

Chapter 68 – Omnibus Transportation Finance Bill

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OVERVIEW

Chapter 68 (H.F. 2887) is the enacted biennial omnibus transportation finance bill for fiscal years (FY) 2024-25.

Article 1 is the appropriations article. **Article 2** authorizes and appropriates the proceeds from additional trunk highway bonds. **Article 3** amends certain transportation finance provisions, including the motor fuels tax, the vehicle registration tax, the motor vehicle sales tax, and the auto parts sales tax and creates new sources of revenue, including a metropolitan regional transportation sales and use tax and a retail delivery fee. **Article 4** contains various provisions involving transportation finance and policy. **Article 5** contains the supplemental transportation policy article. **Article 6** amends a variety of provisions relating to driver and vehicle services, deputy registrars, and driver’s license agents. **Article 7** makes conforming changes based on the creation of a new driver and vehicle services operating account in the act.

ARTICLE 1 – TRANSPORTATION APPROPRIATIONS

Article 1:

- appropriates and transfers money to fund the FY 2024-25 operations of the Department of Transportation (MnDOT) and transportation-related divisions of the Department of Public Safety (DPS) and the Metropolitan Council;
- appropriates additional one-time funding to MnDOT for specified priority transportation projects;
- makes limited or one-time transportation-related appropriations to several other state agencies; and

- makes available any remaining funds from 2018 trunk highway bonding appropriations for a highway project in the city of New London.

See budget spreadsheet for appropriation details.¹

ARTICLE 2 – TRUNK HIGHWAY BONDS

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

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

- \$153 million for Corridors of Commerce projects (available as \$8 million in FY 24 and \$72.5 million in each of FY 25 and FY 26),
- \$200 million for state road construction projects (available as \$67 million in each of FY 24 and FY 25 and \$66 million in FY 26),
- \$87.44 million for MnDOT facilities capital improvements, and
- \$158.15 million for other specified trunk highway capital projects.

Section 3 appropriates \$610,000 to MMB from the bond proceeds account in the trunk highway fund for bond sale expenses.

Section 4 directs MMB to sell and issue trunk highway bonds totaling \$599.2 million to provide for the appropriations in sections 2 and 3.

ARTICLE 3 – TRANSPORTATION FINANCE

Sections 1, 18, and 21 create a sustainable aviation fuel tax credit.

Section 1 establishes a refundable income tax credit of \$1.50 for each gallon of sustainable aviation fuel produced, blended, or sold in Minnesota under specified conditions, to be claimed only after the commissioner of agriculture issues a credit certificate to the qualifying taxpayer. Credit certificates are limited to a total of \$7.4 million in FY 2025 and \$2.1 million in each of FYs 2026 and 2027, and are allocated on a first-come, first-serve basis. A taxpayer may appeal a decision of the commissioner of agriculture related to the issuance of credit certificates. Effective beginning in taxable year 2024 for fuel sold after June 30, 2024.

Section 18 lists required technical specifications of sustainable aviation fuel, as defined for the purpose of the tax credit under section 1.

Section 21 establishes the provisions of the tax credit in the chapter of statute relating to income taxes, and appropriates from the general fund to the commissioner of revenue an amount sufficient to pay any related tax refunds due to qualified taxpayers.

¹ https://assets.senate.mn/fiscalpol/tracking/2023/Transpo-Omnibus-FY-24-25_Chap68Enacted.pdf

Section 2 creates the larger cities assistance account in the special revenue fund; statutorily appropriates any available funds in the account to MnDOT for distribution to certain cities that are eligible for municipal state aid; and creates a distribution formula based on eligible cities' population (50 percent) and money needs (50 percent).

Sections 3, 4, 7, 13, 15, and 31 exempt veterans with 100 percent total and permanent disability ratings from various transportation-related taxes and fees.

Section 3 exempts an eligible veteran from the county wheelage tax.

Section 4 exempts an eligible veteran from the vehicle registration tax and associated fees, for no more than 2 qualifying motor vehicles.

Section 7 exempts an eligible veteran from fees related to issuance of a motor vehicle title.

Section 13 defines "veteran with a total service-connected disability" for the purpose of the related tax and fee exemptions.

Section 15 exempts an eligible veteran from fees for Minnesota driver's licenses and identification cards, including filing fees.

Section 31 exempts an eligible veteran from the motor vehicle sales tax.

Section 5 amends the calculation of the vehicle registration tax:

- changes the tax rate from 1.25 percent to 1.54 percent for vehicles registered in Minnesota before November 16, 2020;
- changes the tax rate from 1.285 percent to 1.575 percent for vehicle registered in Minnesota on or after November 16, 2020;
- changes the depreciation schedule used to calculate manufacturer's suggested retail price of a vehicle;
- changes the minimum tax paid for older vehicles to \$30 (from \$35); and
- sets an effective date for these changes of January 1, 2024.

Section 6 increases the filing fee by \$1 for all vehicle-related transactions through Driver and Vehicle Services or deputy registrar offices, effective October 1, 2023. In addition, it imposes a new \$1 surcharge on all deputy registrar transactions, effective January 1, 2024, with revenue retained by the deputy registrar.

Sections 8 to 12 and 20 establish a new retail delivery fee, effective July 1, 2024.

Section 8 defines terms, including "retail delivery," which is a delivery of (1) tangible personal property that is subject to state sales tax and (2) clothing, except for diapers.

Section 9 imposes a 50 cent retail delivery fee on each transaction in which the pre-tax sale total of eligible items exceeds \$100. The retailer may collect the fee from the purchaser and, if so, must list the fee as a separate item on a receipt or invoice. Specifies that the fee is imposed once per transaction, regardless of the number of items or shipments. The fee is nonrefundable unless the delivery is canceled.

Section 10 lists exemptions to the delivery fee, including deliveries of food (groceries or restaurant orders), drugs, medical supplies, and baby products. Exempts purchasers that are exempt from paying state sales tax. Exempts retailers that made sales below specified amounts.

Section 11 requires retailers to remit the fee to the commissioner of revenue on the same filing cycle required for state sales tax. States that statutes governing the administration of the state sales tax apply to the retail delivery fee. Requires commissioner of revenue to pay interest on overpayments refunded to retailers.

Section 12 directs the deposit of proceeds from the retail delivery fee. Allows the commissioner of revenue to retain the costs of collecting and administering the fee and requires the remainder of proceeds to be deposited in the transportation advancement account created in section 17.

Section 20 allows the commissioner of revenue to deposit a portion of the proceeds from the retail delivery fee in the revenue department service and recovery special revenue fund, to cover costs of fee collection.

Section 14 increases the fee for a REAL ID compliant or noncompliant driver's license or an enhanced driver's license by \$6.75 and increases the fee by \$6 for a REAL ID compliant or noncompliant instruction permit, a commercial learner's permit, a REAL ID compliant or noncompliant provisional license, or a Minnesota identification card.

Section 16 increases the filing fee for driver's license transactions. The fee for a new application for an identification card or a noncompliant, REAL ID-compliant, or enhanced driver's license is \$16, while the fee for a renewal application is \$11.

