June 30</u>
2.22	<u>2008</u> <u>2009</u>

2.23    Sec. 3. TRANSPORTATION

2.24    Subdivision 1. Total Appropriation                      \$    1,702,715,000    \$    1,984,532,000

2.25	<u>Appropriations by Fund</u>		
2.26		<u>2008</u>	<u>2009</u>
2.27	<u>General</u>	<u>21,985,000</u>	<u>19,248,000</u>
2.28	<u>Trunk Highway</u>	<u>1,053,462,000</u>	<u>1,271,131,000</u>
2.29	<u>Airports</u>	<u>25,507,000</u>	<u>25,609,000</u>
2.30	<u>C.S.A.H.</u>	<u>474,098,000</u>	<u>526,895,000</u>
2.31	<u>M.S.A.S.</u>	<u>127,663,000</u>	<u>141,649,000</u>

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

2.35    Subd. 2. Multimodal Systems

3.1	<u>(a) Airport Development and Assistance</u>	<u>20,298,000</u>	<u>20,298,000</u>
3.2	<u>These appropriations are from the state</u>		
3.3	<u>airports fund and must be spent according</u>		
3.4	<u>to Minnesota Statutes, section 360.305,</u>		
3.5	<u>subdivision 4.</u>		
3.6	<u>\$6,000,000 the first year and \$6,000,000 the</u>		
3.7	<u>second year are onetime appropriations and</u>		
3.8	<u>do not add to the base appropriations.</u>		
3.9	<u>Of this appropriation up to \$200,000 in the</u>		
3.10	<u>first year is to the Legislative Coordinating</u>		
3.11	<u>Commission for the administrative expenses</u>		
3.12	<u>of the Airport Funding Advisory Task Force</u>		
3.13	<u>and for other costs relating to the preparation</u>		
3.14	<u>of the report required by the task force,</u>		
3.15	<u>including the costs of hiring a consultant,</u>		
3.16	<u>if needed. Any remaining amount of this</u>		
3.17	<u>appropriation shall revert to the state airports</u>		
3.18	<u>fund.</u>		
3.19	<u>Notwithstanding Minnesota Statutes,</u>		
3.20	<u>section 16A.28, subdivision 6, these</u>		
3.21	<u>appropriations are available for five years</u>		
3.22	<u>after appropriation.</u>		
3.23	<u>If the appropriation for either year is</u>		
3.24	<u>insufficient, the appropriation for the other</u>		
3.25	<u>year is available for it.</u>		
3.26	<u>(b) Aviation Support Services</u>	<u>6,036,000</u>	<u>6,152,000</u>
3.27	<u>Appropriations by Fund</u>		
3.28	<u>Trunk Highway</u> <u>852,000</u> <u>866,000</u>		
3.29	<u>Airports</u> <u>5,184,000</u> <u>5,286,000</u>		
3.30	<u>\$65,000 the first year and \$65,000 the second</u>		
3.31	<u>year are for the Civil Air Patrol.</u>		
3.32	<u>(c) Transit</u>	<u>19,553,000</u>	<u>19,577,000</u>

4.1	<u>Appropriations by Fund</u>		
4.2	<u>General</u>	<u>18,813,000</u>	<u>18,816,000</u>
4.3	<u>Trunk Highway</u>	<u>740,000</u>	<u>761,000</u>
4.4	<u>(d) Freight</u>	<u>5,385,000</u>	<u>5,525,000</u>
4.5	<u>Appropriations by Fund</u>		
4.6	<u>General</u>	<u>357,000</u>	<u>367,000</u>
4.7	<u>Trunk Highway</u>	<u>5,028,000</u>	<u>5,158,000</u>
4.8	<u>(e) Rail</u>	<u>250,000</u>	<u>0</u>
4.9	<u>This appropriation is from the general</u>		
4.10	<u>fund for a grant to the Northstar Corridor</u>		
4.11	<u>Development Authority to fund advanced</u>		
4.12	<u>preliminary engineering, updated</u>		
4.13	<u>environmental documentation, property</u>		
4.14	<u>appraisals, and negotiations with the railroad</u>		
4.15	<u>to extend commuter rail service on the</u>		
4.16	<u>Burlington Northern Santa Fe rail line</u>		
4.17	<u>between Big Lake and Rice. This is a</u>		
4.18	<u>onetime appropriation and is available until</u>		
4.19	<u>spent and does not lapse.</u>		
4.20	<u>Subd. 3. State Roads</u>		
4.21	<u>(a) Infrastructure Operations and Maintenance</u>	<u>236,083,000</u>	<u>247,262,000</u>
4.22	<u>(b) Infrastructure Investment Support</u>	<u>184,679,000</u>	<u>194,728,000</u>
4.23	<u>\$266,000 the first year and \$266,000 the</u>		
4.24	<u>second year are available for grants to</u>		
4.25	<u>metropolitan planning organizations outside</u>		
4.26	<u>the seven-county metropolitan area.</u>		
4.27	<u>\$75,000 the first year and \$75,000 the</u>		
4.28	<u>second year are for a transportation research</u>		
4.29	<u>contingent account to finance research</u>		
4.30	<u>projects that are reimbursable from the</u>		
4.31	<u>federal government or from other sources.</u>		
4.32	<u>If the appropriation for either year is</u>		
4.33	<u>insufficient, the appropriation for the other</u>		
4.34	<u>year is available for it.</u>		

5.1 \$600,000 the first year and \$600,000 the  
5.2 second year are available for grants for  
5.3 transportation-related activities outside  
5.4 the metropolitan area to identify critical  
5.5 concerns, problems, and issues. These grants  
5.6 are available:

5.7 (1) to regional development commissions;  
5.8 (2) in regions where no regional development  
5.9 commission is functioning, to joint powers  
5.10 boards established under agreement of two or  
5.11 more political subdivisions in the region to  
5.12 exercise the planning functions of a regional  
5.13 development commission; and

5.14 (3) in regions where no regional development  
5.15 commission or joint powers board is  
5.16 functioning, to the department's district office  
5.17 for that region.

5.18 Up to \$1,000,000 the first year is for  
5.19 technical support of trunk highway  
5.20 congestion reduction under the United  
5.21 States Department of Transportation Urban  
5.22 Partnership program. Of this amount,  
5.23 \$200,000 is for a grant to Hubert H.  
5.24 Humphrey Institute of Public Affairs for its  
5.25 participation in this program.

5.26 \$5,000,000 is for a pilot project to  
5.27 demonstrate technologies that will allow for  
5.28 the future replacement of the gas tax with a  
5.29 fuel-neutral mileage charge.

5.30	<u>(c) State Road Construction</u>	<u>504,082,000</u>	<u>677,563,000</u>
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5.31 It is estimated that these appropriations will  
5.32 be funded as follows:

5.33	<u>Federal Highway</u>		
5.34	<u>Aid</u>	<u>193,500,000</u>	<u>350,400,000</u>
5.35	<u>Highway User Taxes</u>	<u>310,582,000</u>	<u>327,163,000</u>

6.1 The commissioner of transportation shall  
6.2 notify the chairs and ranking minority  
6.3 members of the house of representatives and  
6.4 senate committees with jurisdiction over  
6.5 transportation finance of any significant  
6.6 events that should cause these estimates to  
6.7 change.

6.8 These appropriations are for the actual  
6.9 construction, reconstruction, and  
6.10 improvement of trunk highways, including  
6.11 design-build contracts and consultant usage  
6.12 to support these activities. This includes the  
6.13 cost of actual payment to landowners for  
6.14 lands acquired for highway rights-of-way,  
6.15 payment to lessees, interest subsidies, and  
6.16 relocation expenses.

6.17 \$77,000,000 the second year is a onetime  
6.18 appropriation that is shifted from the first  
6.19 year. It does not subtract from the base  
6.20 appropriation in the first year or add to the  
6.21 base appropriation in the second year.

6.22 The commissioner may transfer up to  
6.23 \$15,000,000 each year to the transportation  
6.24 revolving loan fund.

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

6.30 <u>(d) Highway Debt Service</u>	<u>58,718,000</u>	<u>80,527,000</u>
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6.31 \$54,929,000 the first year and \$70,504,000  
6.32 the second year are for transfer to the state  
6.33 bond fund. If this appropriation is insufficient  
6.34 to make all transfers required in the year  
6.35 for which it is made, the commissioner of

7.1 finance shall notify the committee on finance  
7.2 of the senate and the committee on ways  
7.3 and means of the house of representatives of  
7.4 the amount of the deficiency and shall then  
7.5 transfer that amount under the statutory open  
7.6 appropriation. Any excess appropriation  
7.7 cancels to the trunk highway fund.

7.8	<u>(e) Electronic Communications</u>	<u>5,161,000</u>	<u>5,288,000</u>
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7.9	<u>Appropriations by Fund</u>		
7.10	<u>General</u>	<u>9,000</u>	<u>9,000</u>
7.11	<u>Trunk Highway</u>	<u>5,152,000</u>	<u>5,279,000</u>

7.12 The general fund appropriations are to equip  
7.13 and operate the Roosevelt signal tower for  
7.14 Lake of the Woods weather broadcasting.

7.15 Subd. 4. Local Roads

7.16	<u>(a) County State Aids</u>	<u>474,098,000</u>	<u>526,895,000</u>
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7.17 These appropriations are from the county  
7.18 state-aid highway fund and are available  
7.19 until spent.

7.20	<u>(b) Municipal State Aids</u>	<u>127,663,000</u>	<u>141,649,000</u>
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7.21 These appropriations are from the municipal  
7.22 state-aid street fund and are available until  
7.23 spent.

7.24 If an appropriation for either county state  
7.25 aids or municipal state aids does not exhaust  
7.26 the balance in the fund from which it is  
7.27 made in the year for which it is made, the  
7.28 commissioner of finance, upon request of  
7.29 the commissioner of transportation, shall  
7.30 notify the chairs and ranking minority  
7.31 members of the house of representatives and  
7.32 senate committees with jurisdiction over  
7.33 transportation finance of the amount of the  
7.34 remainder and shall then add that amount

8.1 to the appropriation. The amount added is  
8.2 appropriated for the purposes of county state  
8.3 aids or municipal state aids, as appropriate.  
8.4 If the appropriations for either county  
8.5 state aids or municipal state aids does  
8.6 exhaust the balance in the fund from  
8.7 which it is made in the year for which  
8.8 it is made, the commissioner of finance  
8.9 shall notify the chairs and ranking minority  
8.10 members of the house of representatives  
8.11 and senate committees with jurisdiction  
8.12 over transportation finance of the amount by  
8.13 which the appropriation exceeds the balance  
8.14 and shall then reduce that amount from the  
8.15 appropriation.

8.16	<u>(c) Town Road Sign Replacement Program</u>	<u>2,500,000</u>	<u>0</u>
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8.17 This appropriation is from the general fund  
8.18 to the commissioner of transportation to  
8.19 implement the town road sign replacement  
8.20 program established in Laws 2005, First  
8.21 Special Session chapter 6, article 3, section  
8.22 89. For the purpose of this appropriation,  
8.23 implementation includes the purchase and  
8.24 installation of new signs. This appropriation  
8.25 may be used to satisfy any local matching  
8.26 requirement for the receipt of federal funds.  
8.27 Designated funds not allocated by July 1,  
8.28 2009, cancel and revert to the general fund.

8.29 Subd. 5. General Support

8.30	<u>(a) Department Support</u>	<u>40,827,000</u>	<u>41,623,000</u>
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8.31	<u>Appropriations by Fund</u>		
8.32	<u>Trunk Highway</u>	<u>40,802,000</u>	<u>41,598,000</u>
8.33	<u>Airports</u>	<u>25,000</u>	<u>25,000</u>

8.34	<u>(b) Buildings</u>	<u>17,382,000</u>	<u>17,445,000</u>
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9.1	<u>Appropriations by Fund</u>		
9.2	<u>General</u>	<u>56,000</u>	<u>56,000</u>
9.3	<u>Trunk Highway</u>	<u>17,326,000</u>	<u>17,389,000</u>

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

9.7 Subd. 6. **Transfers**

9.8 With the approval of the commissioner of  
9.9 finance, the commissioner of transportation  
9.10 may transfer unencumbered balances  
9.11 among the appropriations from the trunk  
9.12 highway fund and the state airports fund  
9.13 made in this section. No transfer may be  
9.14 made from the appropriation for state road  
9.15 construction. No transfer may be made  
9.16 from the appropriations for debt service to  
9.17 any other appropriation. Transfers under  
9.18 this paragraph may not be made between  
9.19 funds. Transfers between programs must  
9.20 be reported immediately to the chairs and  
9.21 ranking minority members of the house of  
9.22 representatives and senate committees with  
9.23 jurisdiction over transportation finance.

9.24 The commissioner of finance shall transfer  
9.25 from the flexible account in the county  
9.26 state-aid highway fund \$5,950,000 the first  
9.27 year and \$2,820,000 the second year to the  
9.28 municipal turnback account in the municipal  
9.29 state-aid street fund and \$12,940,000 the first  
9.30 year and \$15,330,000 the second year to the  
9.31 trunk highway fund; and the remainder in  
9.32 each year to the county turnback account in  
9.33 the county state-aid highway fund.

9.34 On or after July 1, 2007, the commissioner  
9.35 of finance shall:

10.1 (1) transfer \$4,600,000 from the trunk  
10.2 highway revolving loan account in the  
10.3 transportation revolving loan fund to the  
10.4 trunk highway fund; and  
10.5 (2) transfer \$1,221,000 from the general fund  
10.6 to the trunk highway fund, to reimburse the  
10.7 fund for transfer of trunk highway land to the  
10.8 city of Mounds View.

