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State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-FIFTH
SESSION**

HOUSE FILE No. 946

February 13, 2007

Authored by Lieder; Erhardt; Peterson, N.; Hortman; Madore and others
The bill was read for the first time and referred to the Committee on Finance

March 20, 2007

Committee Recommendation and Adoption of Report:
To Pass as Amended and re-referred to the Committee on Taxes

A bill for an act

relating to transportation finance; appropriating money for transportation, Metropolitan Council, and public safety activities; providing for fund transfers, general contingent accounts, and tort claims; authorizing sale and issuance of trunk highway bonds for highways and transit facilities; modifying motor fuels and registration taxes; allocating motor vehicle sales tax revenue; modifying county state-aid allocation formula; modifying county wheelage tax; authorizing local transportation sales and use taxes; modifying provisions relating to various transportation-related funds and accounts; modifying fees for license plates, drivers' licenses, identification cards, and state patrol escort and flight services; making technical and clarifying changes; amending Minnesota Statutes 2006, sections 16A.88; 161.04, subdivision 3, by adding a subdivision; 162.06; 162.07, subdivision 1, by adding subdivisions; 163.051; 168.011, subdivision 6; 168.013, subdivisions 1, 1a; 168.017, subdivision 3; 168.12, subdivision 5; 168A.29, subdivision 1; 171.02, subdivision 3; 171.06, subdivision 2; 171.07, subdivisions 3a, 11; 171.20, subdivision 4; 296A.07, subdivision 3; 296A.08, subdivision 2; 297A.94; 297B.09, subdivision 1; 299D.09; 473.388, subdivision 4; 473.446, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 297A; repealing Minnesota Statutes 2006, section 174.32.

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

ARTICLE 1

TRANSPORTATION APPROPRIATIONS

Section 1. SUMMARY OF APPROPRIATIONS.

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

	<u>2008</u>		<u>2009</u>		<u>Total</u>
<u>General</u>	\$ 123,387,000	\$	106,734,000	\$	230,121,000
<u>Special Revenue</u>	47,950,000		49,038,000		96,988,000
<u>Trunk Highway</u>	1,164,253,000		1,466,021,000		2,630,274,000
<u>Airports</u>	25,524,000		25,592,000		51,116,000

2.1	<u>M.S.A.S.</u>	<u>130,521,000</u>	<u>152,066,000</u>	<u>282,587,000</u>
2.2	<u>C.S.A.H.</u>	<u>484,975,000</u>	<u>566,506,000</u>	<u>1,051,481,000</u>
2.3	<u>H.U.T.D.</u>	<u>8,938,000</u>	<u>9,238,000</u>	<u>18,176,000</u>
2.4	<u>Total</u>	<u>\$ 1,985,548,000</u>	<u>\$ 2,375,195,000</u>	<u>\$ 4,360,743,000</u>

2.5 **Sec. 2. TRANSPORTATION APPROPRIATIONS.**

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

2.14		<u>APPROPRIATIONS</u>	
2.15		<u>Available for the Year</u>	
2.16		<u>Ending June 30</u>	
2.17		<u>2008</u>	<u>2009</u>

2.18 **Sec. 3. TRANSPORTATION.**

2.19 **Subdivision 1. Total appropriation** **\$ 1,743,337,000** **\$ 2,143,408,000**

2.20	<u>Appropriations by Fund</u>		
2.21		<u>2008</u>	<u>2009</u>
2.22	<u>General</u>	<u>19,830,000</u>	<u>19,239,000</u>
2.23	<u>Trunk Highway</u>	<u>1,082,537,000</u>	<u>1,380,055,000</u>
2.24	<u>Airports</u>	<u>25,474,000</u>	<u>25,542,000</u>
2.25	<u>C.S.A.H.</u>	<u>484,975,000</u>	<u>566,506,000</u>
2.26	<u>M.S.A.S.</u>	<u>130,521,000</u>	<u>152,066,000</u>

2.27 (a) This appropriation is to the commissioner
 2.28 of transportation. The amounts that may be
 2.29 spent for each purpose are specified in the
 2.30 following subdivisions.

2.31 (b) Of this amount, \$165,385,000 the first
 2.32 year and \$332,750,000 the second year are
 2.33 from additional revenue from changes by this
 2.34 act to the gasoline and special fuels excise

3.1 taxes, Minnesota Statutes, sections 296A.07,
 3.2 subdivision 3, and 296A.08, subdivision 2.

3.3 (c) Of this amount, \$15,415,000 the first
 3.4 year and \$59,907,000 the second year are
 3.5 from additional revenue from changes by
 3.6 this act to the motor vehicle registration
 3.7 tax, Minnesota Statutes, section 168.013,
 3.8 subdivision 1a.