Section 17 creates the transportation advancement account in the special revenue fund. The money in the account is annually transferred or distributed as follows:

- 10 percent to the county state-aid highway fund;
- 15 percent to the larger cities assistance account created in section 2;
- 27 percent to the small cities assistance account;
- 11 percent to the town road account;
- 1 percent to the food delivery support account created in section 19; and
- 36 percent to metropolitan counties, apportioned 50 percent by relative population and 50 percent by relative construction money needs. Specifies allowable uses of the funds by counties.

Section 19 creates the food delivery support account in the special revenue fund, and annually appropriates the money in the account to the commissioner of human services for grants to nonprofit organizations for food delivery services.

Sections 22 and 23 index the motor fuels tax to inflation, using the Minnesota Highway Construction Cost Index as the inflation indexing measure. The Department of Revenue is directed to adjust the tax rates annually for motor fuels subject to the tax (including gasoline, diesel, and

various special fuels), using a reference period two years prior to the calculation. New rates go into effect each January 1, starting in 2024. The annual percentage change on January 1, 2026, and thereafter must not exceed 3 percent.

Section 24 exempts the rental or lease of vehicles owned, leased, or operated by a nonprofit carsharing organization from the rental motor vehicle tax. Effective for sales and purchases made after June 30, 2023.

Section 25 clarifies the rental car registration fee exemption for nonprofit carsharing organizations. Effective for sales and purchases made after June 30, 2023.

Section 26 exempts from the state sales tax any materials, supplies, or equipment used in the construction or improvement of a sustainable aviation fuel production facility. The tax will be collected and subsequently refunded to eligible applicants. Effective for sales and purchases made in fiscal years 2028 through 2034.

Section 27 changes the allocation of revenues from the sales tax on motor vehicle repair and replacement parts, such that:

- 43.5 percent of the revenues in each year are deposited into the HUTDF;
- an increasing percentage of the total revenue each year is deposited into the transportation advancement account, starting at 3.5 percent in FY 24 and ending at 56.5 percent in FY 2033 and thereafter; and
- the remainder in each year to the general fund.

Sections 28, 29, and 34 establish a new metropolitan regional transportation sales and use tax, as follows:

Section 28 makes a conforming change that authorizes the imposition of the tax by a political subdivision.

Section 29 defines terms and directs the Metropolitan Council to impose a sales and use tax of 0.75 percent in the metropolitan area. Provides for collection and administration by the Department of Revenue. Allocates 83 percent of the proceeds to the Metropolitan Council and 17 percent to metropolitan counties. Authorizes revenue bonds for the council's transit capital improvement program. This section is effective for sales and purchases made on or after October 1, 2023.

Section 34 allocates the sales tax proceeds.

Subd. 1 defines the term "sales tax revenue."

Subd. 2 specifies that the council's share of the revenue is 95 percent for transit system purposes and 5 percent for active transportation. Specifies areas in which the council must spend a portion of revenue.

Subd. 3 states that sales tax proceeds for active transportation are allocated to the Transportation Advisory Board, which must establish a grant award selection process and eligibility requirements.

Subd. 4 requires metro counties to use their allocated share of sales tax proceeds in the same manner as required for allocations from the transportation advancement account under section 17.

Subd. 5 prohibits the use of sales tax revenue for the Green Line light rail transit extension project. This prohibition expires upon the expiration of the Metropolitan Governance Task Force under **article 4, section 123**.

Subd. 6 specifies requirements for the financial information that the council must maintain on sales tax revenues and requires publication of the information on the council's website.

Sections 30 and 32 modify the sales tax on motor vehicles (MVST):

Section 30 increases the rate from 6.5 percent to 6.875 percent.

Section 32 modifies the allocation of MVST revenue to the metropolitan area transit account (from 36 percent to 34.3 percent) and the greater Minnesota transit account (from 4 percent to 5.7 percent) in the transit assistance fund. The allocation of MVST revenue to the HUTDF remains unchanged.

Sections 33 and 35 amend the statutory requirements for payment of operating costs for busways and guideways (including light rail transit).

Section 33 requires the Metropolitan Council to pay all operating costs, after the use of fare revenues and federal and state funds, from the metro sales tax proceeds collected under section 29. This does not apply to operating costs of Northstar Commuter Rail outside the metro area. The Council must pay all capital maintenance costs from federal funds, metro sales tax proceeds, and/or bond proceeds.

Section 35 requires local governments to pay all outstanding transit operation funding obligations to the Council by September 30, 2023, and terminates all transit operation funding agreements between the Council and local governments as of October 1, 2023.

ARTICLE 4 – TRANSPORTATION FINANCE AND POLICY PROVISIONS

Article 4 contains a variety of transportation finance and policy provisions. Unless otherwise stated, the provisions in this article are effective July 1, 2023.

Section 1 [Data security account] appropriates credited receipts in data security account in the special revenue fund to the legislative auditor for oversight relating to the security of data stored and transmitted by state systems, specifically reviewing audit reports of subscribers and requesters of certain driver records including vehicle records and driver's license information as permitted under Minnesota Statute.

Section 2 [Advisory Council on Traffic Safety] creates an Advisory Council on Traffic Safety which serves as the lead for the state Toward Zero Deaths program. The advisory council, administered and hosted by the Office of Traffic Safety, is to make recommendations and advise the

commissioners of public safety, transportation, and health on the development and implementation of projects intended to improve traffic safety on Minnesotan roads.

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

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

Section 5 [Definitions] defines the different types of required rail safety exercises in the oil and hazardous substances statute that governs the Minnesota Pollution Control Agency.

Section 6 [Training] amends the training requirements for railroads to (1) include a local emergency management organization and (2) provide the training to the applicable jurisdictions along routes where hazardous substances are transported by rail. The training must address the methods to identify rail cars and hazardous substances, responder safety issues, rail response tactics, notification and evacuation concerns, environmental contamination, railroad response personnel and coordination at an incident, and other protocols for safe initial local response including the notification requirements established in **article 4, section 4**.

Section 7 [Emergency response planning; coordination] establishes coordination requirements for emergency response planning between emergency responders and railroads. Requires the commissioner of public safety to publish the list of emergency managers and fire chiefs every other year.

Section 8 [Response capabilities; time limits] amends the time limits and emergency response responsibilities of a railroad after an incident involving oil or hazardous substances. **Paragraph (a)** requires railroads to deliver and deploy sufficient equipment to respond to an incident and adds requirement for railroad to contact emergency services within 15 minutes of an incident. The emergency response or fire chief must identify and provide contact information of the responsible incident commander to the railroad. **Paragraph (b)** requires a railroad to aid the incident commander and identify the nature of the hazardous substance known to have been released and any other hazardous substance cargo on the train. **Paragraph (c)** requires a qualified company representative of the railroad to advise the incident commander, assist in assessing the situation, initiate needed railroad actions, and provide advice and recommendations to the incident commander regarding the response.

Section 9 [Railroad exercises] modifies containment, recovery, and sensitive area protection exercises for railroads to include the following requirements:

- Each railroad operating unit trains in Minnesota must conduct at least one oil containment, recovery, and sensitive area protection walkthrough, table-top exercise, or functional exercise every year and one full-scale exercise every five years.
- Requires the response exercises to work through the emergency response plans established in article 4, section 6 and coordinated with federal law.
- Requires the commissioner of the MPCA to consult with the Division of Homeland Security, the state fire marshal, and local emergency management to determine the appropriate exercise to select for the railroad.