10.9 **Subd. 7. Use of State Road Construction**  
10.10 **Appropriation**

10.11 Any money appropriated to the commissioner  
10.12 of transportation for state road construction  
10.13 for any fiscal year before fiscal year 2008 is  
10.14 available to the commissioner during fiscal  
10.15 years 2008 and 2009 to the extent that the  
10.16 commissioner spends the money on the  
10.17 state road construction project for which the  
10.18 money was originally encumbered during the  
10.19 fiscal year for which it was appropriated. The  
10.20 commissioner of transportation shall report  
10.21 to the commissioner of finance by August  
10.22 1, 2007, and August 1, 2008, on a form  
10.23 the commissioner of finance provides, on  
10.24 expenditures made during the previous fiscal  
10.25 year that are authorized by this subdivision.

10.26 **Subd. 8. Contingent Trunk Highway**  
10.27 **Appropriation**

10.28 The commissioner of transportation, with  
10.29 the approval of the governor and the written  
10.30 approval of at least five members of a  
10.31 group consisting of (1) the members of the  
10.32 Legislative Advisory Commission under  
10.33 Minnesota Statutes, section 3.30, and (2) the  
10.34 ranking minority members of the house of  
10.35 representatives and senate committees with  
10.36 jurisdiction over transportation finance, may

11.1 transfer all or part of the unappropriated  
11.2 balance in the trunk highway fund to an  
11.3 appropriation (1) for trunk highway design,  
11.4 construction, or inspection in order to  
11.5 take advantage of an unanticipated receipt  
11.6 of income to the trunk highway fund or  
11.7 to take advantage of federal advanced  
11.8 construction funding, (2) for trunk highway  
11.9 maintenance in order to meet an emergency,  
11.10 or (3) to pay tort or environmental claims.  
11.11 Nothing in this subdivision authorizes the  
11.12 commissioner to increase the use of federal  
11.13 advanced construction funding beyond  
11.14 amounts specifically authorized. Any  
11.15 transfer as a result of the use of federal  
11.16 advanced construction funding must include  
11.17 an analysis of the effects on the long-term  
11.18 trunk highway fund balance. The amount  
11.19 transferred is appropriated for the purpose of  
11.20 the account to which it is transferred.

11.21 Sec. 4. **METROPOLITAN COUNCIL**

11.22	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$ 108,753,000</u></b>	<b><u>\$ 85,090,000</u></b>
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11.23 These appropriations are from the general  
11.24 fund.

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

11.28	<b><u>Subd. 2. Bus Transit</u></b>	<b><u>97,214,000</u></b>	<b><u>73,453,000</u></b>
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11.29 These appropriations are for bus system  
11.30 operations.

11.31 \$23,761,000 the first year is a onetime  
11.32 appropriation and does not add to the base  
11.33 appropriation.

11.34	<b><u>Subd. 3. Rail Operations</u></b>	<b><u>11,539,000</u></b>	<b><u>11,637,000</u></b>
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**H.F. No. 946, 5th Engrossment - 85th Legislative Session (2007-2008)**

12.1 These appropriations are for operations of  
12.2 the Hiawatha light rail transit line.

12.3 The base appropriations are \$5,300,000 for  
12.4 fiscal year 2010 and \$5,300,000 for fiscal  
12.5 year 2011.

12.6 The Hennepin County Regional Rail  
12.7 Authority may not pay any portion of the  
12.8 operating costs for the Hiawatha light rail  
12.9 transit line.

12.10     **Sec. 5. PUBLIC SAFETY**

12.11	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$ 145,589,000</u></b>	<b><u>\$ 151,473,000</u></b>
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12.12 Appropriations by Fund

12.13		<u>2008</u>	<u>2009</u>
12.14	<u>General</u>	<u>7,859,000</u>	<u>8,054,000</u>
12.15	<u>Trunk Highway</u>	<u>80,967,000</u>	<u>85,268,000</u>
12.16	<u>H.U.T.D.</u>	<u>8,813,000</u>	<u>9,113,000</u>
12.17	<u>Special Revenue</u>	<u>47,950,000</u>	<u>49,038,000</u>

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

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

12.22	(a) <b>Office of Communications</b>	412,000	434,000
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12.23 Appropriations by Fund

12.24	<u>General</u>	<u>40,000</u>	<u>41,000</u>
12.25	Trunk Highway	372,000	393,000

12.26	(b) <b>Public Safety Support</b>	<u>7,986,000</u>	8,213,000
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12.27 Appropriations by Fund

12.28	<u>General</u>	<u>3,247,000</u>	<u>3,341,000</u>
12.29	<u>Trunk Highway</u>	<u>3,373,000</u>	<u>3,506,000</u>
12.30	H.U.T.D.	1,366,000	1,366,000

12.31 Of the amounts from the general fund,  
12.32 \$110,000 the first year and \$28,000 the  
12.33 second year are onetime appropriations  
12.34 for a security coordinator to coordinate

13.1 planning efforts for the Republican National  
13.2 Convention, and do not add to the base  
13.3 appropriations.

13.4 \$380,000 the first year and \$380,000 the  
13.5 second year are appropriated from the general  
13.6 fund for payment of public safety officer  
13.7 survivor benefits under Minnesota Statutes,  
13.8 section 299A.44. If the appropriation for  
13.9 either year is insufficient, the appropriation  
13.10 for the other year is available for it.

13.11 \$1,199,000 the first year and \$1,367,000  
13.12 the second year are appropriated from the  
13.13 general fund to be deposited in the public  
13.14 safety officer's benefit account. This money  
13.15 is available for reimbursements under  
13.16 Minnesota Statutes, section 299A.465.

13.17 \$508,000 the first year and \$508,000 the  
13.18 second year are appropriated from the general  
13.19 fund for soft body armor reimbursements  
13.20 under Minnesota Statutes, section 299A.38.

13.21 \$792,000 the first year and \$792,000  
13.22 the second year are appropriated from the  
13.23 general fund for transfer by the commissioner  
13.24 of finance to the trunk highway fund on  
13.25 December 31, 2007, and December 31, 2008,  
13.26 respectively, in order to reimburse the trunk  
13.27 highway fund for expenses not related to the  
13.28 fund. These represent amounts appropriated  
13.29 out of the trunk highway fund for general  
13.30 fund purposes in the administration and  
13.31 related services program.

13.32 \$610,000 the first year and \$610,000 the  
13.33 second year are appropriated from the  
13.34 highway user tax distribution fund for  
13.35 transfer by the commissioner of finance to

14.1	<u>the trunk highway fund on December 31,</u>		
14.2	<u>2007, and December 31, 2008, respectively,</u>		
14.3	<u>in order to reimburse the trunk highway</u>		
14.4	<u>fund for expenses not related to the fund.</u>		
14.5	<u>These represent amounts appropriated out</u>		
14.6	<u>of the trunk highway fund for highway</u>		
14.7	<u>user tax distribution fund purposes in the</u>		
14.8	<u>administration and related services program.</u>		
14.9	<u>\$716,000 the first year and \$716,000 the</u>		
14.10	<u>second year are appropriated from the</u>		
14.11	<u>highway user tax distribution fund for</u>		
14.12	<u>transfer by the commissioner of finance to</u>		
14.13	<u>the general fund on December 31, 2007, and</u>		
14.14	<u>December 31, 2008, respectively, in order to</u>		
14.15	<u>reimburse the general fund for expenses not</u>		
14.16	<u>related to the fund. These represent amounts</u>		
14.17	<u>appropriated out of the general fund for</u>		
14.18	<u>operation of the criminal justice data network</u>		
14.19	<u>related to driver and motor vehicle licensing.</u>		
14.20	<b><u>(c) Technical Support Services</u></b>	<u>3,870,000</u>	<u>3,870,000</u>
14.21	<u>Appropriations by Fund</u>		
14.22	<u>General</u>	<u>1,507,000</u>	<u>1,507,000</u>
14.23	<u>Trunk Highway</u>	<u>2,344,000</u>	<u>2,344,000</u>
14.24	<u>H.U.T.D.</u>	<u>19,000</u>	<u>19,000</u>
14.25	<u>Of the amounts from the general fund,</u>		
14.26	<u>\$1,416,000 the first year and \$1,416,000</u>		
14.27	<u>the second year are for information systems</u>		
14.28	<u>security and disaster recovery.</u>		
14.29	<b><u>Subd. 3. State Patrol</u></b>		
14.30	<b><u>(a) Patrolling Highways</u></b>	<u>67,626,000</u>	<u>71,522,000</u>
14.31	<u>Appropriations by Fund</u>		
14.32	<u>General</u>	<u>37,000</u>	<u>37,000</u>
14.33	<u>Trunk Highway</u>	<u>67,497,000</u>	<u>71,393,000</u>
14.34	<u>H.U.T.D.</u>	<u>92,000</u>	<u>92,000</u>

15.1	<u>Of the amounts from the trunk highway fund,</u>		
15.2	<u>\$2,060,000 the first year and \$3,653,000 the</u>		
15.3	<u>second year are for the cost of adding 40</u>		
15.4	<u>state patrol troopers.</u>		
15.5	<u>Of the amounts from the trunk highway fund,</u>		
15.6	<u>\$1,137,000 the first year and \$1,137,000 the</u>		
15.7	<u>second year are for fuel costs.</u>		
15.8	<u>(b) Commercial Vehicle Enforcement</u>	<u>6,945,000</u>	<u>7,196,000</u>
15.9	<u>\$198,000 the first year and \$198,000 the</u>		
15.10	<u>second year are for fuel costs.</u>		
15.11	<u>(c) Capitol Security</u>	<u>3,028,000</u>	<u>3,128,000</u>
15.12	<u>These appropriations are from the general</u>		
15.13	<u>fund.</u>		
15.14	<u>The commissioner may not (1) spend</u>		
15.15	<u>any money from the trunk highway fund</u>		
15.16	<u>for capitol security or (2) permanently</u>		
15.17	<u>transfer any state trooper from the patrolling</u>		
15.18	<u>highways activity to capitol security.</u>		
15.19	<u>The commissioner may not transfer any</u>		
15.20	<u>money (1) appropriated for Department of</u>		
15.21	<u>Public Safety administration, the patrolling of</u>		
15.22	<u>highways, commercial vehicle enforcement,</u>		
15.23	<u>or driver and vehicle services to capitol</u>		
15.24	<u>security or (2) from capitol security.</u>		
15.25	<u>Subd. 4. Driver and Vehicle Services</u>		
15.26	<u>(a) Vehicle Services</u>	<u>26,032,000</u>	<u>26,609,000</u>
15.27	<u>Appropriations by Fund</u>		
15.28	<u>H.U.T.D.</u>	<u>7,336,000</u>	<u>7,636,000</u>
15.29	<u>Special Revenue</u>	<u>18,696,000</u>	<u>18,973,000</u>
15.30	<u>The base appropriations from the highway</u>		
15.31	<u>user tax distribution fund are \$7,936,000 for</u>		
15.32	<u>fiscal year 2010 and \$8,236,000 for fiscal</u>		
15.33	<u>year 2011.</u>		

16.1	<u>The special revenue fund appropriations are</u>		
16.2	<u>from the vehicle services operating account.</u>		
16.3	<u>Of the amounts from the special revenue</u>		
16.4	<u>fund, \$47,000 the first year and \$45,000 the</u>		
16.5	<u>second year are for a driver license and motor</u>		
16.6	<u>vehicle records contract coordinator.</u>		
16.7	<b><u>(b) Driver Services</u></b>	<u>27,940,000</u>	<u>28,712,000</u>
16.8	<u>Appropriations by Fund</u>		
16.9	<u>Trunk Highway</u>	<u>1,000</u>	<u>1,000</u>
16.10	<u>Special Revenue</u>	<u>27,939,000</u>	<u>28,711,000</u>
16.11	<u>The special revenue fund appropriations are</u>		
16.12	<u>from the driver services operating account.</u>		
16.13	<u>Of the amounts from the special revenue</u>		
16.14	<u>fund, \$25,000 the first year and \$23,000 the</u>		
16.15	<u>second year are for a driver license and motor</u>		
16.16	<u>vehicle records contract coordinator.</u>		
16.17	<b><u>Subd. 5. Traffic Safety</u></b>	<u>435,000</u>	<u>435,000</u>
16.18	<u>\$111,000 the first year and \$111,000</u>		
16.19	<u>the second year are for planning and</u>		
16.20	<u>administration of grants from the National</u>		
16.21	<u>Highway Traffic Safety Administration.</u>		
16.22	<u>The commissioner of public safety shall</u>		
16.23	<u>spend 50 percent of the money available</u>		
16.24	<u>to the state under Public Law 105-206,</u>		
16.25	<u>section 164, and the remaining 50 percent</u>		
16.26	<u>must be transferred to the commissioner</u>		
16.27	<u>of transportation for hazard elimination</u>		
16.28	<u>activities under United States Code, title 23,</u>		
16.29	<u>section 152.</u>		
16.30	<b><u>Subd. 6. Pipeline Safety</u></b>	<u>1,315,000</u>	<u>1,354,000</u>
16.31	<u>These appropriations are from the pipeline</u>		
16.32	<u>safety account in the special revenue fund.</u>		



17.1

17.2

Sec. 6. GENERAL CONTINGENT ACCOUNTS

\$

375,000

\$

375,000

17.3

17.4

17.5

17.6

17.7

<u>Appropriations by Fund</u>		
	<u>2008</u>	<u>2009</u>
<u>Trunk Highway</u>	<u>200,000</u>	<u>200,000</u>
<u>H.U.T.D.</u>	<u>125,000</u>	<u>125,000</u>
<u>Airports</u>	<u>50,000</u>	<u>50,000</u>

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The appropriations in this section may only be spent with the approval of the governor and the written approval of at least five members of a group consisting of (1) the members of the Legislative Advisory Commission under Minnesota Statutes, section 3.30, and (2) the ranking minority members of the house of representatives and senate committees with jurisdiction over transportation finance.

