



S.F. No. 2028 – Omnibus Transportation Finance and Policy bill (as proposed to be amended by the A-2 amendment)

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Introduction

S.F. 2022, as amended by the SCS2082A-2 delete-everything amendment, is the Senate omnibus transportation finance and policy bill. The **A-2** appropriates money for transportation purposes, including to the Department of Transportation (“MnDOT”), the Department of Public Safety (“DPS”) and the Division of Driver and Vehicle Services (“DVS”), and the Metropolitan Council. Authorizes the issuance of trunk highway bonds. **Article 3** contains a variety of transportation finance policy provisions. Unless otherwise specified, all sections of **S.F. 2022** are effective July 1, 2025. See Minn. Stat. §645.02.

ARTICLE 1 – APPROPRIATIONS

Article 1 makes a variety of transportation-related appropriations to the Department of Transportation, Department of Public Safety, and the Metropolitan Council, cancels portions of certain previous appropriations, and extends the date to which certain previous appropriations are available. Makes transfers from the general fund to accounts in the special revenue fund. Makes one-time allocations of revenue from the regional transportation sales and use tax to the University of Minnesota and to metro-area transportation management organizations.

See posted spreadsheet for additional details.

ARTICLE 2 – TRUNK HIGHWAY BONDS

Article 2 authorizes trunk highway bonding for state road construction in the amount of \$100,100,000, of which \$100,000 is for bond sale expenses.

ARTICLE 3 – TRANSPORTATION FINANCE AND POLICY

Section 1 [Advisory Council on Traffic Safety; duties] authorizes the Advisory Council on Traffic Safety to advise the commissioner of DPS on grant agreements for traffic safety projects. Effective the day following final enactment.

Section 2 [Advisory Council on Traffic Safety; administration] authorizes the commissioner of DPS to enter into agreements for Advisory Council Traffic Safety projects and authorizes the hosting of a state traffic safety conference. Authorizes the commissioner to enter into grant agreements for projects that reduce serious and fatal injury crashes, with priority to local traffic safety coalitions over other eligible entities.

Section 3 [Greater Minnesota transit account] establishes a statutory reserve balance requirement for the Greater Minnesota transit account, of which must not more than five percent of the total annual transit assistance fund balance from the previous fiscal year.

Section 4 [Empowering small Minnesota communities] establishes the Empowering Small Minnesota Communities program. The program provides for partnerships between entities in the University of Minnesota and smaller political subdivisions to provide support and assistance on analysis, design, and project development for infrastructure projects. Specifies prioritization for assistance and use of funds under the program.

Section 5 [Corridors of Commerce; funding] makes available reallocated efficiency savings from MnDOT in the Corridors of Commerce program.

Section 6 [Legislative Route No. 246; turnback] is a legislative route turnback in the city of Northfield.

Section 7 [PURPOSE AND NEED STATEMENT CONTEXTUAL DEVELOPMENT REQUIREMENTS; SCOPING PROCESS REQUIRED] establishes requirements for the development of purpose and need statements for certain MnDOT projects. Requires scoping process for projects before inclusion in the statewide transportation improvement plan (“STIP”).

Section 8 [State-aid design and engineering standards] incorporates the MnDOT Facility Design Guide as the design and engineering standards for all new construction, reconstruction, rehabilitation, or resurfacing county state-aid projects approved by the state-aid engineer.

Section 9 [Variances from rules and engineering standards] amends the process by which the commissioner of transportation grants variances from state-aid design standards.

Section 10 [Variance format] codifies the existing format for the request of a variance from state-aid design rules. This specification is currently in **Minnesota Rules, chapter 8820**.

Section 11 [State-aid design and engineering standards] incorporates the MnDOT Facility Design Guide as the design and engineering standards for all new construction, reconstruction, rehabilitation, or resurfacing municipal state-aid projects approved by the state-aid engineer.

Section 12 [Variances from rules and engineering standards] amends the process by which the commissioner of transportation grants variances from state-aid design standards.

Section 13 [Variance format] codifies the existing format for the request of a variance from state-aid design rules. This specification is currently in **Minnesota Rules, chapter 8820**.

Section 14 [ADVISORY COMMITTEE ON DESIGN VARIANCES] codifies the existing advisory committee on design variances with a variety of modifications. This committee is currently organized in **Minnesota Rules, chapter 8820**, which is later repealed in **section 81**. Establishes the operating procedure for the advisory committee and provides that meetings are subject to the Minnesota Open Meeting Law. Specifies the criteria the advisory committee must use when evaluating a variance request. Requires specific reasoning for a denial of a variance and identification of the design standard used to evaluate the recommendation.