- Full scale exercises must include the response capability requirements under current law and operate under the newly established time limits established in article 4, section 8.
- Requires the MPCA to coordinate with other agencies and railroad union safety representatives for determining the characteristics of the exercise.
- Requires local emergency management, local fire departments, and local units of government to participate in these exercises.

Section 10 [Prevention and response plans; requirements; submission] makes changes to the submission requirements of prevention and response plans for railroads.

Section 11 [Student training] strikes language that allows schools to provide student safety education for bicycling and pedestrian safety. This is replaced by language in article 4, section 12.

Section 12 [Active transportation safety training] requires public school districts to provide age-appropriate active transportation safety training for students in kindergarten through eighth grade. Nonpublic schools may provide the same training. The commissioner of transportation must maintain a comprehensive collection of training safety materials.

Section 13 [Administration of opiate antagonists for drug overdose] authorizes transit rider investment program personnel to administer opiate antagonists for emergency treatment of an opioid overdose if the medical provider and training prerequisites are met.

Section 14 [Highways for Habitat Program] creates a highway for habitat program for the Department of Transportation's integrated roadside vegetation management plan. The program requires the commissioner of transportation's integrated roadside vegetation management plan to include pollinator habitats and wildlife buffers. Directs the commissioner of transportation, in consultation with DNR and the Board of Water and Soil Resources, to develop integrated roadside vegetation management standards and practices to the extent practicable. Specifies elements for the standards. Requires a legislative report each odd-numbered year, expiring December 31, 2033, on the department's progress on implementing the highways for habitat program, a fiscal review of the program, and an investment plan for the next biennium.

Section 15 [Cooperation among agencies and governments] requires the active transportation advisory committee to provide information and advice for the bikeway designation guidelines. The commissioner of transportation must provide technical assistance to local governments related to planning and developing bikeways, connecting state bicycle routes, and implementing statewide bicycle plans.

Section 16 [State bicycle route] requires the active transportation advisory committee to participate in the identification of state bicycle routes.

Section 17 [Mississippi River Trail] designates the existing Mississippi River Trail bikeway as a state bicycle route.

Section 18 [Jim Oberstar Bikeway] establishes the Jim Oberstar Bikeway as a state bicycle route. The route starts in St. Paul and ends on Minnesota's boundary with Canada in the northeast part of the state.

Section 19 [Limitations on spending] removes the prohibition on the commissioner of transportation expending trunk highway funds or funds from the highway user distribution fund on rent and utility expenses on the department's central office building.

Section 20 [Corridors of Commerce; definitions] defines terms for the selection process for the Corridors of Commerce program.

Section 21 [Program authority; funding] makes a technical change and authorizes MnDOT to use up to 17 percent of any Corridors of Commerce appropriation for project scoring, ranking, and selection in addition to program delivery.

Section 22 [Project eligibility] modifies eligibility for funding under the Corridors of Commerce program to require that the project is on the National Highway System, and a determination of a total project cost estimate.

Section 23 [Project funding; regional balance] modifies the process by which MnDOT identifies, selects, and prioritizes projects under the Corridors of Commerce program to ensure regional balance throughout the state.

Section 24 [Project funding; readiness development] allocates up to ten percent of funds in the Corridors of Commerce program for initial project development activities sufficient to allow for regular project assessment and scoring. Any unused readiness funds are reallocated to ranked projects under **article 4, section 23**.

Section 25 [Project selection process; criteria] revises MnDOT procedures that evaluate and select projects under the Corridors of Commerce program, including to create a series of selection process phases, establish a local screening and recommendation phase for project solicitations, require project scoring, and institute a readiness development phase for projects that received funds under **article 4, section 24**.

Section 26 [Corporal Caleb L. Erickson Memorial Highway] amends the legal description of the Cpl. Caleb L. Erickson Memorial Highway in Waseca County.

Section 27 [Deputy Josh Owen Memorial Overpass] designates the newly constructed overpass at the junction of TH 29 and TH 55 near Glenwood in Pope County as the Deputy Josh Owen Memorial Overpass.

Section 28 [Transportation greenhouse gas emissions impact assessment] requires the commissioner of transportation to perform a capacity expansion impact assessment on capacity expansion projects in the state transportation improvement program (STIP) to determine if the project conforms with greenhouse gas emissions benchmarks established in article 4, section 64 and vehicle miles traveled (VMT) reduction targets under the statewide transportation plan.

Section 29 [Placing and maintaining electric transmission lines along trunk highways] prohibits MnDOT from adopting rules that prohibit an entity from placing or maintaining electric transmission lines along, across, or in any trunk highway if the entity (1) has the right to use the right-of-way; (2) has a power purchase agreement or an agreement with a Minnesota public utility or utility cooperative; and (3) obtains a permit from the commissioner. The commissioner must determine whether to issue a permit to the entity within 60 days of receiving the entity's request for access.

Section 30 [Relocation of utility] creates a conforming change necessitated by the changes made in article 4, section 29.

Section 31 [Relocation of facilities; reimbursement] provides that any entity that receives a route permit for installing high-voltage transmission lines along, across, or in any trunk highway under article 4, section 29 is not eligible for relocation reimbursement from MnDOT unless the entity is a public utility or a utility cooperative.

Section 32 [Research activities] modifies the cap on the amount MnDOT may spend on research performed by the University of Minnesota's Center for Transportation Studies.

Sections 33 to 35 [Small cities assistance account] establish a statutory appropriation to MnDOT of any available funds in the existing small cities assistance account in the special revenue fund and make conforming statutory changes.

Sections 36 to 39 [Special license plates] create new Minnesota special license plates and sets requirements for eligibility, plate design, transfer of plates, certain exemptions, and the collection of contributions collected for each special license plate. The following plate designs are authorized under this Act:

- **Section 36** – Lions Club International plates
- **Section 37** – Minnesota professional sports team foundation
- **Section 38** – ‘Blackout’ design
- **Section 39** – Minnesota Missing and Murdered Indigenous Relatives

Section 40 [Documentary fee increase] increases the maximum documentary fees charged by dealers on motor vehicle sales and leases. Provides the fee maximum applies only to vehicles being registered in the State of Minnesota and establishes the following fee schedule:

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

Section 41 [Expedited driver and vehicle services; fee] is a conforming change to the expedited driver and vehicle services that must be paid into the driver and vehicle services operating account.

Section 42 [Electric-assisted bicycle] modifies the definition of an electric-assisted bicycle to include a battery system tested to an applicable safety standard by a third-party laboratory.

Sections 43 and 44 [Safe road zones] establishes a process for the designation of safe road zones by providing MnDOT the authority to designate a street or highway segment a safe road zone following a specified local request. Provides for the implementation of safety and educational measures stemming from a safe road designation. Directs the Department of Public Safety to coordinate with local law enforcement for enhanced traffic safety enforcement in designated safe

road zones. **Section 44** authorizes MnDOT to set a temporary or permanent speed limit on roads in designated safe road zones.

Section 45 [Passing parked authorized vehicle; probable cause] adds postal service vehicles to the statutory definition of “authorized vehicle” for the move over, slow down law.

Section 46 [Passing stalled or disabled vehicle] creates a new requirement that drivers must slow down and move over, if it is reasonably practical to do so, for any disabled or stalled vehicle stopped on or next to a street or highway with either its emergency or warning lights flashing or if people are visibly present outside the vehicle.