17.18

17.19

17.20

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

17.21

17.22

17.23

17.24

17.25

17.26

Sec. 7. TORT CLAIMS

\$

600,000

\$

600,000

17.22

17.23

These appropriations are to the commissioner of finance.

17.24

17.25

17.26

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

17.27

17.28

Sec. 8. Laws 2005, First Special Session chapter 6, article 1, section 4, subdivision 4, is amended to read:

17.29

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

51,389,000

50,814,000

17.30

17.31

17.32

<u>Summary by Fund</u>		
<u>Highway User</u>	<u>6,966,000</u>	<u>7,036,000</u>
<u>Special Revenue</u>	<u>44,423,000</u>	<u>43,778,000</u>

17.33

(a) **Vehicle Services**

23,383,000

23,849,000

18.1	Summary by Fund		
18.2	Highway User	6,966,000	7,036,000
18.3	Special Revenue	16,417,000	16,813,000
18.4	This appropriation is from the vehicle		
18.5	services operating account in the special		
18.6	revenue fund.		
18.7	<u>This appropriation is available until June 30,</u>		
18.8	<u>2009.</u>		
18.9	<u>Of any amount carried forward from fiscal</u>		
18.10	<u>year 2007, up to \$1,750,000 is for planning</u>		
18.11	<u>for the replacement of the driver and vehicle</u>		
18.12	<u>services automated support systems. Any</u>		
18.13	<u>remaining amount carried forward from</u>		
18.14	<u>fiscal year 2007 is to implement remediation</u>		
18.15	<u>strategies as necessary to avoid a systematic</u>		
18.16	<u>failure.</u>		
18.17	(b) Driver Services	28,006,000	26,965,000
18.18	This appropriation is from the driver services		
18.19	operating account in the special revenue		
18.20	fund.		
18.21	Sec. 9. <b><u>FEDERAL FUNDS SPENDING AUTHORITY.</u></b>		
18.22	<u>The commissioner of transportation may spend up to \$5,000,000 from July 1, 2008,</u>		
18.23	<u>through June 30, 2013, in federal transit funds for capital assistance to public transit</u>		
18.24	<u>systems under Minnesota Statutes, section 174.24. This amount is in addition to any</u>		
18.25	<u>appropriations made by law for this purpose.</u>		
18.26	Sec. 10. <b><u>AIRPORT FUNDING ADVISORY TASK FORCE.</u></b>		
18.27	<u>Subdivision 1. <b>Task force established.</b> An advisory task force on airport funding</u>		
18.28	<u>issues is established to study and make recommendations regarding the best methods for</u>		
18.29	<u>funding airports in the state and the state airports fund. The task force shall study:</u>		
18.30	<u>(1) the adequacy of current sources of revenue for the state airports fund and airports</u>		
18.31	<u>in the state;</u>		
18.32	<u>(2) policy considerations regarding the use of the sales tax on aircraft as a potential</u>		
18.33	<u>source of revenue for airports;</u>		

- 19.1           (3) how other states fund airports;  
19.2           (4) projected aviation needs of the future, including required investments in aviation  
19.3 infrastructure;  
19.4           (5) aircraft registration taxes; and  
19.5           (6) other issues relating to the funding of airports as determined by the task force.

19.6           Subd. 2. **Membership.** (a) The task force is comprised of the following members:

19.7           (1) three members of the senate, including at least one member from the minority  
19.8 party, appointed by the Subcommittee on Committees of the Committee on Rules and  
19.9 Administration of the senate; and

19.10          (2) three members of the house of representatives, two appointed by the speaker of  
19.11 the house and one appointed by the minority leader.

19.12 The appointing authorities must select members based on knowledge and experience in  
19.13 aviation funding issues. All appointments required by this paragraph must be completed  
19.14 by September 1, 2007.

19.15          (b) The chair of the task force may appoint additional nonvoting members to the task  
19.16 force, including, but not limited to, representatives of the following organizations:

19.17          (1) the Department of Transportation Aeronautics Office;

19.18          (2) the Aircraft Owners and Pilots Association;

19.19          (3) the Experimental Aircraft Association/ACAA;

19.20          (4) the Metropolitan Airports Commission;

19.21          (5) the Minnesota Aviation Trades Association;

19.22          (6) the Minnesota Business Aviation Association;

19.23          (7) the Minnesota Council of Airports;

19.24          (8) the Minnesota Seaplane Pilots Association;

19.25          (9) the National Business Aviation Association; and

19.26          (10) the Minnesota Wing, Civil Air Patrol.

19.27          (c) The director of the aeronautics office in the Department of Transportation shall  
19.28 convene the first meeting of the task force within two weeks after the legislative members  
19.29 have been appointed to the task force. The members shall elect a chairperson from their  
19.30 membership at the first meeting.

19.31          Subd. 3. **Report.** By February 15, 2008, the task force shall report its  
19.32 recommendations to the chairs of the legislative committees with jurisdiction over airports  
19.33 and aviation issues and to the legislature as required by Minnesota Statutes, section 3.195.

Subd. 4. **Expenses.** Per diem and expenses for members of the task force are as provided for under Minnesota Statutes, section 15.059.

Subd. 5. **Expiration.** This section expires after the submission of the report as required under subdivision 3.

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

## **ARTICLE 2**

### **TRUNK HIGHWAY BONDING**

#### Section 1. **[296A.083] ANNUAL DEBT SERVICE SURCHARGE.**

(a) On June 30, 2007, and each March 1 thereafter, the commissioner of finance shall report to the commissioner of revenue the amount of the trunk highway debt service transfer forecast in the next two fiscal years attributable to the trunk highway bonds authorized in sections 2 to 4.

(b) By July 16, 2007, and each April 1 thereafter, the commissioner of revenue shall compute and publish a surcharge for each fuel tax provided for in sections 296A.07, subdivision 3, and 296A.08, subdivision 2, in proportion to the rate of tax for each type of fuel. The surcharge must be calculated to raise an amount of money which, when added to the balance in the trunk highway debt service account, covers the debt service transfer forecast in the next two fiscal years, except that the surcharge may not exceed 2.5 cents per gallon for gasoline taxed under section 296A.07, subdivision 3, clause (3), or a proportional rate for each other type of fuel. The surcharge must be rounded to the nearest 0.1 cent. The surcharge is effective on August 1, 2007, to June 30, 2008, and each new surcharge thereafter is effective the following July 1 to June 30.

#### Sec. 2. **TRANSPORTATION APPROPRIATIONS.**

(a) \$150,000,000 is appropriated from the bond proceeds account in the trunk highway fund to the commissioner of transportation in each of fiscal years 2008 through 2017 for trunk highway improvements. No more than \$22,500,000 of each year's appropriation may be used by the commissioner for program delivery.

Of this amount, in fiscal year 2008:

(1) \$4,299,000 is for predesign, design, construction, and restoration of historic roadside properties on the Great River Road. The commissioner shall consult with the Minnesota Mississippi River Parkway Commission to determine project priorities;

(2) \$20,673,000 is to the commissioner of transportation to design, construct, furnish, and equip a new Department of Transportation district headquarters facility in Mankato;

21.1 (3) \$12,715,000 is appropriated to the commissioner of administration to repair and  
21.2 renovate the exterior of the Department of Transportation Building at 395 John Ireland  
21.3 Boulevard in St. Paul; and

21.4 (4) \$40,000,000 is for construction of interchanges involving a trunk highway,  
21.5 where the interchange will promote economic development, increase employment, relieve  
21.6 growing traffic congestion, and promote traffic safety.

21.7 (b) The commissioner shall use at least \$50,000,000 of this appropriation for  
21.8 accelerating transit facility improvements on or adjacent to trunk highways.

21.9            **Sec. 3. FINANCE APPROPRIATION.**

21.10 \$150,000 is appropriated from the bond proceeds account in the trunk highway  
21.11 fund to the commissioner of finance in each of fiscal years 2008 through 2017 for bond  
21.12 sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50,  
21.13 subdivision 4.

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

21.15 To provide the money appropriated in this article from the bond proceeds account  
21.16 in the trunk highway fund, the commissioner of finance shall sell and issue bonds of the  
21.17 state in an amount up to \$1,501,500,000 in the manner, upon the terms, and with the  
21.18 effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota  
21.19 Constitution, article XIV, section 11, at the times and in the amounts requested by the  
21.20 commissioner of transportation. The proceeds of the bonds, except accrued interest and  
21.21 any premium received from the sale of the bonds, must be deposited in the bond proceeds  
21.22 account in the trunk highway fund.

21.23 **ARTICLE 3**  
21.24 **HIGHWAY USER TAXES**

21.25 Section 1. Minnesota Statutes 2006, section 16A.88, is amended to read:

21.26 **16A.88 TRANSIT FUNDS ASSISTANCE FUND.**

21.27 Subdivision 1. **Transit assistance fund.** A transit assistance fund is established  
21.28 within the state treasury. The fund receives money distributed under section 297B.09,  
21.29 subdivision 1, and other money as specified by law. Money in the fund must be allocated  
21.30 to the greater Minnesota transit account under subdivision 1a and the metropolitan area  
21.31 transit account under subdivision 2 in the manner specified, and must be used solely for  
21.32 transit purposes under the Minnesota Constitution, article XIV, section 13.

22.1 Subd. 1a. **Greater Minnesota transit ~~fund~~ account.** The greater Minnesota transit  
22.2 ~~fund~~ account is established within the transit assistance fund in the state treasury. Money  
22.3 in the ~~fund~~ account is annually appropriated to the commissioner of transportation for  
22.4 assistance to transit systems outside the metropolitan area under section 174.24. ~~Beginning~~  
22.5 ~~in fiscal year 2003~~, The commissioner may use up to ~~\$400,000 each year~~ \$408,000 in  
22.6 fiscal year 2008 and \$416,000 in fiscal year 2009 and thereafter for administration of the  
22.7 transit program. The commissioner shall use the ~~fund~~ account for transit operations as  
22.8 provided in section 174.24 and related program administration.

22.9 Subd. 2. **Metropolitan area transit ~~fund~~ account.** The metropolitan area transit  
22.10 ~~fund~~ account is established within the transit assistance fund in the state treasury. All  
22.11 money in the ~~fund~~ account is annually appropriated to the Metropolitan Council for the  
22.12 funding of transit systems within the metropolitan area under sections 473.384, 473.386,  
22.13 473.387, 473.388, and 473.405 to 473.449.

22.14 ~~Subd. 3. **Metropolitan area transit appropriation account.** The metropolitan~~  
22.15 ~~area transit appropriation account is established within the general fund. Money in the~~  
22.16 ~~account is to be used for the funding of transit systems in the metropolitan area, subject to~~  
22.17 ~~legislative appropriation.~~

22.18 Sec. 2. Minnesota Statutes 2006, section 168.013, subdivision 1a, is amended to read:

22.19 Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined  
22.20 in section 168.011, subdivision 7, and hearses, except as otherwise provided, the tax shall  
22.21 be \$10 plus an additional tax equal to 1.25 percent of the base value.

22.22 (b) Subject to the classification provisions herein, "base value" means the  
22.23 manufacturer's suggested retail price of the vehicle including destination charge using list  
22.24 price information published by the manufacturer or determined by the registrar if no  
22.25 suggested retail price exists, and shall not include the cost of each accessory or item of  
22.26 optional equipment separately added to the vehicle and the suggested retail price.

22.27 (c) If the manufacturer's list price information contains a single vehicle identification  
22.28 number followed by various descriptions and suggested retail prices, the registrar shall  
22.29 select from those listings only the lowest price for determining base value.

22.30 (d) If unable to determine the base value because the vehicle is specially constructed,  
22.31 or for any other reason, the registrar may establish such value upon the cost price to the  
22.32 purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales  
22.33 or use tax or any local sales or other local tax.

22.34 (e) The registrar shall classify every vehicle in its proper base value class as follows:

23.1	FROM	TO
23.2	\$ 0	\$ 199.99
23.3	200	399.99

23.4 and thereafter a series of classes successively set in brackets having a spread of \$200  
23.5 consisting of such number of classes as will permit classification of all vehicles.

23.6 (f) The base value for purposes of this section shall be the middle point between  
23.7 the extremes of its class.

23.8 (g) The registrar shall establish the base value, when new, of every passenger  
23.9 automobile and hearse registered prior to the effective date of Extra Session Laws 1971,  
23.10 chapter 31, using list price information published by the manufacturer or any nationally  
23.11 recognized firm or association compiling such data for the automotive industry. If unable  
23.12 to ascertain the base value of any registered vehicle in the foregoing manner, the registrar  
23.13 may use any other available source or method. The registrar shall calculate tax using base  
23.14 value information available to dealers and deputy registrars at the time the application for  
23.15 registration is submitted. The tax on all previously registered vehicles shall be computed  
23.16 upon the base value thus determined taking into account the depreciation provisions of  
23.17 paragraph (h).

23.18 (h) The annual additional tax computed upon the base value as provided herein,  
23.19 during the first ~~and second years~~ year of vehicle life shall be computed upon 100 percent  
23.20 of the base value; for the second year, 80 percent of such value; for the third ~~and fourth~~  
23.21 ~~years~~ year, 70 percent of such value; for the fourth year, 60 percent of such value; for  
23.22 the fifth ~~and sixth years~~ year, 50 percent of such value; for the sixth year, 40 percent  
23.23 of such value; for the seventh year, ~~60~~ 35 percent of such value; for the eighth year, ~~40~~  
23.24 30 percent of such value; for the ninth year, ~~30~~ 20 percent of such value; for the tenth year,  
23.25 ten percent of such value; for the 11th and each succeeding year, the sum of \$25.