Section 15 [Rulemaking] makes a technical change to the commissioner's statutory rulemaking authority for state-aid design and engineering standards to reflect their codification in **sections 8 to 13**.

Section 16 [LOCAL GOVERNMENT ROAD FUNDING GAP ASSISTANCE] establishes the local government road funding gap assistance account. Funds in the account are available only for design, construction, reconstruction, and maintenance of roads solely under the jurisdiction of an eligible local governmental recipient. Eligible local governmental recipients must (1) have a directly elected governing board; (2) maintain sole jurisdiction over a roadway system; (3) does not receive dedicated state funding due to its governmental status; and (4) either has a population greater than 10,000 in the last two decennial censuses or is contained within a city of the first class.

Section 17 [Filing fees; allocations; deputy registrars] requires DVS to issue payment to deputy registrars for certain transactions for which a filing fee does not apply or is not collected.

Section 18 [Implement of husbandry] makes a technical change to reflect the statutory increase in an implement of husbandry's speed limit.

Section 19 [Removal of license plates] requires the removal of license plates affixed to a vehicle by the owner upon transfer of interest in the vehicle. The purchaser, at the time of transfer, must obtain new license plates and pay all relevant fees. This section does not apply to transfers involving the creation of a security interest or where sales tax does not apply for the purchase.

Section 20 [Definitions; intersection] amends the definition of an intersection to remove an obsolete provision related to the crossing of certain roadways over a divided highway.

Section 21 [Traffic control signal] limits the circumstances by which a pedestrian may be issued a citation for entering a roadway to cross after the display of a steady yellow signal or a steady red signal. A pedestrian may only be issued a citation if they are stopped for an unrelated violation and at the time of violation, the vehicle approaches in a manner that constitutes a hazard of collision between the vehicle and pedestrian. Updates what a steady yellow light indicates to a driver to include a reference to a flashing yellow light. Makes technical changes by striking shall and inserting “must.” Effective August 1, 2025.

Section 22 [Pedestrian control signal] limits the circumstances by which a pedestrian may be issued a citation for entering a cross walk during a flashing or steady display of a “Don’t Walk” pedestrian signal. Effective August 1, 2025.

Section 23 [Officer report accident to commissioner] clarifies accident reporting requirements of a peace officer to mandate a report to the commissioner of public safety whenever an accident results in a bodily injury.

Section 24 [Speed limit on Steele County State-Aid Highway 12; City of Medford] designates a statutory speed limit for a specified segment of Steele County State-Aid Highway 12 in the city of Medford.

Section 25 [Crossing between intersections] limits the circumstances by which a pedestrian may be issued a citation for not using a crosswalk when crossing a roadway between adjacent intersections with operational traffic signals. Effective August 1, 2025.

Section 26 [Implements of husbandry requirements] raises the statutory speed for an implement of husbandry from 30 to 35 miles per hour.

Section 27 [Implements of husbandry; displaying emblem] raises the statutory speed for an implement of husbandry from 30 to 35 miles per hour.

Section 28 [Glazing material; exceptions] amends the medical exception to Minnesota’s window tint restriction. Under current law, a driver or passenger’s prescription or medical statement for additional window tinting has an expiration of two years from the date of issuance. Permits the prescription or statement to identify the underlying medical condition as permanent or temporary, and if the vehicle’s driver or owner’s medical condition is a permanent condition, the prescription can be issued without an expiration date.

Section 29 [Implements of husbandry; speed] raises the statutory speed for an implement of husbandry from 30 to 35 miles per hour.

Section 30 [Securing load; exception] raises the statutory speed for an implement of husbandry from 30 to 35 miles per hour.

Section 31 [Definition; work zone] cross-references the definition of a work zone in the chapter of law governing driver's education and driver's licensing.

Section 32 [Commercial driver's instruction permit] extends the length of validity for a commercial driver's instructional permit from 6 months to 1 year.

Sections 33 and 34 [Evidence; identity; date of birth] makes a technical change regarding satisfactory evidence of a name change.

Section 35 [Fee; equipment; driver's license agents] directs DVS to issue payment to driver's license agents for certain transactions for which a filing fee does not apply or is not collected.

Section 36 [Driver education; work zone safety] requires the commissioner of public safety to conduct rulemaking to add work zone safety and construction worker safety as subjects to be taught by a driver's education program at public schools, private schools, or commercial driver training schools. Specifies the instructional contents.