Section 47 [Riding rules] requires a bicyclist on a road to ride as close to the right-hand curb or edge of the road as the bicyclist deems safe except under certain exceptions. A bicyclist must give an audible signal before passing another bicycle or individual. Allows a bicyclist to cross an intersection from the left side of a dedicated right turn lane. Makes technical changes to improve readability.

Section 48 [Stopping requirements] requires a bicyclist approaching a stop sign to slow down when approaching the intersection. If there is not a vehicle in the vicinity, the bicyclist is not required to come to a complete stop.

Section 49 [Definitions] adds legal blindness and pregnant individuals experiencing any of the specified physical limitations to the definition of a physically disabled person for purposes of receiving a disability parking permit.

Sections 50 and 51 [Prohibition on using wireless communication device] amends the prohibition on using a wireless communication device to include a prohibition on holding the wireless communication device with one or both hands and makes a conforming change.

Section 52 [Forest products special permit] creates a new special permit type for over-dimensional loads, to allow for overweight and over-width transport of raw or unfinished forest products.

Section 53 [Weight limits; towing and recovery vehicle] creates a new section of law relating to tow truck weight limits. Authorizes MnDOT to issue permits for oversize and overweight tow trucks when towing a disabled or damaged vehicle to place of repair or safekeeping. Provides size and weight limits do not apply when a tow truck or towing vehicle is towing a damaged or disabled vehicle from a roadway and (1) removing the vehicle is urgent, and (2) the vehicle is being taken to a place of safekeeping or repair. Exempts tow trucks that do not exceed 20,000 pounds per single axle from seasonal load restrictions if the truck is towing or recovering another vehicle that is (1) in the road right-of-way and was involved in a crash or is inoperable, or (2) has entered a body of water next to the road.

Section 54 [Farm products special permit] adds raw or processed grass seed to be specifically identified in the definition of qualifying agricultural products for a farm products special permit for overweight vehicles.

Section 55 [Driver’s license for medical reason] amends the statute authorizing a 15-year-old to hold a medical driver’s license to expand eligibility to 15-year olds with a disabled relative.

Section 56 [Persons less than 18 years of age] permits the Department of Public Safety to issue instruction permits to applicants who are enrolled in a teleconference driver's education program or an online driver's education program.

Section 57 [Contents of application; other information] allows for the voluntary collection of race and ethnicity data of an applicant on a driver's license or identification card application form. Effective for applications submitted on or after January 1, 2024.

Section 58 [Remote application] provides for remote renewal of a driver's license or Minnesota identification card for a person serving a sentence of longer than six months in a Minnesota jail or correctional facility that has no existing agreement on renewals with the Department of Public Safety.

Section 59 [Veteran designation] modifies the law governing the veteran designation on a driver's license or Minnesota identification card to expand eligibility to a retired member of the National Guard or a reserve component of the United States armed forces. Expands the eligible documentation that an applicant may submit to qualify for the designation.

Section 60 [Money credited to funds] makes a technical change to the driver and vehicle services operating account.

Section 61 [Reintegration license] authorizes issuance of a reintegration driver's license under certain circumstances. Sets eligibility and limitations for the issuance of reintegration licenses, identifies application requirements, prevents a fee, identifies circumstances for license cancellation, sets an expiration, and provides for regular license issuance.

Section 62 [Teleconference driver's education] authorizes and creates requirements for teleconference driver education programs. Programs must offer both behind-the-wheel and classroom instruction to be eligible to offer teleconference driver's education programming. Establishes instructional requirements for teleconference driver's education program.

Section 63 [Online driver's education] authorizes and creates requirements for online driver's education offered by licensed driver education programs. Establishes online driver's education programming standards. Prohibits the Department of Public Safety from instituting rules on online driver's education programs that are not equally applicable to in-person instruction.

Section 64 [Greenhouse gas emissions targets] requires the commissioner of transportation to establish benchmarks for statewide greenhouse gas emissions reduction goals and specifies the requirements of the benchmarks.

Section 65 [State highway investment plan] adds the capacity expansion project development criteria to the 20-year state highway investment plan prepared by the commissioner of transportation.

Section 66 [Active transportation advisory committee] requires the commissioner of transportation to establish an active transportation advisory committee. The committee must make recommendations to the commissioner on the safe routes to school program, bicycling, pedestrian activities, and other forms of nonmotorized transportation. The commission is comprised of public members, various state agency commissioners, and others. The commission must submit an annual report to the commissioner of transportation.

Section 67 [Active transportation account] establishes a statutory appropriation to MnDOT of any available funds in the existing active transportation account in the special revenue fund.

Section 68 [Use of funds] requires that \$500,000 of the active transportation grants are for active transportation safety curriculum.

Section 69 [Electric vehicle infrastructure program] authorizes MnDOT to establish a statewide electric vehicle infrastructure program to implement the federal National Electric Vehicle Infrastructure Formula Program and maximize the use of federal funds available to the state. MnDOT may enter into an agreement with any private or public entity to engage in the planning, designing, developing, hosting, constructing, engineering, equipping, operating, or maintaining electric vehicle infrastructure. Requires MnDOT to ensure the installation of electric vehicle infrastructure complies with federal installer certification requirements. Provides that any electric vehicle infrastructure project that receives funds is subject to the prevailing wage requirements under Minnesota law.

Section 70 [Operation costs for central office building] provides that the cost of operating and maintaining the MnDOT central office building must be split 75 percent from the trunk highway fund and 25 percent from the general fund. Effective July 1, 2025.

Section 71 [Passenger rail; funding] establishes a passenger rail account in the Special Revenue Fund. Starting in fiscal year 2028, requires an annual transfer from the General Fund into the account, in an amount that equals half of the railroad property tax levy in the prior year. Creates a statutory appropriation. Effective July 1, 2027.

Section 72 [Railroad company assessment] increases the statutory allotment of rail safety inspectors from four to six, paid for via assessment to railroad companies.

Section 73 [Incident emergency response; preparedness and information] establishes additional incident emergency response policies on railroads transporting hazardous substances. Mandates railroads, upon request by either the Department of Public Safety, a requesting emergency manager, or a fire chief with jurisdiction, to provide certain safety and emergency response planning information for the transport of oil or other hazardous substances by rail and to meet with the requesting authority within 30 days of receiving a written request to discuss the rail carrier's emergency response plans and inventory of response equipment. Directs the Department of Public Safety, through the Minnesota Fusion Center, to receive and disseminate emergency response information through a wireless communication application. Requires railroads to conduct table-top public safety and incident commander emergency response exercises by July 1, 2025. Requires Class I, Class II, and Class III rail carriers that transport oil or other hazardous substances to participate in one full-scale exercise every five years.

Section 74 [Grade crossing safety account] makes technical changes to the grade crossing safety account.

Section 75 [Minimum crew size] requires that Class I railroads, Class II railroads, or railroads operating in a shared corridor must not be operated with a crew of fewer than two individuals. Sets forth a civil fine structure on railroads for violations. Provides an effective date of 30 days after final enactment.

Section 76 [Intrastate transportation of heating fuel] creates motor carrier hours of service exemptions for in-state heating fuel transportation if a regional emergency has been declared by the President of the United States or by the Federal Motor Carrier Safety Administration.