23.26 In no event shall the annual additional tax be less than \$25. ~~The total tax under this~~  
23.27 ~~subdivision shall not exceed \$189 for the first renewal period and shall not exceed \$99~~  
23.28 ~~for subsequent renewal periods. The total tax under this subdivision on any vehicle filing~~  
23.29 ~~its initial registration in Minnesota in the second year of vehicle life shall not exceed~~  
23.30 ~~\$189 and shall not exceed \$99 for subsequent renewal periods. The total tax under~~  
23.31 ~~this subdivision on any vehicle filing its initial registration in Minnesota in the third or~~  
23.32 ~~subsequent year of vehicle life shall not exceed \$99 and shall not exceed \$99 in any~~  
23.33 ~~subsequent renewal period~~ The annual additional tax under this paragraph must not exceed  
23.34 the annual additional tax that was previously paid or due on that vehicle.

23.35 (i) ~~As used in this subdivision and section 168.017, the following terms have the~~  
23.36 ~~meanings given: "initial registration" means the 12 consecutive months calendar period~~

24.1 ~~from the day of first registration of a vehicle in Minnesota; and "renewal periods" means~~  
24.2 ~~the 12 consecutive calendar months periods following the initial registration period.~~

24.3 Sec. 3. Minnesota Statutes 2006, section 168.017, subdivision 3, is amended to read:

24.4 Subd. 3. **Exceptions.** (a) The registrar shall register all vehicles subject to  
24.5 registration under the monthly series system for a period of 12 consecutive calendar  
24.6 months, unless:

24.7 (1) the application is an original rather than renewal application; or

24.8 (2) the applicant is a licensed motor vehicle lessor under section 168.27 and the  
24.9 vehicle is leased or rented for periods of time of not more than 28 days, in which case the  
24.10 applicant may apply for initial or renewed registration of a vehicle for a period of four  
24.11 or more months, the month of expiration to be designated by the applicant at the time of  
24.12 registration. However, to qualify for this exemption, the applicant must (1) present the  
24.13 application to the registrar at St. Paul, or at a designated deputy registrar offices as the  
24.14 registrar may designate office, and (2) stamp in red, on the certificate of title, the phrase  
24.15 "The expiration month of this vehicle is ....." with the blank filled in with the month of  
24.16 expiration as if the vehicle is being registered for a period of 12 calendar months.

24.17 (b) In any instance except that of a licensed motor vehicle lessor, the registrar shall  
24.18 not approve registering the vehicle subject to the application for a period of less than three  
24.19 months, except when the registrar determines that to do otherwise will help to equalize  
24.20 the registration and renewal work load of the department.

24.21 Sec. 4. Minnesota Statutes 2006, section 174.24, subdivision 1, is amended to read:

24.22 Subdivision 1. **Establishment; purpose.** A public transit participation program is  
24.23 established to carry out the objectives stated in section 174.21 by providing financial  
24.24 assistance from the state, including the greater Minnesota transit ~~fund~~ and account established  
24.25 in section 16A.88, to eligible recipients outside of the metropolitan area.

24.26 Sec. 5. Minnesota Statutes 2006, section 174.24, subdivision 3b, is amended to read:

24.27 Subd. 3b. **Operating assistance; recipient classifications.** (a) The commissioner  
24.28 shall determine the total operating cost of any public transit system receiving or applying  
24.29 for assistance in accordance with generally accepted accounting principles. To be eligible  
24.30 for financial assistance, an applicant or recipient shall provide to the commissioner  
24.31 all financial records and other information and shall permit any inspection reasonably  
24.32 necessary to determine total operating cost and correspondingly the amount of assistance  
24.33 that may be paid to the applicant or recipient. Where more than one county or municipality



contributes assistance to the operation of a public transit system, the commissioner shall identify one as lead agency for the purpose of receiving money under this section.

(b) Prior to distributing operating assistance to eligible recipients for any contract period, the commissioner shall place all recipients into one of the following classifications: urbanized area service, small urban area service, rural area service, and elderly and disabled service. The commissioner shall distribute funds under this section so that the percentage of total operating cost paid by any recipient from local sources will not exceed the percentage for that recipient's classification, except as provided in an undue hardship case. The percentages must be: for urbanized area service and small urban area service, 20 percent; for rural area service, 15 percent; and for elderly and disabled service, 15 percent. The remainder of the total operating cost will be paid from state funds less any assistance received by the recipient from any federal source. For purposes of this subdivision, "local sources" means all local sources of funds and includes all operating revenue, tax levies, and contributions from public funds, except that the commissioner may exclude from the total assistance contract revenues derived from operations the cost of which is excluded from the computation of total operating cost. Total operating costs of the Duluth Transit Authority or a successor agency does not include costs related to the Superior, Wisconsin service contract and the Independent School District No. 709 service contract. ~~For calendar years 2004 and 2005, to enable public transit systems to meet the provisions of this section, the commissioner may adjust payments of financial assistance to recipients that were under a contract with the department on January 1, 2003. Payments to such a recipient in calendar years 2004 and 2005 from the greater Minnesota transit fund may not be less than the payment to the recipient from that fund in calendar year 2003, except for reductions made necessary by reductions in base funding for those years.~~

(c) If a recipient informs the commissioner in writing after the establishment of these percentages but prior to the distribution of financial assistance for any year that paying its designated percentage of total operating cost from local sources will cause undue hardship, the commissioner may reduce the percentage to be paid from local sources by the recipient and increase the percentage to be paid from local sources by one or more other recipients inside or outside the classification. However, the commissioner may not reduce or increase any recipient's percentage under this paragraph for more than two years successively. If for any year the funds appropriated to the commissioner to carry out the purposes of this section are insufficient to allow the commissioner to pay the state share of total operating cost as provided in this paragraph, the commissioner shall reduce the state share in each classification to the extent necessary.

26.1 Sec. 6. Minnesota Statutes 2006, section 174.24, subdivision 5, is amended to read:

26.2 Subd. 5. **Method of payment, operating assistance.** Payments for operating  
26.3 assistance under this section must be made in the following manner:

26.4 (a) For payments made from the general fund:

26.5 (1) 50 percent of the total contract amount in the first month of operation;

26.6 (2) 40 percent of the total contract amount in the seventh month of operation;

26.7 (3) 9 percent of the total contract amount in the 12th month of operation; and

26.8 (4) 1 percent of the total contract amount after the final audit.

26.9 (b) For payments made from the greater Minnesota transit ~~fund~~ account:

26.10 (1) 50 percent of the total contract amount in the seventh month of operation; and

26.11 (2) 50 percent of the total contract amount in the 11th month of operation.

26.12 Sec. 7. Minnesota Statutes 2006, section 296A.07, subdivision 3, is amended to read:

26.13 Subd. 3. **Rate of tax.** The gasoline excise tax is imposed at the following rates:

26.14 (1) E85 is taxed at the rate of ~~14.2~~ 17.75 cents per gallon;

26.15 (2) M85 is taxed at the rate of ~~11.4~~ 14.25 cents per gallon; and

26.16 (3) all other gasoline is taxed at the rate of ~~20~~ 25 cents per gallon.

26.17 **EFFECTIVE DATE.** This section is effective September 1, 2007, and applies to all  
26.18 gasoline, undyed diesel fuel, and special fuel in distributor storage on September 1, 2007.

26.19 Sec. 8. Minnesota Statutes 2006, section 296A.08, subdivision 2, is amended to read:

26.20 Subd. 2. **Rate of tax.** The special fuel excise tax is imposed at the following rates:

26.21 (a) Liquefied petroleum gas or propane is taxed at the rate of ~~15~~ 18.75 cents per  
26.22 gallon.

26.23 (b) Liquefied natural gas is taxed at the rate of ~~12~~ 15 cents per gallon.

26.24 (c) Compressed natural gas is taxed at the rate of ~~\$1.739~~ \$2.174 per thousand cubic  
26.25 feet, or ~~20~~ 25 cents per gasoline equivalent. For purposes of this paragraph, "gasoline  
26.26 equivalent," as defined by the National Conference on Weights and Measures, which is  
26.27 5.66 pounds of natural gas.

26.28 (d) All other special fuel is taxed at the same rate as the gasoline excise tax as  
26.29 specified in section 296A.07, subdivision 2. The tax is payable in the form and manner  
26.30 prescribed by the commissioner.

26.31 **EFFECTIVE DATE.** This section is effective September 1, 2007, and applies to all  
26.32 gasoline, undyed diesel fuel, and special fuel in distributor storage on September 1, 2007.

27.1        Sec. 9. Minnesota Statutes 2006, section 297A.64, subdivision 2, is amended to read:

27.2            Subd. 2. **Fee imposed.** A fee equal to ~~three~~ five percent of the sales price is imposed  
27.3        on leases or rentals of vehicles subject to the tax under subdivision 1. The lessor on the  
27.4        invoice to the customer may designate the fee as "a fee imposed by the State of Minnesota  
27.5        for the registration of rental cars."

27.6        Sec. 10. Minnesota Statutes 2006, section 297A.815, is amended by adding a  
27.7        subdivision to read:

27.8            Subd. 4. **Reporting of tax proceeds.** A lessor must report taxes collected under  
27.9        this section separately from any other taxes collected and remitted under this chapter or  
27.10       chapter 297B.

27.11        **EFFECTIVE DATE.** This section is effective July 1, 2009.

27.12        Sec. 11. Minnesota Statutes 2006, section 297A.94, is amended to read:

27.13            **297A.94 DEPOSIT OF REVENUES.**

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

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

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

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

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

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

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

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

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

28.8 (e) For fiscal year 2001, 97 percent; for fiscal years 2002 and 2003, 87 percent; and  
28.9 for fiscal year 2004 and thereafter, 72.43 percent of the revenues, including interest and  
28.10 penalties, transmitted to the commissioner under section 297A.65, must be deposited by  
28.11 the commissioner in the state treasury as follows:

28.12 (1) 50 percent of the receipts must be deposited in the heritage enhancement account  
28.13 in the game and fish fund, and may be spent only on activities that improve, enhance, or  
28.14 protect fish and wildlife resources, including conservation, restoration, and enhancement  
28.15 of land, water, and other natural resources of the state;

28.16 (2) 22.5 percent of the receipts must be deposited in the natural resources fund, and  
28.17 may be spent only for state parks and trails;

28.18 (3) 22.5 percent of the receipts must be deposited in the natural resources fund, and  
28.19 may be spent only on metropolitan park and trail grants;

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

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

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

28.34 (g) The revenues, including interest and penalties, collected under sections 297A.992  
28.35 and 297A.993 must be deposited by the commissioner as provided for in those sections.

29.1            (h) The revenues, including interest and penalties, collected under section 297A.815  
29.2            must be deposited as follows:

29.3            (1) from July 1, 2009, through June 30, 2010, 41.75 percent must be deposited in the  
29.4            highway user tax distribution fund, 31.5 percent in the metropolitan area transit account  
29.5            under section 16A.88, 10.5 percent in the greater Minnesota transit account under section  
29.6            16A.88, and the remaining money in the general fund;

29.7            (2) from July 1, 2010, through June 30, 2011, 46.75 percent must be deposited in  
29.8            the highway user tax distribution fund, 35.25 percent in the metropolitan area transit  
29.9            account, 11.75 percent in the greater Minnesota transit account, and the remaining money  
29.10           in the general fund; and

29.11           (3) on and after July 1, 2011, 50 percent must be deposited in the highway user tax  
29.12           distribution fund, 37.5 percent in the metropolitan area transit account, and 12.5 percent  
29.13           in the greater Minnesota transit account.

29.14           Sec. 12. Minnesota Statutes 2006, section 297B.09, subdivision 1, is amended to read:

29.15           Subdivision 1. **Deposit of revenues.** (a) Money collected and received under this  
29.16           chapter must be deposited as provided in this subdivision.

29.17           ~~(b) From July 1, 2002, to June 30, 2003, 32 percent of the money collected and~~  
29.18           ~~received must be deposited in the highway user tax distribution fund, 20.5 percent must be~~  
29.19           ~~deposited in the metropolitan area transit fund under section 16A.88, and 1.25 percent~~  
29.20           ~~must be deposited in the greater Minnesota transit fund under section 16A.88. The~~  
29.21           ~~remaining money must be deposited in the general fund.~~

29.22           ~~(c) From July 1, 2003, to June 30, 2007, 30 percent of the money collected and~~  
29.23           ~~received must be deposited in the highway user tax distribution fund, 21.5 percent must be~~  
29.24           ~~deposited in the metropolitan area transit fund under section 16A.88, 1.43 percent must be~~  
29.25           ~~deposited in the greater Minnesota transit fund under section 16A.88, 0.65 percent must~~  
29.26           ~~be deposited in the county state-aid highway fund, and 0.17 percent must be deposited~~  
29.27           ~~in the municipal state-aid street fund. The remaining money must be deposited in the~~  
29.28           ~~general fund.~~

29.29           ~~(d) On and after~~ From July 1, 2007, ~~32~~ through June 30, 2008, 38.25 percent of the  
29.30           money collected and received must be deposited in the highway user tax distribution  
29.31           fund, ~~20.5~~ 23 percent ~~must be deposited~~ in the metropolitan area transit ~~fund~~ account  
29.32           under section 16A.88, and ~~1.25~~ 2.5 percent ~~must be deposited~~ in the greater Minnesota  
29.33           transit ~~fund~~ account under section 16A.88. The remaining money must be deposited  
29.34           in the general fund.

(c) From July 1, 2008, through June 30, 2009, 44.25 percent of the money collected and received must be deposited in the highway user tax distribution fund, 26.5 percent in the metropolitan area transit account under section 16A.88, three percent in the greater Minnesota transit account under section 16A.88, and the remaining money in the general fund.