Section 37 [Driver's manual; work zone safety] requires the commissioner of public safety to update the driver's manual to include a section on work zone safety and road construction worker safety, including traffic laws in work zones, speed limits in a work zone and the potential statutory surcharge that may be assessed, the dangers of distracted driving in a work zone, and information on lane merger benefits and best practices in a work zone with specific information on the 'zipper' merge.

Section 38 [Certain headwear permitted] amends the requirements that address certain coverings of the applicant's head in the photograph used for a driver's license or identification. Permits an applicant who, because of an injury or illness that requires continuous coverage of their head or scalp, to not remove the medically required covering. The covering must not completely obscure the applicant's face in the photograph.

Section 39 [Examination subject and locations] requires the commissioner of public safety to include work zone and road construction worker safety as one of the required tested subjects for a driver's license examination. Requires the commissioner to stagger the release of road skills exam appointments on the department's website, with 50 percent of appointments available to book three months in advance of the projected appointment for applicants who reside in the same or adjacent county of where an exam station is located, 75 percent of appointments available two months in advance for local applicants, and all potential appointments, regardless of residence, available to book within a month of the projected date.

Section 40 [Examination fees] increases the fee from \$20 to \$50 that must be paid by an individual who fails to appear or cancels less than 24 hours before a scheduled appointment.



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Section 2 requires a fee of \$20 be paid by an individual who cancels a scheduled appointment between 24 and 72 hours before the appointment time.

Section 41 [Offenses] makes a technical change to cross-reference both degrees of manslaughter as a circumstance upon which the commissioner must immediately revoke a person's driver's license upon their conviction of certain specified offenses.

Section 42 [Reintegration license; expiration] provides that a reintegration driver's license expires 24 months from the date of issuance. Effective the day following final enactment for licenses issued on or after that date.

Section 43 [Issuance of regular driver's license; reintegration license] establishes a 90-day extension period for when a reintegration driver's license is considered expired for purposes of a person applying for and receiving their driver's license. Effective the day following final enactment.

Section 44 [Rulemaking; ignition interlock device program] requires the commissioner of public safety to adopt rules relating to performance standards and certification processes and program guidelines of the ignition interlock device program.

Section 45 [FLEXIBLE INSTRUCTION PERMITTED] authorizes a student to receive a combination of online, teleconference (also known as hybrid), and in-person classroom instruction if (1) the instruction is from a single licensed driver's education provider, (2) the curriculum is identical across instructional settings, and (3) the provider of driver's education is authorized to provide at least two methods of classroom instruction under the Department rules. Effective August 1, 2025.

Section 46 [Minnesota state highway investment plan] requires, upon subsequent revisions to the 20-year state highway investment plan, an analysis of all trunk highway projects included in the plan and provide a variety of planning, timeline, and justification rationales.

Section 47 [Department of Transportation efficiencies] redirects funds available from Minnesota Department of Transportation (MnDOT) efficiencies under statutory requirements to require the funds be used in the Corridors of Commerce program.

Section 48 [Passenger rail account; transfers; appropriation] extends the required statutory transfer from the general fund to the passenger rail account from 2027 to 2029.

Section 49 [MULTIDISCIPLINARY PROJECT DEVELOPMENT REQUIRED] requires the formation of a core project team, made up of multidisciplinary personnel in a variety of transportation-adjacent roles, for certain capacity expansion projects to provide contextual analysis for the project's scope and design. Effective March 1, 2027.

Section 50 [Complete Streets; implementation] requires a revision to MnDOT's Complete Streets policy to include integration of the statutory requirements of **sections 7 and 49**.

Section 51 [Complete Streets; implementation guidance] specifies inclusion of the required purpose and need contextual development requirements in the Complete Streets implementation guidance adopted by MnDOT. Effective March 1, 2027.

Section 52 [Electric-assisted bicycles; amount of rebate] modifies the amount awarded in the electric-assisted bicycle rebate to the lesser of 75 percent of eligible expenses paid by an eligible individual or \$750. Limits eligibility of the rebate to married individuals who file a joint return of \$78,000 or less, or \$41,000 for all other individuals. Effective for rebates after December 31, 2024.

Section 53 [Electric-assisted bicycles; commissioner to issue rebate certificates] requires the commissioner of revenue to allocate electric-assisted bicycle rebate certificates on a lottery basis beginning July 1, 2025, instead of first-come, first-served basis. Requires the commissioner to adopt suitable randomized methods to allocate the rebate certificates and establish a method for an eligible individual to apply for placement into the lottery. Effective the day following final enactment and applies to rebates issued on or after that date.