Section 77 [Use requirements] expands the authority of some utilities to use the public road right-of-way to include high-voltage transmission lines under certain specified conditions.

Section 78 [Electric-assisted bicycle rebate] permits a Minnesota taxpayer to receive a rebate certificate for up to 75 percent of the cost of purchasing an electric-assisted bicycle up to \$1,500 and sets forth certain criteria and restrictions on the credit. The amount of the rebate certificate is reduced one percent for each \$4,000 the applicant makes over \$25,000 or \$50,000 for those married filing jointly until it reaches 50 percent of the retail value of the electric-assisted bicycle. Directs the commissioner of revenue to determine the date on which to open applications for a rebate certificate, but allocation of rebate certificates must begin by July 1, 2024. The rebate certificate sunsets on June 30, 2026.

Section 79 [Uses reporting] directs counties in the Twin Cities metropolitan area that have imposed a local option sales tax for transportation purposes to submit a legislative report every other year.

Section 80 [Traffic safety report] requires the commissioner of public safety to submit a traffic safety report to the legislature and requires the commissioner to work with the Advisory Council on Traffic Safety in preparing the report. The report must analyze the safety of Minnesota's roads and transportation system and is due annually on January 15.

Section 81 [Railroad and pipeline safety] reinstates assessments to railroads and pipeline companies to pay for emergency preparedness, along with some new activities in 299A.55. Requires a legislative report on the revenues gathered from the assessment and the expenditures from the account. Provides that if the balance in the railroad and pipeline safety account at the end of the biennium is greater than \$2,000,000, the amount above \$2,000,000 must be transferred to the grade crossing safety account.

Section 82 [Driver and vehicle services operating account] combines the existing DVS operating accounts (the driver services operating account and the vehicle services operating account) into a new account called the driver and vehicle services operating account in the special revenue fund. The new account will consist of all revenues that previously were deposited into the individual accounts. Requires MMB to publish an account statement, including revenues and expenditures, at several specified times a year.

Sections 83 and 84 [Civil penalties] revises the maximum civil penalty for violations of pipeline safety regulations or failure to report a pipeline release, to use the maximums established in federal law.

Section 85 [Surcharges] reduces the court surcharge from \$75 to \$25 for various rider conduct violations, including fare-related violations and other acts that carry a misdemeanor penalty. Prohibits the surcharge from applying to administrative citations issued under the TRIP program.

Section 86 [Disbursement of surcharges] requires the entirety of the court surcharge for transit rider conduct violations to be deposited into the general fund.

Section 87 [Administration] removes a reference to revenues generated from the registration of meteorological towers from repealing the fee collected upon registration in article 4, section 129, paragraph (a).

Section 88 [Development guide] requires the Metropolitan Council to adopt a comprehensive development guide with a climate action chapter and include forecasts pertaining to greenhouse gas emissions and vehicle miles traveled reduction targets established in the statewide multimodal transportation plan.

Section 89 [Obligations] authorizes the Metropolitan Council to issue up to an additional \$104.5 million in “regional transit capital” bonds or similar forms of debt, in authorizations for fiscal years 2024 and 2025.

Section 90 [Limitation; light rail transit] prohibits the Metropolitan Council from expending proceeds authorized in section 89 on light rail transit.

Section 91 [Staff assistance; project manager qualifications] modifies the Metropolitan Council’s construction of light rail transit authority. Requires Metro Council to utilize MnDOT staff assistance and support when the Council is the responsible authority. Establishes qualifications for project manager and lead project engineer at the Council responsible for a new light rail transit project.

Section 92 [Transit rider activity] establishes a rider code of conduct and public safety monitoring requirements for transit service effective the day following final enactment. The code of conduct must be posted in prominent locations in transit stations and transit vehicles. Enables an authorized transit representative to order a rider to depart if the person violates the code of conduct after a warning. Requires the Metropolitan Council to establish and clearly designate paid fare zones at each light rail transit station where the council utilizes self-service barrier-free fare collection. Directs the Metropolitan Council to implement and maintain security and lighting features.

Section 93 [Transit rider investment program] requires the Metropolitan Council to create the transit rider investment program (TRIP) for transit passenger support, fare payment inspection, administrative citation issuance, and rider assistance. Authorizes transit officials (including TRIP personnel, law enforcement, and community service officers) to issue administrative citations for some violations in transit facilities. Establishes contested process notification on the administrative citation. Prohibits citation quotas. Prohibits both an administrative citation and a criminal conviction for the same act under Minn. Stat. §609.855, subdivision 1 or 3. Establishes disposition of an administrative citation requirements. Permits the Metropolitan Council to implement a graduated fine structure for the citation or an alternative resolution procedure for resolving an administrative citation.

Section 94 [Legislative report] requires an annual legislative report on transit safety and the transit rider investment program.

Section 95 [Metro Transit cleaning and repair standards] directs the Metropolitan Council to adopt cleanliness and repair standards for transit vehicles and stations by October 1, 2023. Requires a legislative report on the adoption of cleaning and repair standards and requires an on-going report and review of the standards and their implementation. Requires the Council to provide information to transit riders on public feedback methods on cleanliness and the rider experience.

Section 96 [Report; climate mitigation and adaptation at MSP Int'l Airport] requires the Metropolitan Airport Commission to submit an annual legislative report on climate mitigation and adaptation at Minneapolis-St. Paul International Airport in support of the 2030 greenhouse gas emissions reduction goals adopted by the commission. The first report to the legislature due in January 2024 must include MAC's plan and timeline for adopting a ban on single-use plastic bottles at the airport.

Section 97 [Land use plan] requires land use plans to include forecasts on greenhouse gas emissions and vehicle miles traveled information that are generated from activity that occurs within a local government's jurisdiction.

Section 98 [Climate mitigation and adaptation; comprehensive plan content] directs the Metropolitan Council to specify how climate mitigation and adaptation information is to be incorporated into an adopted comprehensive plan.

Section 99 [Fare evasion; petty misdemeanor] reduces the penalty for evading or falsifying fare payment for transit service or failure to provide proof of fare payment to a petty misdemeanor from a misdemeanor. Sets the base fine amount at \$10.

Section 100 [Prohibited activities; petty misdemeanor] eliminates the misdemeanor penalty for certain rider activities including: (1) playing amplified music; (2) consuming food or beverages without authorization; and (3) bringing an animal onboard without authorization. Modifies the penalty for littering on a transit vehicle after a warning followed by a continued violation into a petty misdemeanor.

Section 101 [Prohibited activities; misdemeanor] establishes a misdemeanor penalty for certain rider activities on a transit vehicle or in a transit facility including: (1) smoking; (2) urinating or defecating; (3) drinking alcohol; (4) damaging transit vehicles or transit station property in a matter that meets the requirements for fourth-degree criminal damage to property; (5) committing vandalism, defacing transit property, or the placement of graffiti; or (6) disorderly conduct. Authorizes law enforcement to order a transit passenger to depart a transit vehicle or transit facility for the conduct listed above.

Section 102 [Definitions; TRIP personnel] adds TRIP personnel to the definition of "authorized transit representatives," granting the personnel the authority to enforce rider code of conduct violations and fare compliance.

Section 103 [Deputy registrar; North Minneapolis Service Center] authorizes the addition of a deputy registrar at the Hennepin County North Minneapolis Service Center, converting the Service Center into a full-service office.