(d) From July 1, 2009, through June 30, 2010, 50.25 percent of the money collected and received must be deposited in the highway user tax distribution fund, 30 percent in the metropolitan area transit account, 3.5 percent in the greater Minnesota transit account, and the remaining money in the general fund.

(e) From July 1, 2010, through June 30, 2011, 56.25 percent of the money collected and received must be deposited in the highway user tax distribution fund, 33.75 percent in the metropolitan area transit account, 3.75 percent in the greater Minnesota transit account, and the remaining money in the general fund.

(f) On and after July 1, 2011, 60 percent of the money collected and received must be deposited in the highway user tax distribution fund, 36 percent in the metropolitan area transit account, and four percent in the greater Minnesota transit account.

Sec. 13. Minnesota Statutes 2006, section 473.446, subdivision 1, is amended to read:

Subdivision 1. **Metropolitan area transit tax.** (a) For the purposes of sections 473.405 to 473.449 and the metropolitan transit system, except as otherwise provided in this subdivision, the council shall levy each year upon all taxable property within the metropolitan area, defined in section 473.121, subdivision 2, a transit tax consisting of:

(1) an amount necessary to provide full and timely payment of certificates of indebtedness, bonds, including refunding bonds or other obligations issued or to be issued under section 473.39 by the council for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the council has specifically pledged tax levies under this clause; and

(2) an additional amount necessary to provide full and timely payment of certificates of indebtedness issued by the council, after consultation with the commissioner of finance, if revenues to the metropolitan area transit ~~fund~~ account in the fiscal year in which the indebtedness is issued increase over those revenues in the previous fiscal year by a percentage less than the percentage increase for the same period in the revised Consumer Price Index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States Department of Labor.

(b) Indebtedness to which property taxes have been pledged under paragraph (a), clause (2), that is incurred in any fiscal year may not exceed the amount necessary to

31.1 make up the difference between (1) the amount that the council received or expects to  
31.2 receive in that fiscal year from the metropolitan area transit ~~fund~~ account and (2) the  
31.3 amount the council received from that fund in the previous fiscal year multiplied by the  
31.4 percentage increase for the same period in the revised Consumer Price Index for all urban  
31.5 consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States  
31.6 Department of Labor.

31.7 Sec. 14. **REPEALER.**

31.8 Minnesota Statutes 2006, section 174.32, is repealed.

31.9 **ARTICLE 4**

31.10 **COUNTY STATE-AID HIGHWAY FUND DISTRIBUTION**

31.11 Section 1. Minnesota Statutes 2006, section 162.06, is amended to read:

31.12 **162.06 ACCRUALS TO COUNTY STATE-AID HIGHWAY FUND;**  
31.13 **ACCOUNTS.**

31.14 Subdivision 1. **Estimate.** (a) By December 15 of each year the commissioner shall  
31.15 estimate the amount of money that will be available to the county state-aid highway fund  
31.16 during that fiscal year. The amount available must be based on actual receipts from July 1  
31.17 through November 30, the unallocated fund balance, and the projected receipts for the  
31.18 remainder of the fiscal year. The ~~total amount~~ available, except for deductions as provided  
31.19 ~~herein,~~ shall be apportioned by the commissioner to the counties as ~~hereinafter~~ provided  
31.20 in section 162.07.

31.21 (b) For purposes of this section, the apportionment sum is the amount calculated  
31.22 in section 162.07, subdivision 1.

31.23 Subd. 2. **Administrative costs of department.** Two percent must be deducted  
31.24 from the ~~total amount available in the county state-aid highway fund~~ apportionment sum,  
31.25 set aside in a separate account, and used for administrative costs incurred by the state  
31.26 Transportation Department in carrying out the provisions relating to the county state-aid  
31.27 highway system.

31.28 Subd. 3. **Disaster account.** (a) After deducting administrative costs as provided in  
31.29 subdivision 2, the commissioner shall set aside each year ~~a sum of money equal to one~~  
31.30 percent of the ~~remaining money in the county state-aid highway fund~~ apportionment sum  
31.31 to provide for a disaster account; provided that the total amount of money in the disaster  
31.32 account must never exceed two percent of the total sums to be apportioned to the counties.  
31.33 ~~This sum~~ The money must be used to provide aid to any county encountering disasters

or unforeseen events affecting its county state-aid highway system, and resulting in an undue and burdensome financial hardship.

(b) Any county desiring aid by reason of disaster or unforeseen event shall request the aid in the form required by the commissioner. Upon receipt of the request, the commissioner shall appoint a board consisting of two representatives of the counties, who must be either a county engineer or member of a county board, from counties other than the requesting county, and a representative of the commissioner. The board shall investigate the matter and report its findings and recommendations in writing to the commissioner.

(c) Final determination of the amount of aid, if any, to be paid to the county from the disaster account must be made by the commissioner. Upon determining to aid a requesting county, the commissioner shall certify to the commissioner of finance the amount of the aid, and the commissioner of finance shall then issue a warrant in that amount payable to the county treasurer of the county. Money so paid must be expended on the county state-aid highway system in accordance with the rules of the commissioner.

Subd. 4. **Research account.** (a) Each year the screening board, provided for in section 162.07, subdivision 5, may recommend to the commissioner a sum of money that the commissioner shall set aside from the ~~county state-aid highway fund~~ apportionment sum and credit to a research account. The amount so recommended and set aside shall not exceed one-half of one percent of the preceding year's apportionment sum.

(b) Any money so set aside shall be used by the commissioner for the purpose of:

(1) conducting research for improving the design, construction, maintenance and environmental compatibility of state-aid highways and appurtenances;

(2) constructing research elements and reconstructing or replacing research elements that fail; and

(3) conducting programs for implementing and monitoring research results.

(c) Any balance remaining in the research account at the end of each year from the sum set aside for the year immediately previous, shall be transferred to the county state-aid highway fund.

Subd. 5. **State park road account.** After deducting for administrative costs and for the disaster account and research account as ~~heretofore provided from the remainder of the total sum provided for in subdivision 1, there shall be deducted~~ provided in this section, the commissioner shall deduct a sum equal to the three-quarters of one percent of the ~~remainder apportionment sum~~. The sum so deducted shall be set aside in a separate account and shall be used for (1) the establishment, location, relocation, construction, reconstruction, and improvement of those roads included in the county state-aid highway system under Minnesota Statutes 1961, section 162.02, subdivision 6, which border and



provide substantial access to an outdoor recreation unit as defined in section 86A.04 or which provide access to the headquarters of or the principal parking lot located within such a unit, and (2) the reconstruction, improvement, repair, and maintenance of county roads, city streets, and town roads that provide access to public lakes, rivers, state parks, and state campgrounds. Roads described in clause (2) are not required to meet county state-aid highway standards. At the request of the commissioner of natural resources the counties wherein such roads are located shall do such work as requested in the same manner as on any county state-aid highway and shall be reimbursed for such construction, reconstruction, or improvements from the amount set aside by this subdivision. Before requesting a county to do work on a county state-aid highway as provided in this subdivision, the commissioner of natural resources must obtain approval for the project from the County State-Aid Screening Board. The screening board, before giving its approval, must obtain a written comment on the project from the county engineer of the county requested to undertake the project. Before requesting a county to do work on a county road, city street, or a town road that provides access to a public lake, a river, a state park, or a state campground, the commissioner of natural resources shall obtain a written comment on the project from the county engineer of the county requested to undertake the project. Any sums paid to counties or cities in accordance with this subdivision shall reduce the money needs of said counties or cities in the amounts necessary to equalize their status with those counties or cities not receiving such payments. Any balance of the amount so set aside, at the end of each year shall be transferred to the county state-aid highway fund.

Subd. 6. **County state-aid highway revolving loan account.** A county state-aid highway revolving loan account is created in the transportation revolving loan fund. The commissioner may transfer to the account the amount allocated under section 162.065. Money in the account may be used to make loans. Funds in the county state-aid highway revolving loan account may be used only for aid in the construction, improvement, and maintenance of county state-aid highways. Funds in the account may not be used for any toll facilities project or congestion-pricing project. Repayments and interest from loans from the county state-aid highway revolving loan account must be credited to that account. Money in the account is annually appropriated to the commissioner and does not lapse. Interest earned from investment of money in this account must be deposited in the county state-aid highway revolving loan account.

Sec. 2. Minnesota Statutes 2006, section 162.07, subdivision 1, is amended to read:

Subdivision 1. ~~**Formula Apportionment sum.**~~ ~~After deducting for administrative costs and for the disaster account and research account and state park roads as heretofore provided, the remainder of the total sum provided for in section 162.06, subdivision 1, shall be identified as the apportionment sum and shall be apportioned by the commissioner to the several counties on the basis of the needs of the counties as determined in accordance with the following formula:~~

(a) The commissioner shall reduce the apportionment sum by the deductions provided for in section 162.06 for administrative costs, disaster account, research account, and state park road account. The commissioner shall apportion the remainder to the several counties on the basis of the needs of the counties, as provided in paragraphs (b) to (e).

~~(a)~~ (b) An amount equal to ten percent of the apportionment sum shall be apportioned equally among the 87 counties.

~~(b)~~ (c) An amount equal to ten percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its motor vehicle registration for the calendar year preceding the one last past, determined by residence of registrants, bears to the total statewide motor vehicle registration.

~~(c)~~ (d) An amount equal to 30 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its total lane-miles of approved county state-aid highways bears to the total lane-miles of approved statewide county state-aid highways. In 1997 and subsequent years no county may receive, as a result of an apportionment under this clause based on lane-miles rather than miles of approved county state-aid highways, an apportionment that is less than its apportionment in 1996.

~~(d)~~ (e) An amount equal to 50 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its money needs bears to the sum of the money needs of all of the individual counties; provided, that the percentage of such amount that each county is to receive shall be adjusted so that each county shall receive in 1958 a total apportionment at least ten percent greater than its total 1956 apportionments from the state road and bridge fund; and provided further that those counties whose money needs are thus adjusted shall never receive a percentage of the apportionment sum less than the percentage that such county received in 1958.

Sec. 3. Minnesota Statutes 2006, section 162.07, is amended by adding a subdivision to read:

35.1           Subd. 1a. Apportionment sum and excess sum. (a) For purposes of this  
35.2           subdivision, "amount available" means the amount identified in section 162.06,  
35.3           subdivision 1.

35.4           (b) The apportionment sum is calculated by subtracting the excess sum, as calculated  
35.5           in paragraph (c), from the amount available.

35.6           (c) The excess sum is calculated as the sum of revenue within the amount available:

35.7           (1) attributed to that portion of the gasoline excise tax rate in excess of 20 cents per  
35.8           gallon, and to that portion of the excise tax rate for E85, M85, and special fuels in excess  
35.9           of the energy equivalent of a gasoline tax rate of 20 cents per gallon;

35.10          (2) attributed to a change in the passenger vehicle registration tax under section  
35.11          168.013, imposed on or after July 1, 2007, that exceeds the amount collected in fiscal year  
35.12          2007 multiplied by the annual average United States Consumer Price Index for all urban  
35.13          consumers, United States city average, as determined by the United States Department of  
35.14          Labor for the previous year, divided by the annual average for calendar year 2006; and

35.15          (3) attributed to that portion of the motor vehicle sales tax revenue in excess of the  
35.16          percentage allocated in fiscal year 2007.

35.17          Sec. 4. Minnesota Statutes 2006, section 162.07, is amended by adding a subdivision  
35.18          to read:

35.19          Subd. 1c. Excess sum. The commissioner shall apportion the excess sum to the  
35.20          several counties on the basis of the needs of the counties, as provided in paragraphs (a)  
35.21          and (b).

35.22          (a) An amount equal to 40 percent must be apportioned among the several counties  
35.23          so that each county receives of that amount the percentage that its motor vehicle  
35.24          registration for the calendar year preceding the one last past, determined by residence of  
35.25          registrants, bears to the total statewide motor vehicle registration.

35.26          (b) An amount equal to 60 percent must be apportioned among the several counties  
35.27          so that each county receives of that amount the percentage that its money needs bears to  
35.28          the sum of the money needs of all of the individual counties.

35.29          Sec. 5. INSTRUCTION TO REVISOR.

35.30          The revisor of statutes shall renumber Minnesota Statutes 2006, section 162.07,  
35.31          subdivision 1, as subdivision 1b.

ARTICLE 5

LOCAL OPTION TAXES

Section 1. Minnesota Statutes 2006, section 163.051, is amended to read:

**163.051 METROPOLITAN COUNTY WHEELAGE TAX.**

Subdivision 1. **Tax authorized.** The board of commissioners of each metropolitan county is authorized to levy by resolution a wheelage tax of \$5 ~~for the year 1972 and each subsequent year thereafter by resolution~~ or \$10 each year on each motor vehicle, ~~except motorcycles as defined in section 169.01, subdivision 4, which is kept in such county when not in operation and which is~~ that is domiciled in the county and subject to annual registration and taxation under chapter 168. A wheelage tax does not apply to motorcycles as defined in section 169.01, subdivision 4, and motorized bicycles registered under section 168.013, subdivision 1h. The board may provide by resolution for collection of the wheelage tax by county officials or ~~it may request that the tax be collected by the state registrar of motor vehicles~~ commissioner of public safety, and the state registrar of motor vehicles commissioner shall collect such the tax on behalf of the county if requested, as provided in subdivision 2 provided in the board resolution.