Section 54 [Deposit of revenues; auto parts sales tax] temporarily modifies the statutory allocation of revenue from the auto parts sales tax in FYs 2028 and 2029. The allocation to the highway user tax distribution fund is reduced from 43.5% (as in current law) to 36.5% in FY 2028 and to 29.5% in FY 2029 and that portion of the revenue is instead allocated to the general fund.

Section 55 [Railroad and pipeline safety account] strikes certain specified appropriations from the railroad and pipeline safety account for environmental protection activities related to railroad discharged preparedness and a transfer from the railroad and pipeline safety account to the grade crossing safety account. Effective the day following final enactment.

Section 56 [Railroad and pipeline safety account; assessments] modifies the \$4,000,000 assessment upon both railroad companies and pipeline companies. Of the assessment, railroads are assessed \$3,418,000, divided in equal proportion among applicable rail carriers based on route miles operated in Minnesota for deposit into the railroad and pipeline safety account. Money in the account is appropriated to the commissioner of the Pollution Control Agency for environmental protection activities related to railroad discharge preparedness and \$1,500,000 is deposited in the grade crossing safety account.

Section 57 [Coordinated unmanned aircraft system fleet event for entertainment purposes] adds the definition of a ‘coordinated unmanned aircraft system fleet event for entertainment purposes’ to the chapter of statutes governing aviation and aircraft.

Section 58 [Definition; electronic attestation] defines “electronic attestation” for purposes of aircraft registration.

Section 59 [Collector’s aircraft; electronic attestation] permits an individual to use electronic attestation methods for collector’s aircraft registration.

Section 60 [Recreational aircraft; electronic attestation] permits an individual to use electronic attestation methods for recreational aircraft registration.

Section 61 [Agricultural aircraft; electronic attestation] permits an individual to use electronic attestation methods for agricultural aircraft registration requirements.

Section 62 [Small unmanned aircraft systems] makes a technical change to the definition of an unmanned aircraft system.

Section 63 [Coordinated unmanned aircraft system fleets] requires an operator of a coordinated unmanned aircraft system fleet event for entertainment purposes to register each aircraft system, specifies registration contents, and the payment of a daily registration fee of \$2 for each aircraft used in the fleet.

Section 64 [Direct negotiation; Metropolitan Council] authorizes the Council to directly negotiate construction or maintenance contracts up to \$250,000 by obtaining two or more quotes for work without advertising for bids or otherwise complying with the requirements for competitive bidding in statute.

Section 65 [Budget; Metropolitan Council] strikes a transportation program forecast reporting requirement that is required elsewhere in statute.

Section 66 [Transportation financial review; Metropolitan Council] incorporates the reporting requirement for replacement service providers as part of the required transportation financial review.

Section 67 [Small businesses; Metropolitan Council] authorizes the Council to award the 12 percent preference used by the Department of Administration for the amount bid for specific goods and services to small targeted-group businesses and veteran-owned small businesses. Authorizes the Council to award specified construction work to small, targeted-group businesses and veteran-owned small businesses using the preference percentage of 12 percent used by the Minnesota Department of Transportation (MnDOT). Authorizes the Council and the Metropolitan Parks and Open Space Commission, the Metropolitan Airports Commission, the Metropolitan Sports Facilities Commission, and Minnesota Management and Budget to purchase from small and targeted-group businesses and veteran-owned small businesses when making purchases that are not subject to competitive bidding procedures.

Section 68 [Working capital fund; Metropolitan Council] makes a technical change to incorporate the correct reference to the Code of Federal Regulations, title 49.

Section 69 [Forecasted funding; Metropolitan Council] strikes an expenditure reporting requirement that is required in other legislatively mandated reports.

Section 70 [Transit service for certified disabled riders] authorizes the Metropolitan Council to offer free fares on regular route transit for riders of Metro Mobility. Under current law, the Council now charges a nominal fare of 1 cent after expiration of the free fare pilot program in **Laws 2023, chapter 68, article 4, section 122**.

Section 71 [Report required; cleaning standards] amends the reporting requirement for the Metropolitan Council’s transit cleanliness and ridership experience to (1) require an annual report on February 15, concurrent with other Metro Transit reports; and (2) strikes a requirement that the report recommend additions to the transit rider code of conduct.