Section 104 [Conveyance of state land in Le Sueur County] modifies a conveyance of state land in Le Sueur County by the commissioner of transportation.

Section 105 [Post-COVID Transit Study] amends 2021 Session Law to modify the funding source and lead entity for a study on post-COVID public transit. The Metropolitan Council is directed to create the study and is obligated to pay for the study out of existing budgetary resources. Revises the effective date to make the report due October 1, 2023.

Section 106 [Southwest Light Rail Transit; expenditures and schedule] amends 2022 Session law to add additional status update requirements for the Metropolitan Council on the Southwest light rail transit projects including (1) total expenditures on the project to date and (2) the total project cost estimate. Requires the Metropolitan Council to submit for review and comment to the legislature for each expenditure on the Southwest light rail transit project on a quarterly basis and at least 30 days prior to making the expenditure. Effective the day following final enactment and applies to expenditures made on or after October 1, 2023.

Section 107 [Retroactive driver's license reinstatement] establishes eligibility for driver's license reinstatement for individuals whose license was suspended for various violations that, due to a 2021 change, are no longer grounds for suspension.

Section 108 [Deputy Registrar; Ramsey County] requires the appointment of a new private deputy registrar at or near the Hmong Village shopping center in St. Paul notwithstanding the rules and statutes governing the selection of office locations for deputy registrars.

Section 109 [Traffic safety violations disposition analysis] requires the commissioner of public safety to enter into an agreement with the Center for Transportation Studies at the University of Minnesota to conduct an analysis and review of traffic citation enforcement activity and disposition changes over recent years. The agreement with the Center requires an interim report due July 1, 2024, and a final report to the legislature by July 1, 2025.

Section 110 [Federal transportation grants technical assistance] sets requirements for the administration and awarding of technical assistance grants to assist local units of government and Tribal governments applying for federal discretionary grants.

Section 111 [Infrastructure Investment and Jobs Act (IIJA) discretionary match] sets requirements for MnDOT to allocate funds that provide non-federal match funding for discretionary grants awarded under the Infrastructure Investment and Jobs Act (IIJA) or associated federal laws.

Section 112 [Rail corridor and transit service analysis; St. Cloud] requires MnDOT and the Metropolitan Council to assess extending the Northstar Commuter Rail line to St. Cloud. From an appropriation, MnDOT must analyze and report on transit service within the corridor from Minneapolis and St. Paul to St. Cloud. Specifies plan elements. Requires legislative reports on the transit service analysis and commuter rail extension analysis.

Section 113 [Transit service intervention project] establishes a temporary intervention project to perform high-visibility and coordinated interventions on light rail transit lines.

Section 114 [Operating and capital assistance; greater Minnesota transit] sets the local funding share for public transit systems in greater Minnesota to be 5 percent for operating costs and 10 percent for capital costs. The local share under current law is 15 to 20 percent for operating costs and 20 percent for capital costs. This reduction is effective only in fiscal years 2024 and 2025.

Section 115 [Southwest Light Rail Transit; coronavirus federal aid prohibition] prohibits the Metropolitan Council from expending any future federal Coronavirus Response and Relief Supplemental Appropriations Acts (CRRSAA) funds except for funds from commitments already made or applied for in a grant that preceded enactment.

Section 116 [Blue Line extension engagement meetings] requires the Blue Line light rail extension project (also known as the Bottineau extension) to organize and facilitate community engagement with groups from Minneapolis neighborhoods including Lyn-Park, Near North, and Jordan, located along the Blue Line extension alignment route. Requires the attendance of representatives from the cities of Minneapolis, Robbinsdale, Crystal, and Brooklyn Park to attend the community engagement meetings. Establishes the Blue Line light rail extension project office as responsible for creating a community engagement framework that must include project information, impacts of light rail transit on businesses and residents, and business mitigation and anti-displacement strategies. State funds are not to be expended until the Blue Line extension project office creates the framework.

Section 117 [Blue Line extension route alignment consultation] requires the commissioner of transportation and the city of Minneapolis to consult with the Metropolitan Council and Hennepin County on the possible redesign and route of the Blue Line extension project between downtown Minneapolis and West Broadway Avenue, specifically the exit and entrance ramps and overpass of marked Interstate Highway 94.

Section 118 [Microtransit service] directs the Metropolitan Council to provide specified grants to suburban transit providers for demand response microtransit service.

Section 119 [Transit signal priority system planning] requires the Metropolitan Council to create a working group to perform planning on traffic signal prioritization for transit. Specifies members to solicit for the group, sets the duties, requires administrative support, requires a legislative report by December 15, 2023, and provides for expiration.

Section 120 [Midtown Greenway expansion plan] requires the Metropolitan Council to analyze and create a plan for continuous and dedicated bicycle and pedestrian trails from the Midtown Greenway in Minneapolis to Allianz Field in St. Paul via the Short Line bridge over the Mississippi River. Establishes route and development plan analysis requirements.

Section 121 [Metro Mobility enhancement pilot program] establishes an enhancement pilot program for the Metropolitan Council to enhance existing service levels of Metro Mobility, which must (1) commence by September 1, 2023, and operate until December 31, 2025; (2) provide for advanced scheduling of enhanced Metro Mobility service; (3) provide service hours outside of the hours of service under Metro Mobility; (4) cover the entirety of the geographic area set forth in the Metro Mobility statute; and (5) establish rider eligibility criteria substantially comparable to Metro Mobility's eligibility requirements. Requires a report on the pilot program to the Legislature by February 1, 2026.

Section 122 [Transit fare elimination pilot program] directs the Metropolitan Council to create a pilot program for free transit service on two regular route bus lines, from July 1, 2023, to December 31, 2024. Sets requirements and requires a legislative report by February 15, 2025.

Section 123 [Metropolitan governance task force] creates a task force to study and make recommendations to the legislature on reform and governance of the Metropolitan Council. Provides for membership, duties, agency cooperation, compensation, grants, and administrative support. Makes the task force expire June 30, 2024.

Section 124 [Clean transportation fuel standard working group] creates a working group to develop a clean transportation fuel standard that would achieve an aggregate carbon reduction in transportation fuels used in Minnesota.

Section 125 [Greenhouse gas emissions impact mitigation working group] requires MnDOT to convene a working group to assist the commissioner with the impact mitigation plan and greenhouse gas emissions reduction targets under Minn. Stat. §161.178. Requires the working group to submit a written report to the legislature by February 1, 2024, and expires on February 15, 2025, or upon submission of the report.

Section 126 [Legislative report; speed safety cameras] requires a legislative report on identifying a process for automated safety enforcement and requires the commissioner of public safety to convene a task force on automated safety enforcement from a variety of stakeholders. Specifies report contents.

Section 127 [Legislative report; road funding gap] requires a legislative report from MnDOT and MMB on road funding and revenue options to address the impact of motor vehicle fuel and engine types, weight, miles traveled, vehicle age on revenue generation and collection and consider a variety of factors and recommend legislation to address the revenue required needed to meet performance targets and system maintenance.

Section 128 [Revisor instruction] is a revisor instruction stemming from rail safety provisions in Article 4.