Subd. 2. **Collection by ~~registrar of motor vehicles~~ commissioner of public safety.** The wheelage tax levied by any metropolitan county, if made collectible by the ~~state registrar of motor vehicles~~ commissioner of public safety, ~~shall~~ must be certified by the county auditor to the ~~registrar~~ commissioner not later than August 1 in the year before ~~the~~ a calendar year ~~or years~~ for which the tax is levied, and the ~~registrar~~ commissioner shall collect ~~such the tax with the motor vehicle taxes~~ registration tax on the each affected vehicles vehicle for such that year or years. ~~Every~~ An owner ~~and every operator of such~~ a motor vehicle subject to the wheelage tax shall furnish ~~to the registrar~~ all information requested by the ~~registrar~~ commissioner relating to the wheelage tax. ~~No state motor~~ A vehicle registration tax on any such motor vehicle for any such year shall may not be received or deemed paid unless the applicable wheelage tax is paid ~~therewith.~~ The proceeds of the wheelage tax levied by any metropolitan county, less any amount retained by the registrar to pay costs of collection of the wheelage tax, shall be paid to the commissioner of finance and deposited in the state treasury to the credit of the county wheelage tax fund of each metropolitan county.

Subd. 2a. **Tax proceeds deposited; costs of collection; appropriation.**

Notwithstanding ~~the provisions of any other law, the state registrar of motor vehicles~~ commissioner of public safety shall deposit the proceeds of the wheelage tax imposed by subdivision 2, to the credit of the ~~county wheelage tax~~ road and bridge fund of each

metropolitan county that levies the wheelage tax. The amount necessary to pay the costs of ~~collection of said~~ collecting the tax is appropriated to the commissioner of public safety from the county ~~wheelage tax~~ road and bridge fund of each metropolitan county ~~to the state registrar of motor vehicles~~ that levies the tax.

~~Subd. 3. **Distribution to metropolitan county; appropriation.** On or before April 1 in 1972 and each subsequent year, the commissioner of finance shall issue a warrant in favor of the treasurer of each metropolitan county for which the registrar has collected a wheelage tax in the amount of such tax then on hand in the county wheelage tax fund. There is hereby appropriated from the county wheelage tax fund each year, to each metropolitan county entitled to payments authorized by this section, sufficient moneys to make such payments.~~

~~Subd. 4. **Use of tax.** The treasurer of each metropolitan county receiving moneys under subdivision 3 shall deposit such moneys in the county road and bridge fund. The moneys shall be used for purposes authorized by law which are highway purposes within the meaning of the Minnesota Constitution, article 14.~~

~~Subd. 5. **Effect on road and bridge levy.** The county auditor of each metropolitan county shall reduce the amount of the property taxes levied pursuant to law in 1973 for collection in 1974, by the board of commissioners of such county for the county road and bridge fund, by the following amount: Anoka County, \$341,750; Carver County, \$86,725; Dakota County, \$386,165; Hennepin County, \$2,728,425; Ramsey County, \$1,276,815; Scott County, \$104,805; Washington County, \$227,220, and shall spread only the balance thereof on the tax rolls for collection in 1972. The county auditor shall also reduce the amount of such taxes levied pursuant to law in 1972 and any subsequent year, for collection in the respective ensuing years, by the amount of wheelage taxes received by the county in the 12 months immediately preceding such levy.~~

~~Subd. 6. **Metropolitan county defined.** "Metropolitan county" means any of the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.~~

~~Subd. 7. **Offenses; penalties; application of other laws.** Any owner or operator of a motor vehicle who shall willfully ~~give any~~ gives false information relative to the wheelage tax ~~herein authorized to the registrar of motor vehicles~~ commissioner of public safety or any metropolitan county, or who shall willfully ~~fail~~ fails or ~~refuse~~ refuses to furnish any such information, ~~shall be~~ is guilty of a misdemeanor. Except as otherwise ~~herein provided in this section, the~~ collection and payment of a wheelage tax and all related matters ~~relating thereto shall be~~ are subject to ~~all provisions of law~~ laws relating to collection and payment of motor vehicle taxes so far as applicable.~~

Sec. 2. Minnesota Statutes 2006, section 168.011, subdivision 6, is amended to read:

Subd. 6. **Tax.** "Tax" means the annual registration tax imposed on vehicles in lieu of all other taxes, except wheelage taxes which may be imposed by any city or metropolitan county, and gross earnings taxes paid by companies. The annual tax is both a property tax and a highway use tax and shall be on the basis of the calendar year.

Sec. 3. Minnesota Statutes 2006, section 168.013, subdivision 1, is amended to read:

Subdivision 1. **Imposition.** Motor vehicles, except as set forth in section 168.012, using the public streets or highways in the state, and park trailers taxed under subdivision 1j, shall be taxed in lieu of all other taxes thereon, except wheelage taxes, ~~so-called,~~ which may be imposed by any city or metropolitan county as provided by law, and except gross earnings taxes paid by companies subject or made subject thereto, and shall be privileged to use the public streets and highways, on the basis and at the rate for each calendar year as hereinafter provided.

Sec. 4. **[297A.992] METROPOLITAN TRANSPORTATION SALES AND USE TAX.**

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

(1) "metropolitan transportation area" means the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington participating in the joint powers agreement under subdivision 3, and includes any eligible county that declares by resolution of its county board to be a part of the metropolitan transportation area;

(2) "eligible county" means a county that is adjacent to any county that is part of the metropolitan transportation area;

(3) "committee" means the Grant Evaluation and Ranking System (GEARS) Committee; and

(4) "population" means the population, as defined in section 477A.011, subdivision 3, estimated or established by July 15 of the year prior to the calendar year in which the representatives will serve on the committee established under subdivision 5.

Subd. 2. **Authorization; rates.** (a) Notwithstanding section 297A.99, subdivisions 1, 2, 3, 5, and 13, or 477A.016, or any other law, the boards of the counties acting under a joint powers agreement as specified in this section may impose (1) a transportation sales and use tax within the metropolitan transportation area at a rate of one-half of one percent on retail sales and uses taxable under this chapter, and (2) an excise tax of \$20 per motor vehicle purchased or acquired from any person engaged in the business of selling motor

vehicles at retail, occurring within the jurisdiction of the taxing authority. The taxes authorized are to fund transportation improvements as specified in this section.

(b) The tax imposed under this section is not included in determining if the total tax on lodging in the city of Minneapolis exceeds the maximum allowed tax under Laws 1986, chapter 396, section 5, as amended by Laws 2001, First Special Session chapter 5, article 12, section 87, or in determining a tax that may be imposed under any other limitations.

Subd. 3. **Joint powers agreement.** Before imposing the taxes authorized under subdivision 2, each participating metropolitan county, as defined in section 473.121, subdivision 4, must enter into a joint powers agreement to create the joint powers board.

A joint powers agreement under this section:

(1) must provide a process that allows an eligible county, by resolution of its county board, to join the joint powers board and impose the taxes authorized under subdivision 2;

(2) may provide for withdrawal of a participating county before final termination of the agreement; and

(3) may provide for a weighted-voting system for joint powers board decisions.

Subd. 4. **Joint powers board.** (a) The joint powers board must consist of one or more representatives of each county that is in the metropolitan transportation area, appointed by its county board. The joint powers board has the powers and duties provided in this section and in section 471.59.

(b) The joint powers board may not utilize more than one-half of one percent of the proceeds of the taxes imposed under this section to reimburse counties for ordinary administrative expenses incurred in carrying out the provisions of this section. Any additional administrative expenses must be paid by the counties.

(c) The joint powers board shall establish a grant application process and identify the amount of available funding for grant awards. Grant applications must be submitted in a form prescribed by the joint powers board. An applicant must provide, in addition to all other information required by the joint powers board, the estimated cost of the project, the amount of the grant sought, possible sources of funding in addition to the grant sought, and identification of any federal funds that will be utilized if the grant is awarded.

(d) The joint powers board may establish a technical advisory group of city, county, or public agency representatives that is separate from the grant evaluation and ranking system committee. The technical advisory group must be used solely for technical consultation purposes.

(e) After the deductions allowed in section 297A.99, subdivision 11, the commissioner of revenue shall remit the proceeds of the taxes imposed under this section to the joint powers board.

40.1        Subd. 5. Grant evaluation and ranking system committee; grant awards. (a) The  
40.2        joint powers board shall establish a timeline and procedures for the award of grants, and  
40.3        shall define objective criteria for the award of grants. Objective criteria must include, but  
40.4        not be limited to, consistency with the most recent version of the transportation policy plan  
40.5        adopted by the Metropolitan Council under section 473.146. The joint powers board shall  
40.6        maximize the availability and use of federal funds in projects funded under this section.

40.7        (b) The joint powers board shall establish a grant evaluation and ranking system  
40.8        committee, which must consist of:

40.9        (1) one county commissioner from each county that is in the metropolitan  
40.10       transportation area, appointed by its county board;

40.11       (2) one elected city representative from each county that is in the metropolitan  
40.12       transportation area; and

40.13       (3) one additional elected city representative from each county for every additional  
40.14       400,000 in population, or fraction of 400,000, in the county that is above 400,000 in  
40.15       population.

40.16       (c) Each elected city representative must be appointed by agreement among the  
40.17       several cities in the county.

40.18       (d) The committee shall evaluate grant applications following objective criteria  
40.19       established by the joint powers board, and must provide to the joint powers board a  
40.20       selection list of transportation projects that includes a priority ranking.

40.21       (e) Grants must be funded by the proceeds of the taxes imposed under this section,  
40.22       or bonds or other obligations issued by the joint powers board.

40.23       (f) Notwithstanding the provisions of this subdivision, in fiscal year 2009, the joint  
40.24       powers board shall allocate at least \$18,850,000 of any revenues collected under this  
40.25       section to the Metropolitan Council for operating assistance for transit.

40.26       Subd. 6. Use of grant awards. (a) The joint powers board may only award grants to  
40.27       the state and political subdivisions, and must annually allocate the awards as follows:

40.28       (1) no less than 25 percent for construction or reconstruction of trunk highways or  
40.29       local roads of regional significance;

40.30       (2) no less than 50 percent for transit, for the following purposes:

40.31       (i) capital improvements to transit ways, including commuter rail, rolling stock,  
40.32       light rail vehicles, and transit way buses;

40.33       (ii) capital costs for park-and-ride facilities, as defined in section 174.256,  
40.34       subdivision 2;



(iii) feasibility studies, planning, alternatives analyses, environmental studies, engineering, property acquisition for transit way purposes, and construction of transit ways; and

(iv) operating assistance for transit ways; and

(3) 25 percent for (i) any of the purposes specified in clauses (1) and (2), and (ii) planning, studies, design, construction, maintenance, and operation of pedestrian programs and bicycle programs and pathways.

(b) No more than five percent of the awards may be annually allocated for the purposes specified in paragraph (a), clause (3), item (ii).

Subd. 7. **Administration, collection, enforcement.** The administration, collection, and enforcement provisions in section 297A.99, subdivisions 4 and 6 to 12, apply to all taxes imposed under this section.

Subd. 8. **Report.** In each year in which the taxes authorized in this section are imposed, the joint powers board shall report by February 1 to the house of representatives and senate committees having jurisdiction over transportation policy and finance concerning the revenues received and grants awarded.

Subd. 9. **Grant awards to Metropolitan Council.** Any grant award under this section made to the Metropolitan Council must supplement, and to no extent supplant, operating and capital assistance provided by the state.

**Sec. 5. [297A.993] GREATER MINNESOTA TRANSPORTATION SALES AND USE TAX.**

Subdivision 1. **Authorization; rates.** Notwithstanding section 297A.99, subdivisions 1, 2, 3, 5, and 13, or 477A.016, or any other law, the board of a county outside the metropolitan transportation area, as defined under section 297A.992, subdivision 1, or more than one county outside the metropolitan transportation area acting under a joint powers agreement, may impose (1) a transportation sales tax at a rate of one-half of one percent on retail sales and uses taxable under this chapter, and (2) an excise tax of \$20 per motor vehicle purchased or acquired from any person engaged in the business of selling motor vehicles at retail, occurring within the jurisdiction of the taxing authority. The taxes imposed under this section are subject to approval by a majority of the voters of the county or counties at a general election who vote on the question to impose the taxes.

Subd. 2. **Allocation; termination.** The proceeds of the taxes must be dedicated exclusively to payment of the cost of a specific transportation project or improvement. The transportation project or improvement must be designated by the board of the county,

or more than one county acting under a joint powers agreement. The taxes must terminate after the project or improvement has been completed.

Subd. 3. **Administration, collection, enforcement.** The administration, collection, and enforcement provisions in section 297A.99, subdivisions 4 and 6 to 12, apply to all taxes imposed under this section.