Section 72 [Use of funds; Metropolitan Council; loan authorized] authorizes the Metropolitan Council to make a loan to the Department of Transportation in the amount of \$250,000,000 for a major transitway project in the metropolitan area.

Section 73 [Laws 2023, Chapter 68, article 4, sec. 109 – Traffic Safety Violations Disposition Analysis] extends the due date for the submission to the legislature of the traffic safety violations disposition analysis by the Center for Transportation Studies at the University of Minnesota.

Section 74 [Laws 2024, Chapter 127, article 3, section 61 – Motorcycle driving rules] repeals the authorization to lane split on a motorcycle and limits the road types of which a person may lane filter on a motorcycle. A person may only lane filter – moving forward to the front of traffic – when traffic is stationary and the motorcycle is travelling no greater than 25 miles per hour.

Section 75 [Laws 2024, Chapter 127, article 3, section 61, the effective date – Motorcycle driving rules] delays the effective date of the authorization to lane filter on a motorcycle from July 1, 2025 to July 1, 2025.

Section 76 [ADDITIONAL FULL SERVICE PROVIDER FOR CIRCLE PINES] requires the commissioner of public safety to appoint a driver’s license agent at an existing deputy registrar location in the city of Circle Pines, which establishes the location as a full-service office.

Section 77 [AUTONOMOUS MOWERS RESEARCH AND DEVELOPMENT] requires the commissioner to study autonomous mowing operations by other governments or private entities to determine whether such a system can be deployed at or on property owned by MnDOT. Research must study different configurations and types of autonomous mowers to determine whether they could operate around obstacles or in difficult terrain. If MnDOT opts to purchase a mower as part of its research, the technology must be purchased from a Minnesota company. Requires a legislative report by February 15, 2027.

Section 78 [DEPARTMENT OF TRANSPORTATION; POLICY ADVISORY COMMITTEES] Requires the commissioner to adopt bylaws and procedures to govern the approval and operation of the three currently-organized policy advisory committees. Specifies certain requirements of adopted bylaws, including a regular meeting schedule, a process by which policy advisory committee members can introduce resolutions, and the establishment of procedures for organizing and holding public meetings. Requires the commissioner to establish a robust and meaningful public participation and community engagement process as part of forming a policy advisory committee.

Section 79 [RULEMAKING; LOSS OF VOLUNTARY CONTROL PROVISIONS MODIFICATION]

directs the commissioner of public safety to conduct good-cause rulemaking by July 1, 2026, to amend rules governing a physician’s review of person’s condition that caused a loss of consciousness or voluntary control for purposes of their driving privileges.

- A person, where a single nonepileptic seizure was responsible for the loss of control, is no longer required to submit an annual statement from their physician if:
 - the person has been episode-free for five years;
 - the person was not prescribed or taking any antiseizure medication for five years, and;
 - the physician affirms the person is in good health and that no further review is necessary.
- A person, whose loss of consciousness arose from epilepsy or other condition, is no longer required to submit an annual statement from their physician if:
 - the person is free of episodes where a loss of consciousness or voluntary control occurs for ten years;
 - the person was not prescribed or taking any antiseizure medication for ten years; and
 - the physician affirms the person is in good health and that no further review is necessary.
- A review by a physician under the new Rule does not apply to a driver who is required to hold a valid medical examiner's certification under 49 CFR 391.43 and does not constitute a determination of that driver's physical qualifications as may be required under 49 CFR 391.41.

Section 80 [STUDY; ACCESSIBLE ON-DEMAND RIDES OPERATED BY STATE TRANSPORTATION NETWORK COMPANY; SURCHARGE-FUNDED GRANTS FOR WHEELCHAIR-ACCESSIBLE VEHICLES]

requires the commissioner of transportation to conduct a comprehensive study on improving access on transportation network company (“TNC”) vehicles for those with wheelchairs, motorized wheelchairs, mobility scooters, or other mobility challenges. The study must analyze (1) a state-imposed surcharge on TNC rides to fund grants for wheelchair accessible vehicles for TNC drivers or taxicab companies and (2) a state-operated TNC that would provide prearranged rides to riders with disabilities. Specifies study contents and parameters and requires consultation with stakeholders.

Section 81 [Repealer; state aid design standards; transit operating reserves report for full-service providers] includes two provisions in the repealer section:

- Paragraph (a) repeals the reporting requirement for replacement service providers as part of the reorganization made in **section 66**.
- Paragraph (b) repeals a variety of state-aid design and engineering standards, provisions relating to the advisory council on design variances codified earlier in **section 14** and **sections 3** and **6**.