Section 129 [Repealer] repeals the following provisions:

- **Paragraph (a)** repeals (1) Minn. Stat. §167.45, which was amended by 2021 Session Law to prohibit trunk highway funds from being used for operations for MnDOT headquarters and (2) Minn. Stat. §360.915, subdivision 2, a \$50 fee for registration of a meteorological tower.
- **Paragraph (b)** repeals provisions governing weight limits of tow trucks.
- **Paragraph (c)** repeals the driver services operating account, which is in conjunction with the merger of driver and vehicle accounts provided elsewhere in this article and removes duplicative provisions on deposit of fee revenue.
- **Paragraph (d)** repeals rules providing for temporary authorization of teleconferenced driver's education and online driver's education for adults over 21 years of age.

ARTICLE 5 – SUPPLEMENTAL TRANSPORTATION POLICY

Article 5 is the supplemental omnibus transportation policy bill. A significant portion of Article 5 is adopted from S.F. 1335, which was passed by the Senate on May 12, 2023.² Sections in Article 5 have an effective date of August 1, 2023, unless specified otherwise.

² <https://www.senate.mn/journals//2023-2024/20230512068.pdf>

Sections 1 and 2 [Micromobility and shared electric vehicle facilities] permits cities to place and maintain advertisements, public art, and informational signs on certain transportation and micromobility facilities.

Section 3 [Town bridges and culverts] modifies the permissible use of funds in the town bridge account to (1) provide that funds must be expended on replacement or rehabilitation of town road bridges; and (2) provide for work related to historic bridges.

Section 4 [Route No. 334] amends a statutorily designated trunk highway to remove a segment of Robert Street in downtown St. Paul. The revision is subject to an agreement with the city of St. Paul to transfer jurisdiction of the road.

Section 5 [Route No. 340] establishes a statutorily designated trunk highway segment from Upper Sioux Management State Park to near Granite Falls.

Section 6 [Noise abatement in townships] authorizes MnDOT to implement noise abatement measures within or along the perimeter of highways in unincorporated areas. Previous law only permitted the department to implement measures in incorporated areas.

Section 7 [Direct negotiation] clarifies that MnDOT can perform direct negotiation for projects under \$250,000 and include projects on MnDOT buildings or property.

Section 8 [Indian employment preference] authorizes MnDOT to implement an Indian employment preference for members of federally recognized Tribes on federally funded highway projects on or within commuting distance of an Indian reservation.

Section 9 [Surplus property] amends the authority of MnDOT to dispose of surplus buildings used for trunk highway purposes and specifically authorizes the building's demolition if MnDOT is no longer using a building or is a safety or fire hazard.

Sections 10 and 11 [Needs defined] modify the definition of money needs in the county state-aid highway system and the municipal state-aid street fund.

Section 12 [Screening board] requires cities to submit data on money needs to a screening board for apportioning municipal state-aid and modifies the composition of the screening board.

Section 13 [General requirements; fees] allows an applicant for a veterans service organization special plate to present a valid membership card for the Disabled American Veterans.

Section 14 [No fee] specifies that the commissioner of public safety must not charge fees for a personalized Gold Star plate.

Section 15 [Legislative report] requires an annual legislative report from the Department of Public Safety on special plate issuance and a fiscal summary of contribution funds.

Section 16 [USDOT numbers] strikes language related to a person who does not have a USDOT number at the time of registration of certain vehicles.

Section 17 [Dealer's licenses; location change notice; fee] increases the time for issuing a dealer license from 120 days to 180 days after issuance of the temporary license. Makes formatting

changes. Allows the commissioner of public safety to deny a license if a dealer is not in compliance with location requirements or has intentionally misrepresented information in the dealer license application that would be grounds for suspending or revoking the license.

Section 18 [Dealer plates; distinguishing number, fee, tax, use] strikes an obsolete term.

Section 19 [Records] changes when dealer records may be inspected to allow for inspection during the hours listed in the initial dealer license application or on the dealer record.

Section 20 [Electronic signature] authorizes an electronic signature to transfer ownership of a vehicle to an insurer after the payment of damages and requires insurers to indemnify and hold harmless the department for any claims resulting from issuing a certificate of title, salvage title, or junking certificate.

Sections 21 and 22 [Impounded vehicle charges] amend the types of charges subject to a lien when a person tows and stores a motor vehicle at the request of a law enforcement officer. Charges for recovery of the vehicle and cargo, storage of the vehicle and cargo, and accident site cleanup are subject to a lien. The person who tows the vehicle may retain the vehicle and its cargo, except that the owner may retrieve contents as provided by current law. Specifies that registered owners who are homeless or receive relief based on need are not liable for charges for recovery of cargo, storage of cargo, or accident site cleanup.

Section 23 [Micromobility device] adds “micromobility device” to the vehicle definition statute in chapter 169.

Section 24 [Accident report] directs law enforcement agencies to send basic information on a vehicle collision that involves a fatality, within 48 hours, to the Department of Public Safety.

Section 25 [Trunk Highway No. 19] establishes a 45 miles-per-hour speed limit on Trunk Highway 19 in the city limits of Lonsdale.

Section 26 [Parking space free of obstruction] requires property owners or managers to ensure disability parking spaces on their property are not blocked by plowed snow or other obstructions.

Section 27 [Inspection certificate] states that a school bus inspection certificate is valid for 12 months after the month listed on the certificate.

Section 28 [Inspection criteria] imposes a 30-day limit for transporting students if using a school bus bearing a rejection sticker.

Section 29 [Violations; penalties] imposes a gross misdemeanor penalty on a person who operates a school bus displaying a rejection sticker in violation of the law.

Section 30 [Type III vehicle age repeal] eliminates an upper age limit of 12 years for Type III vehicles (e.g., minivans, other passenger automobiles, and small buses) used in pupil transportation.

Section 31 [Rear view mirror] allows certain vehicles to use an alternative to a rear view mirror that reflects or displays the view to a driver.

Section 32 [Inspector certification; suspension and revocation; hearing] amends a cross reference to federal law.

Section 33 [Special registration plates] strikes the requirement to provide information on a driver when applying for registration plates for a vehicle subject to an impoundment order.

Section 34 [Restricted driver's license] modifies the existing restricted driver's license for farm work so that a person may receive the license for working on a farm that is not owned by that person's parents or guardians.

Section 35 [Contents of application; other information] requires an application for a driver's license or ID card to allow for the applicant to provide caretaker information.

Section 36 [Evidence; lawful status] specifies which documents may be used to demonstrate lawful status when applying for a REAL ID driver's license or ID card.

Section 37 [Evidence; residence in Minnesota] expands the list of documents a person may use to demonstrate residence in the state when applying for a REAL ID driver's license or ID card.

Section 38 [Caretaker information] allows an applicant for a driver's license or ID card to include names and contact information for up to three individuals receiving exclusive care from the applicant. Caretaker data are classified as private data on individuals but may be shared with law enforcement agencies to notify cared-for individuals in an emergency.

Section 39 [Issuance of restricted license] makes a conforming change in a subdivision relating to issuing a driver's license to a person participating in the ignition interlock device program. Adds a reference to having a license revoked pursuant to two specified sections.

Section 40 [Expiration of report mandates] provides new statutory standards for the submission and expiration of legislative reports by the commissioner of transportation. Establishes an expiration list that the commissioner of transportation must submit to the legislative committees with jurisdiction over transportation. Provides exceptions to the submission of report requirements.