**ARTICLE 6**  
**DEPARTMENT OF PUBLIC SAFETY SERVICE FEES**

Section 1. Minnesota Statutes 2006, section 168.12, subdivision 5, is amended to read:

Subd. 5. **Additional fee.** (a) In addition to any fee otherwise authorized or any tax otherwise imposed upon any vehicle, the payment of which is required as a condition to the issuance of any plate or plates, the commissioner shall impose the fee specified in paragraph (b) that is calculated to cover the cost of manufacturing and issuing the plate or plates, except for plates issued to disabled veterans as defined in section 168.031 and plates issued pursuant to section 168.124, 168.125, or 168.27, subdivisions 16 and 17, for passenger automobiles. ~~The commissioner shall issue graphic design plates only for vehicles registered pursuant to section 168.017 and recreational vehicles registered pursuant to section 168.013, subdivision 1g.~~

(b) Unless otherwise specified or exempted by statute, the following plate and validation sticker fees apply for the original, duplicate, or replacement issuance of a plate in a plate year:

<del>Sequential Regular Double Plate</del>	\$	<del>4.25</del>	
<del>Sequential Special Plate-Double</del>	\$	<del>7.00</del>	
<del>Sequential Regular Single Plate</del>	\$	<del>3.00</del>	
<del>Sequential Special Plate-Single</del>	\$	<del>5.50</del>	
<del>Utility Trailer Self-Adhesive Plate</del>	\$	<del>2.50</del>	
<del>Nonsequential Double Plate</del>	\$	<del>14.00</del>	
<del>Nonsequential Single Plate</del>	\$	<del>10.00</del>	
<del>Duplicate Sticker</del>	\$	<del>1.00</del>	
<u>License Plate</u>		<u>Single</u>	<u>Double</u>
<u>Regular and Disability</u>	\$	<u>4.50</u>	\$ <u>6.00</u>
<u>Special</u>	\$	<u>8.50</u>	\$ <u>10.00</u>
<u>Personalized (Replacement)</u>	\$	<u>10.00</u>	\$ <u>14.00</u>
<u>Collector Category</u>	\$	<u>13.50</u>	\$ <u>15.00</u>
<u>Emergency Vehicle Display</u>	\$	<u>3.00</u>	\$ <u>6.00</u>
<u>Utility Trailer Self-Adhesive</u>	\$	<u>2.50</u>	
<u>Stickers</u>			

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43.1	<u>Duplicate Year</u>	\$	<u>1.00</u>	\$	<u>1.00</u>
43.2	<u>International Fuel Tax</u>				
43.3	<u>Agreement</u>			\$	<u>2.50</u>

43.4        (c) For vehicles that require two of the categories above, the registrar shall only  
43.5 charge the higher of the two fees and not a combined total.

43.6        Sec. 2. Minnesota Statutes 2006, section 168A.29, subdivision 1, is amended to read:

43.7        Subdivision 1. **Amounts.** (a) The department must be paid the following fees:

43.8        (1) for filing an application for and the issuance of an original certificate of title, the  
43.9 sum of ~~\$5.50~~ \$6.25 of which ~~\$2.50~~ \$3.25 must be paid into the vehicle services operating  
43.10 account of the special revenue fund under section 299A.705;

43.11        (2) for each security interest when first noted upon a certificate of title, including the  
43.12 concurrent notation of any assignment thereof and its subsequent release or satisfaction,  
43.13 the sum of \$2, except that no fee is due for a security interest filed by a public authority  
43.14 under section 168A.05, subdivision 8;

43.15        (3) for the transfer of the interest of an owner and the issuance of a new certificate of  
43.16 title, the sum of \$5.50 of which \$2.50 must be paid into the vehicle services operating  
43.17 account of the special revenue fund under section 299A.705;

43.18        (4) for each assignment of a security interest when first noted on a certificate of title,  
43.19 unless noted concurrently with the security interest, the sum of \$1;

43.20        (5) for issuing a duplicate certificate of title, the sum of ~~\$6.50~~ \$7.25 of which ~~\$2.50~~  
43.21 \$3.25 must be paid into the vehicle services operating account of the special revenue fund  
43.22 under section 299A.705.

43.23        (b) After June 30, 1994, in addition to each of the fees required under paragraph (a),  
43.24 clauses (1) and (3), the department must be paid \$3.50. The additional \$3.50 fee collected  
43.25 under this paragraph must be deposited in the special revenue fund and credited to the  
43.26 public safety motor vehicle account established in section 299A.70.

43.27        Sec. 3. Minnesota Statutes 2006, section 171.02, subdivision 3, is amended to read:

43.28        Subd. 3. **Motorized bicycle.** (a) A motorized bicycle may not be operated on any  
43.29 public roadway by any person who does not possess a valid driver's license, unless the  
43.30 person has obtained a motorized bicycle operator's permit or motorized bicycle instruction  
43.31 permit from the commissioner of public safety. The operator's permit may be issued to  
43.32 any person who has attained the age of 15 years and who has passed the examination  
43.33 prescribed by the commissioner. The instruction permit may be issued to any person who

has attained the age of 15 years and who has successfully completed an approved safety course and passed the written portion of the examination prescribed by the commissioner.

(b) This course must consist of, but is not limited to, a basic understanding of:

- (1) motorized bicycles and their limitations;
- (2) motorized bicycle laws and rules;
- (3) safe operating practices and basic operating techniques;
- (4) helmets and protective clothing;
- (5) motorized bicycle traffic strategies; and
- (6) effects of alcohol and drugs on motorized bicycle operators.

(c) The commissioner may adopt rules prescribing the content of the safety course, examination, and the information to be contained on the permits. A person operating a motorized bicycle under a motorized bicycle permit is subject to the restrictions imposed by section 169.974, subdivision 2, on operation of a motorcycle under a two-wheel instruction permit.

(d) The fees for motorized bicycle operator's permits are as follows:

(1) Examination and operator's permit, valid for one year	\$ <del>6</del> <u>6.75</u>
(2) Duplicate	\$ <del>3</del> <u>3.75</u>
(3) Renewal permit before age 21 and valid until age 21	\$ <del>9</del> <u>9.75</u>
(4) Renewal permit age 21 or older and valid for four years	\$ <del>15</del> <u>15.75</u>
(5) Duplicate of any renewal permit	\$ <del>4.50</del> <u>5.25</u>
(6) Written examination and instruction permit, valid for 30 days	\$ <del>6</del> <u>6.75</u>

Sec. 4. Minnesota Statutes 2006, section 171.06, subdivision 2, is amended to read:

Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are as follows:

<del>Classified Driver's License</del>	<del>D-\$21.50</del>	<del>C-\$25.50</del>	<del>B-\$32.50</del>	<del>A-\$40.50</del>
<del>Classified Under-21 D.L.</del>	<del>D-\$21.50</del>	<del>C-\$25.50</del>	<del>B-\$32.50</del>	<del>A-\$20.50</del>
<u>Classified Driver's License</u>	<u>D-\$22.25</u>	<u>C-\$26.25</u>	<u>B-\$33.25</u>	<u>A-\$41.25</u>
<u>Classified Under-21 D.L.</u>	<u>D-\$22.25</u>	<u>C-\$26.25</u>	<u>B-\$33.25</u>	<u>A-\$21.25</u>
				<del>\$9.50</del>
Instruction Permit				<u>\$10.25</u>
				<del>\$12.50</del>
Provisional License				<u>\$13.25</u>
Duplicate License or duplicate identification card				<del>\$11.00</del>
				<u>\$11.75</u>

45.1	Minnesota identification	
45.2	card or Under-21	
45.3	Minnesota identification	
45.4	card, other than duplicate,	
45.5	except as otherwise	
45.6	provided in section	
45.7	171.07, subdivisions 3	<del>\$15.50</del>
45.8	and 3a	<u>\$16.25</u>

45.9           (b) Notwithstanding paragraph (a), an individual who holds a provisional license and  
45.10 has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33,  
45.11 169A.35, or sections 169A.50 to 169A.53, (2) convictions for crash-related moving  
45.12 violations, and (3) convictions for moving violations that are not crash related, shall have a  
45.13 \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation"  
45.14 has the meaning given it in section 171.04, subdivision 1.

45.15           (c) In addition to the driver's license fee required under paragraph (a), the  
45.16 commissioner shall collect an additional \$4 processing fee from each new applicant  
45.17 or individual renewing a license with a school bus endorsement to cover the costs for  
45.18 processing an applicant's initial and biennial physical examination certificate. The  
45.19 department shall not charge these applicants any other fee to receive or renew the  
45.20 endorsement.

45.21           Sec. 5. Minnesota Statutes 2006, section 171.07, subdivision 3a, is amended to read:

45.22           Subd. 3a. **Identification cards for seniors.** A Minnesota identification card issued  
45.23 to an applicant 65 years of age or over shall be of a distinguishing color and plainly  
45.24 marked "senior." The fee for the card issued to an applicant 65 years of age or over shall  
45.25 be one-half the required fee for a class D driver's license rounded down to the nearest  
45.26 quarter dollar. A Minnesota identification card or a Minnesota driver's license issued to a  
45.27 person 65 years of age or over shall be valid identification for the purpose of qualifying  
45.28 for reduced rates, free licenses or services provided by any board, commission, agency or  
45.29 institution that is wholly or partially funded by state appropriations.

45.30           Sec. 6. Minnesota Statutes 2006, section 171.07, subdivision 11, is amended to read:

45.31           Subd. 11. **Standby or temporary custodian.** (a) Upon the written request of the  
45.32 applicant and upon payment of an additional fee of ~~\$3.50~~ \$4.25, the department shall issue  
45.33 a driver's license or Minnesota identification card bearing a symbol or other appropriate  
45.34 identifier indicating that the license holder has appointed an individual to serve as a  
45.35 standby or temporary custodian under chapter 257B.

(b) The request must be accompanied by a copy of the designation executed under section 257B.04.

(c) The department shall maintain a computerized records system of all individuals listed as standby or temporary custodians by driver's license and identification card applicants. This data must be released to appropriate law enforcement agencies under section 13.69. Upon a parent's request and payment of a fee of ~~\$3.50~~ \$4.25, the department shall revise its list of standby or temporary custodians to reflect a change in the appointment.

(d) At the request of the license or cardholder, the department shall cancel the standby or temporary custodian indication without additional charge. However, this paragraph does not prohibit a fee that may be applicable for a duplicate or replacement license or card, renewal of a license, or other service applicable to a driver's license or identification card.

(e) Notwithstanding sections 13.08, subdivision 1, and 13.69, the department and department employees are conclusively presumed to be acting in good faith when employees rely on statements made, in person or by telephone, by persons purporting to be law enforcement and subsequently release information described in paragraph (b). When acting in good faith, the department and department personnel are immune from civil liability and not subject to suit for damages resulting from the release of this information.

(f) The department and its employees:

(1) have no duty to inquire or otherwise determine whether a designation submitted under this subdivision is legally valid and enforceable; and

(2) are immune from all civil liability and not subject to suit for damages resulting from a claim that the designation was not legally valid and enforceable.

(g) Of the fees received by the department under this subdivision:

(1) Up to \$61,000 received must be deposited in the general fund.

(2) All other fees must be deposited in the driver services operating account in the special revenue fund specified in section 299A.705.

Sec. 7. Minnesota Statutes 2006, section 171.20, subdivision 4, is amended to read:

Subd. 4. **Reinstatement fee.** (a) Before the license is reinstated, (1) an individual whose driver's license has been suspended under section 171.16, subdivisions 2 and 3; 171.175; 171.18; or 171.182, or who has been disqualified from holding a commercial driver's license under section 171.165, and (2) an individual whose driver's license has been suspended under section 171.186 and who is not exempt from such a fee, must pay a fee of \$20.

(b) Before the license is reinstated, an individual whose license has been suspended under sections 169.791 to 169.798 must pay a \$20 reinstatement fee.

(c) When fees are collected by a licensing agent appointed under section 171.061, a handling charge is imposed in the amount specified under section 171.061, subdivision 4. The reinstatement fee and surcharge must be deposited in an approved state depository as directed under section 171.061, subdivision 4.

(d) Reinstatement fees collected under paragraph (a) for suspensions under sections 171.16, subdivision 3, and 171.18, subdivision 1, clause (10), must be deposited in the special revenue fund and are appropriated to the Peace Officer Standards and Training Board for peace officer training reimbursement to local units of government.

(e) A suspension may be rescinded without fee for good cause.

Sec. 8. Minnesota Statutes 2006, section 299D.09, is amended to read:

**299D.09 ESCORT SERVICE; APPROPRIATION; RECEIPTS.**

Fees charged for escort services provided by the State Patrol are annually appropriated to the commissioner of public safety to administer and provide these services.

The fees charged for services provided by the State Patrol with a vehicle are \$73.60 an hour in fiscal year 2008 and \$75.76 an hour in fiscal year 2009 and thereafter. The fees charged for services provided without a vehicle are \$54.00 an hour in fiscal year 2008 and \$56.16 an hour in fiscal year 2009 and thereafter.

The fees charged for State Patrol flight services are \$140 an hour for a fixed wing aircraft, \$490 an hour for a helicopter, and \$600 an hour for the Queen Air.

**ARTICLE 7**

**OTHER TRANSPORTATION ACTIVITIES**

Section 1. Minnesota Statutes 2006, section 161.081, subdivision 3, is amended to read:

Subd. 3. **Flexible highway account; turnback accounts.** (a) The flexible highway account is created in the state treasury. Money in the account may be used ~~either for the~~

(1) restoration of former trunk highways that have reverted to counties or to statutory or home rule charter cities or for regular trunk highway purposes, or for trunk highways that will be restored and subsequently turned back by agreement between the commissioner and the local road authority;

(2) safety improvements on county highways, municipal highways, streets, or town roads; and

(3) routes of regional significance.

(b) For purposes of this subdivision, "restoration" means the level of effort required to improve the route that will be turned back to an acceptable condition as determined by agreement made between the commissioner and the county or city before the route is turned back.

(c) The commissioner shall review the need for funds to restore highways that have been or will be turned back ~~and the need for funds for the trunk highway system.~~ The commissioner shall determine, on a biennial basis, the percentage of this flexible account to be distributed to each district and within each district the percentage to be used for county turnbacks, for municipal turnbacks, and for regular trunk highway projects for trunk highways that will be restored and subsequently turned back to local governments, by agreement between the commissioner and the local road authority, for safety improvements, and for routes of regional significance. Money in the account may be used for safety improvements and routes of regional significance only after money is set aside to restore the identified turnbacks. The commissioner shall make ~~this determination~~ these determinations only after meeting and holding discussions with committees selected by the statewide associations of both county commissioners and municipal officials.

(d) Money that will be used for the restoration of trunk highways that have reverted or that will revert to cities must be deposited in the municipal turnback account, which is created in the state treasury.

(e) Money that will be used for the restoration of trunk highways that have reverted or that will revert to counties must be deposited in the county turnback account, which is created in the state treasury.