Section 41 [Eligibility; active transportation] expands eligibility for funds under the active transportation program to include Tribal governments.

Section 42 [Eligibility; safe routes] expands eligibility for funds under the safe routes to school program.

Section 43 [Bridge grant program; rulemaking] expands permissible uses for grants under the local bridge program to include bridge rehabilitation and historic bridge work. Restricts abandonment costs to general fund appropriations by disallowing use of bond proceeds.

Section 44 [Trunk highway corridor projects account] expands eligibility to funds under the local road improvement program to include Tribal governments for part of local participation costs on a trunk highway project.

Section 45 [Local road account for routes of regional significance] expands eligibility to funds under the local road improvement program to include Tribal governments for projects on local roads that have regional significance.

Section 46 [Grant procedures and criteria] expands eligibility to include Tribal governments for funds under the local road improvement program.

Section 47 [Expenditures] allows funds to be used under the Minnesota State Rail Improvement program to provide nonfederal match on freight rail projects that support economic development.

Section 48 [Oral disclosure; motor vehicle title] makes a technical change in the requirements governing motor vehicle title disclosures to clarify that an oral disclosure is not applicable to sales performed online.

Section 49 [Training requirements] requires the Metropolitan Council to provide training to bus service operators on assisting passengers with disabilities and mobility issues. The training must cover when a passenger with disabilities or mobility issues enters and exits the vehicle and circumstances where regular access to and from the vehicle is unsafe due to weather conditions or obstructions. The training requirement applies to both bus service operators employed by Metropolitan Council and operators employed by a replacement service provider.

Section 50 [Fare authority; Metropolitan Council] provides that the Metropolitan Council may establish transit fare programs and passes consistent with the fare policy purposes set forth in Minn. Stat. §473.408, subdivision 2. The programs may include (1) discount pass programs for public and private employers, public and private organizations, and school districts; and (2) special pass programs for demonstration projects or special events.

Section 51 [Crime] makes it a crime for a person to intentionally use force or threat of force to obstruct an employee of the Department of Public Safety Driver and Vehicle Services Division, a driver's license agent, or a deputy registrar while the employee is performing official duties.

Sections 52 to 54 [Turnbacks; Legislative Route Nos. 264, 274, 301] provides for a route turnback by eliminating the statutory designation of various trunk highways subject to agreements with the relevant local authorities.

Section 55 [Repealer] repeals a variety of transportation policy provisions, including:

- **Paragraph (a)** repeals the prohibition that public use of a railroad right-of-way road prevents the road from being designated a public road.
- **Paragraph (a)** repeals a provision requiring a license applicant to provide their middle name and allows an applicant to list their previous surname instead of their given middle name.
- **Paragraph (b)** repeals the prohibition on spending public funds on a passenger rail line between Rochester and the Minneapolis-St. Paul metropolitan area.
- **Paragraph (c)** repeals the Metropolitan Council's current transit fare programs based on the changes made in article 5, section 50.
- **Paragraph (d)** repeals an administrative rule requiring transit operators receiving aid from MnDOT to provide monthly operations and financial reporting as well as a final report within 90 days of the end of the contract period.

- **Paragraph (e)** repeals the prohibition on the study of the Dan Patch commuter rail line.

ARTICLE 6 – INDEPENDENT EXPERT REVIEW PROVISIONS

Article 6 implements certain recommendations from the “Driver and Vehicle Services Report of the Independent Expert Review” (“Report”) submitted to the legislature on January 12, 2022.³

Section 1 [Full-service provider] provides a definition of “full-service provider” in vehicle registration chapter of Minnesota Statutes. A full-service provider is a person who performs the functions of both a deputy registrar and a full-service driver’s license agent. This corresponds to the term “full-service deputy registrar” used in the Independent Expert Report.

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

Section 3 [Requests for information; surcharge on fee] requires a full-service provider to impose a surcharge on certain requests. The full-service provider must submit the fee to the commissioner to be deposited into the general fund. Effective January 1, 2024.

Section 4 [Exception to fee and surcharge] prohibits a full-service provider from collecting the surcharge referenced in **article 6, section 3** in certain situations.

Section 5 [Monitoring and auditing] requires the commissioner of public safety to monitor and audit full-service providers providing documents in article 6, section 3 to ensure compliance with state and federal law. Effective January 1, 2024.

Section 6 [Use of Vehicle registration information] allows information about vehicle registrations to be provided over the phone to the owner or lessee of the vehicle.

Section 7 [Reports confidential; evidence, fee, penalty, appropriation] allows a full-service provider to provide copies of accident reports and to collect a fee. The full-service provider collects a fee for the request and retains most of the fee but must submit a portion of the fee to the commissioner to be deposited into the general fund.

Section 8 [Monitoring and auditing] requires the commissioner of public safety to monitor and audit full-service providers providing documents in article 6, section 7 to ensure compliance with state and federal law. Effective January 1, 2024.

Section 9 [Definition of full-service provider] provides definition of “full-service provider” in Chapter 171 and cross-references the definition provided in article 6, section 1.

Section 10 [Manual and study materials availability] requires the commissioner to post on the department’s website the driver’s manual and study support materials for the written and skills exam. Effective August 1, 2023.

Section 11 [Driver and vehicle services information system; security and auditing] prohibits the commissioner from suspending or revoking access to MnDRIVE when the person properly

³ The Independent Expert Review report can be found [here](#).

accessed the data, regardless of whether a transaction was complete. Requires the commissioner to establish an appeals process.

Section 12 [Examination subjects and locations; provisions for color blindness, disabled veterans] requires real-time information on driver's exam appointment availability. Requires the commissioner of public safety to ensure an applicant may take an exam either in the county where the applicant resides or in an adjacent county at a reasonably convenient location. Requires the posting of each exam station's schedule, the availability of and location of exam appointments, and the next available exam dates and times for each exam station viewable and sortable by distance from the address provided. Effective January 1, 2024.

Section 13 [Waiver when license issued by another jurisdiction] eliminates the requirement for new Minnesota residents to take the written knowledge test when getting a Minnesota driver's license if they have a valid license issued by another state, United States territory, or jurisdiction.

Section 14 [MnDRIVE reinstatement] permits an individual whose access to MnDRIVE was permanently revoked to appeal the decision of the commissioner under certain circumstances. Effective October 1, 2023, and requests may not be submitted after June 30, 2024.

Section 15 [Report; deputy registrar and driver's license agent financial sustainability] requires the Department of Public Safety to report to the legislature evaluating the role of deputy registrars and driver's license agents within DVS operations. The report is due July 1, 2024. The report must include a performance evaluation, detail the amount of financial assistance needed for deputy registrars and driver's license agents to achieve financial sustainability, and provide long-term analyses about the role private deputy registrars and driver's license agents will play in the vehicle and driver registration system.

Section 16 [Report; implementation] requires the Department of Public Safety to report to the legislature on the implementation of the provisions in article 6 and the other recommendations and plans provided in the Independent Expert Review.

ARTICLE 7 – DRIVER AND VEHICLE SERVICES CONFORMING CHANGES

Sections 1 to 18 are statutory conforming changes related to combining the driver services operating account and the vehicle services operating account into a single account (the driver and vehicle services operating account) in article 4, section 82.