(f) Money that will be used for safety improvements must be deposited in the highway safety improvement account, which is created in the state treasury to be used as grants to statutory or home rule charter cities, towns, and counties to assist in paying the costs of constructing or reconstructing city streets, county highways, or town roads to reduce crashes, deaths, injuries, and property damage.

(g) Money that will be used for routes of regional significance must be deposited in the routes of regional significance account, which is created in the state treasury, and used as grants to statutory or home rule charter cities, towns, and counties to assist in paying the costs of constructing or reconstructing city streets, county highways, or town roads with statewide or regional significance that have not been fully funded through other state, federal, or local funding sources.

(h) As part of each biennial budget submission to the legislature, the commissioner shall describe how the money in the flexible highway account will be apportioned among the county turnback account, the municipal turnback account, ~~and~~ the trunk highway



49.1 fund for routes turned back to local governments by agreement, the highway safety  
49.2 improvement account, and the routes of regional significance account.

49.3 ~~(g) Money apportioned from the flexible highway account to the trunk highway fund~~  
49.4 ~~must be used for state road construction and engineering costs.~~

49.5 **EFFECTIVE DATE.** Paragraph (h) is effective January 1, 2009, and the remainder  
49.6 of this section is effective July 1, 2009.

49.7 Sec. 2. Minnesota Statutes 2006, section 171.29, subdivision 2, is amended to read:

49.8 Subd. 2. **Reinstatement fees and surcharges allocated and appropriated.** (a)

49.9 An individual whose driver's license has been revoked as provided in subdivision 1,  
49.10 except under section 169A.52, 169A.54, or 609.21, must pay a \$30 fee before the driver's  
49.11 license is reinstated.

49.12 (b) A person whose driver's license has been revoked as provided in subdivision  
49.13 1 under section 169A.52, 169A.54, or 609.21, must pay a \$250 fee plus a ~~\$40~~ \$430  
49.14 surcharge before the driver's license is reinstated, except as provided in paragraph (f).  
49.15 ~~Beginning July 1, 2002, the surcharge is \$145. Beginning July 1, 2003, the surcharge is~~  
49.16 ~~\$430.~~ The \$250 fee is to be credited as follows:

49.17 (1) Twenty percent must be credited to the driver services operating account in the  
49.18 special revenue fund as specified in section 299A.705.

49.19 (2) Sixty-seven percent must be credited to the general fund.

49.20 (3) Eight percent must be credited to a separate account to be known as the Bureau  
49.21 of Criminal Apprehension account. Money in this account may be appropriated to the  
49.22 commissioner of public safety and the appropriated amount must be apportioned 80 percent  
49.23 for laboratory costs and 20 percent for carrying out the provisions of section 299C.065.

49.24 (4) Five percent must be credited to a separate account to be known as the vehicle  
49.25 forfeiture account, which is created in the special revenue fund. The money in the account  
49.26 is annually appropriated to the commissioner for costs of handling vehicle forfeitures.

49.27 (c) The revenue from \$50 of ~~each~~ the surcharge must be credited to a separate  
49.28 account to be known as the traumatic brain injury and spinal cord injury account. The  
49.29 revenue from \$50 of the surcharge on a reinstatement under paragraph (f) is credited from  
49.30 the first installment payment to the traumatic brain injury and spinal cord injury account.

49.31 The money in the account is annually appropriated to the commissioner of health to be  
49.32 used as follows: 83 percent for contracts with a qualified community-based organization  
49.33 to provide information, resources, and support to assist persons with traumatic brain  
49.34 injury and their families to access services, and 17 percent to maintain the traumatic  
49.35 brain injury and spinal cord injury registry created in section 144.662. For the purposes

of this paragraph, a "qualified community-based organization" is a private, not-for-profit organization of consumers of traumatic brain injury services and their family members. The organization must be registered with the United States Internal Revenue Service under section 501(c)(3) as a tax-exempt organization and must have as its purposes:

(1) the promotion of public, family, survivor, and professional awareness of the incidence and consequences of traumatic brain injury;

(2) the provision of a network of support for persons with traumatic brain injury, their families, and friends;

(3) the development and support of programs and services to prevent traumatic brain injury;

(4) the establishment of education programs for persons with traumatic brain injury; and

(5) the empowerment of persons with traumatic brain injury through participation in its governance.

A patient's name, identifying information, or identifiable medical data must not be disclosed to the organization without the informed voluntary written consent of the patient or patient's guardian or, if the patient is a minor, of the parent or guardian of the patient.

(d) The remainder of the surcharge must be credited to a separate account to be known as the remote electronic alcohol-monitoring program account. The commissioner shall transfer the balance of this account to the commissioner of finance on a monthly basis for deposit in the general fund.

(e) When these fees are collected by a licensing agent, appointed under section 171.061, a handling charge is imposed in the amount specified under section 171.061, subdivision 4. The reinstatement fees and surcharge must be deposited in an approved depository as directed under section 171.061, subdivision 4.

(f) A person whose driver's license has been revoked as provided in subdivision 1 under section 169A.52 or 169A.54 and who the court certifies as being financially eligible for a public defender under section 611.17, may choose to pay 50 percent and an additional \$25 of the total amount of the surcharge and 50 percent of the fee required under paragraph (b) to reinstate the person's driver's license, provided the person meets all other requirements of reinstatement. If a person chooses to pay 50 percent of the total and an additional \$25, the driver's license must expire after two years. The person must pay an additional 50 percent less \$25 of the total to extend the license for an additional two years, provided the person is otherwise still eligible for the license. After this final payment of the surcharge and fee, the license may be renewed on a standard schedule, as provided under section 171.27. A handling charge may be imposed for each installment payment.

51.1 Revenue from the handling charge is credited to the driver services operating account in  
51.2 the special revenue fund and is appropriated to the commissioner.

51.3 (g) Any person making installment payments under paragraph (f), whose driver's  
51.4 license subsequently expires, or is canceled, revoked, or suspended before payment of  
51.5 100 percent of the surcharge and fee, must pay the outstanding balance due for the initial  
51.6 reinstatement before the driver's license is subsequently reinstated. Upon payment of  
51.7 the outstanding balance due for the initial reinstatement, the person may pay any new  
51.8 surcharge and fee imposed under paragraph (b) in installment payments as provided  
51.9 under paragraph (f).

51.10 **EFFECTIVE DATE.** This section is effective July 1, 2008.

51.11 Sec. 3. Minnesota Statutes 2006, section 174.03, subdivision 9, is amended to read:

51.12 Subd. 9. **Forecast of revenues and expenditures.** In cooperation with the  
51.13 Department of Finance and as required by section 16A.103, the commissioner shall  
51.14 prepare in February and November of each year a forecast of highway user tax distribution  
51.15 fund and trunk highway fund revenues and expenditures. The forecast must include an  
51.16 analysis of economic information and the potential impact on highway user fund revenues,  
51.17 historical growth rate information, and other variables affecting revenue assumptions and  
51.18 forecasted future growth rates. The forecast must include an analysis of trunk highway  
51.19 bonding and the necessary debt service payments, and assumptions regarding federal  
51.20 transportation funds. The commissioner shall review the forecast information with the  
51.21 chairs of the senate and house of representatives committees with jurisdiction over finance,  
51.22 ways and means, and transportation finance and with legislative fiscal staff no later than  
51.23 ~~two weeks before~~ one week following the release of the forecast is released and shall  
51.24 inform the chairs and staff of changes made from previous forecasts.

51.25 Sec. 4. **[398A.10] TRANSIT FUNDING.**

51.26 Subdivision 1. **Capital costs.** A county regional railroad authority may not  
51.27 contribute more than ten percent of the capital costs on a transit project. For purposes of  
51.28 this section, "transit project" includes, but is not limited to, light rail transit, bus, bus  
51.29 rapid transit, and commuter rail.

51.30 Subd. 2. **Operating and maintenance costs.** A county regional railroad authority  
51.31 may not contribute any funds to pay the operating and maintenance costs for a transit  
51.32 project, as defined in subdivision 1. If a county regional railroad authority is contributing  
51.33 funds for operating and maintenance costs on a transit project on the date of the enactment

52.1 of this act, the authority may continue to contribute funds for these purposes until January  
52.2 1, 2008.

52.3 Sec. 5. Minnesota Statutes 2006, section 473.388, subdivision 4, is amended to read:

52.4 Subd. 4. **Financial assistance.** (a) The council must grant the requested financial  
52.5 assistance if it determines that the proposed service is intended to replace the service to  
52.6 the applying city or town or combination thereof by the council and that the proposed  
52.7 service will meet the needs of the applicant at least as efficiently and effectively as the  
52.8 existing service.

52.9 (b) The amount of assistance which the council must provide to a system under this  
52.10 section may not be less than the sum of the amounts determined for each municipality  
52.11 comprising the system as follows:

52.12 (1) the transit operating assistance grants received under this subdivision by the  
52.13 municipality in calendar year 2001 or the tax revenues for transit services levied by the  
52.14 municipality for taxes payable in 2001, including that portion of the levy derived from  
52.15 the areawide pool under section 473F.08, subdivision 3, clause (a), plus the portion of  
52.16 the municipality's aid under section 273.1398, subdivision 2, attributable to the transit  
52.17 levy; times

52.18 (2) the ratio of (i) ~~the appropriation from the transit fund to the council for nondebt~~  
52.19 ~~transit operations~~ an amount equal to 3.74 percent of the state revenues generated from  
52.20 the taxes imposed under chapter 297B for the current fiscal year to (ii) the total levy  
52.21 ~~certified by the council under section 473.446 and the opt-out~~ transit operating assistance  
52.22 grants received under this subdivision in calendar year 2001 or the tax revenues for transit  
52.23 services levied by all replacement service municipalities under this section for taxes  
52.24 payable in 2001, including that portion of the levy derived from the areawide pool under  
52.25 section 473F.08, subdivision 3, clause (a), plus the portion of homestead and agricultural  
52.26 credit aid under section 273.1398, subdivision 2, attributable to nondebt transit levies,  
52.27 times

52.28 (3) the ratio of (i) the municipality's total taxable market value for taxes payable in  
52.29 ~~the most recent year for which data is available~~ 2006 divided by the municipality's total  
52.30 taxable market value for taxes payable in 2001, to (ii) the total taxable market value of  
52.31 all property ~~in the metropolitan area~~ located in replacement service municipalities for  
52.32 taxes payable in ~~the most recent year for which data is available~~ 2006 divided by the  
52.33 total taxable market value of all property ~~in the metropolitan area~~ located in replacement  
52.34 service municipalities for taxes payable in 2001.

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53.1 (c) The council shall pay the amount to be provided to the recipient from the funds  
53.2 the council ~~would otherwise use to fund its transit operations~~ receives in the metropolitan  
53.3 area transit account under section 16A.88.

APPENDIX  
Article locations in h0946-5

ARTICLE 1	TRANSPORTATION APPROPRIATIONS .....	Page.Ln 1.27
ARTICLE 2	TRUNK HIGHWAY BONDING .....	Page.Ln 20.6
ARTICLE 3	HIGHWAY USER TAXES .....	Page.Ln 21.23
ARTICLE 4	COUNTY STATE-AID HIGHWAY FUND DISTRIBUTION .....	Page.Ln 31.9
ARTICLE 5	LOCAL OPTION TAXES .....	Page.Ln 36.1
ARTICLE 6	DEPARTMENT OF PUBLIC SAFETY SERVICE FEES .....	Page.Ln 42.6
ARTICLE 7	OTHER TRANSPORTATION ACTIVITIES .....	Page.Ln 47.22

**174.32 TRANSIT ASSISTANCE PROGRAM.**

Subdivision 1. **Establishment; purpose.** A transit assistance program is established to provide transit assistance within the state from the fund created in subdivision 2 to eligible recipients for transit service activities as provided in this section.

Subd. 2. **Transit assistance fund; distribution.** The transit assistance fund receives money distributed under section 297B.09. Eighty percent of the receipts of the fund must be placed into a metropolitan account for distribution to recipients located in the metropolitan area and 20 percent into a separate account for distribution to recipients located outside of the metropolitan area. Except as otherwise provided in this subdivision, the Metropolitan Council is responsible for distributing assistance from the metropolitan account, and the commissioner is responsible for distributing assistance from the other account.

Subd. 3. **Eligible recipient.** A legislatively established public transit commission; a public authority organized and existing under chapter 398A; a county or statutory or home rule charter city operating, intending to operate, or providing financial assistance to a transit service; a rail authority; or a private operator of public transit is eligible for assistance under the program. The National Railroad Passenger Corporation, known as Amtrak, and any trolley system outside the metropolitan area are not eligible for assistance under the program.

Subd. 4. **Eligible service.** Transit services eligible for assistance under the program include but are not limited to:

- (1) public transit;
- (2) light rail transit;
- (3) commuter van, car pool, ride share, and park and ride; and
- (4) other services that further the purposes of section 174.21.

Subd. 5. **Eligible activity.** Activities eligible for assistance under the program include but are not limited to:

- (1) planning and engineering design for transit services;
- (2) capital assistance to purchase or refurbish transit vehicles, purchase rail lines and associated facilities for light rail transit, purchase rights-of-way, and other capital expenditures necessary to provide a transit service; and
- (3) other assistance for public transit services.

Subd. 6. **Investment of transit assistance fund money.** For money deposited in the transit assistance fund on or after January 15, 1985, the commissioner of transportation shall certify to the State Board of Investment the amount of the transit assistance fund that in the judgment of the commissioner is not required for immediate use. The certified amount of the transit assistance fund not currently needed shall be invested by the State Board of Investment subject to section 11A.25. All investment income and all investment losses attributable to the investments must be credited to the transit assistance fund. The commissioner of finance is the custodian of securities purchased under this section.