3.9 (d) Of the amount from the general fund,
 3.10 \$9,000 the first year and \$18,000 the second
 3.11 year are for compensation adjustments.

3.12 (e) Of the amount from the state airports
 3.13 fund, \$66,000 the first year and \$134,000
 3.14 the second year are for compensation
 3.15 adjustments.

3.16 (f) Of the amount from the trunk highway
 3.17 fund, \$6,138,000 the first year and
 3.18 \$12,399,000 the second year are for
 3.19 compensation adjustments.

3.20 <u>Subd. 2. Airport development and assistance</u>	<u>20,298,000</u>	<u>20,298,000</u>
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3.21 (a) This appropriation is from the state
 3.22 airports fund and must be spent according
 3.23 to Minnesota Statutes, section 360.305,
 3.24 subdivision 4.

3.25 (b) \$6,000,000 the first year is a onetime
 3.26 appropriation and \$6,000,000 the second
 3.27 year is a onetime appropriation.

3.28 (c) Notwithstanding Minnesota Statutes,
 3.29 section 16A.28, subdivision 6, this
 3.30 appropriation is available for five years after
 3.31 appropriation.

3.32 (d) If the appropriation for either year is
 3.33 insufficient, the appropriation for the other
 3.34 year is available for it.

4.1 Subd. 3. **Aviation support and services** 5,998,000 6,075,000

4.2 Appropriations by Fund

4.3 Trunk Highway 847,000 856,000

4.4 Airports 5,151,000 5,219,000

4.5 \$65,000 the first year and \$65,000 the second
 4.6 year are for the Civil Air Patrol.

4.7 Subd. 4. **Transit** 19,545,000 19,561,000

4.8 Appropriations by Fund

4.9 General 18,812,000 18,814,000

4.10 Trunk Highway 733,000 747,000

4.11 The commissioner of transportation may
 4.12 spend up to \$5,000,000 from July 1, 2009,
 4.13 through June 30, 2013, in federal transit
 4.14 funds for capital assistance to public transit
 4.15 systems under Minnesota Statutes, section
 4.16 174.24. This amount is in addition to any
 4.17 appropriations made by law for this purpose.

4.18 Subd. 5. **Freight** 5,337,000 5,431,000

4.19 Appropriations by Fund

4.20 General 353,000 360,000

4.21 Trunk Highway 4,984,000 5,071,000

4.22 Subd. 6. **Infrastructure operations and**
 4.23 **maintenance** 245,138,000 277,821,000

4.24 The commissioner of transportation shall
 4.25 reopen when feasible the Culkin safety rest
 4.26 area, located on marked Interstate Highway
 4.27 35.

4.28 Subd. 7. **Infrastructure investment support** 191,317,000 218,115,000

4.29 (a) \$266,000 the first year and \$266,000
 4.30 the second year are available for grants to
 4.31 metropolitan planning organizations outside
 4.32 the seven-county metropolitan area.

4.33 (b) \$75,000 the first year and \$75,000
 4.34 the second year are for a transportation

5.1 research contingent account to finance
 5.2 research projects that are reimbursable
 5.3 from the federal government or from other
 5.4 sources. If the appropriation for either year
 5.5 is insufficient, the appropriation for the other
 5.6 year is available for it.

5.7 (c) \$600,000 the first year and \$600,000
 5.8 the second year are available for grants
 5.9 for transportation-related activities outside
 5.10 the metropolitan area to identify critical
 5.11 concerns, problems, and issues. These grants
 5.12 are available:

5.13 (1) to regional development commissions;
 5.14 (2) in regions where no regional development
 5.15 commission is functioning, to joint powers
 5.16 boards established under agreement of two or
 5.17 more political subdivisions in the region to
 5.18 exercise the planning functions of a regional
 5.19 development commission; and

5.20 (3) in regions where no regional development
 5.21 commission or joint powers board is
 5.22 functioning, to the department's district office
 5.23 for that region.

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

5.28 **Subd. 8. State road construction** 518,599,000 738,585,000

5.29 (a) It is estimated that this appropriation will
 5.30 be funded as follows:

5.31 <u>Federal Highway</u>		
5.32 <u>Aid</u>	<u>193,500,000</u>	<u>350,400,000</u>
5.33 <u>Highway User Taxes</u>	<u>325,099,000</u>	<u>385,185,000</u>

6.1 (b) This appropriation is for the actual
 6.2 construction, reconstruction, and
 6.3 improvement of trunk highways, including
 6.4 design-build contracts and consultant usage
 6.5 to support these activities. This includes the
 6.6 cost of actual payment to landowners for
 6.7 lands acquired for highway rights-of-way,
 6.8 payment to lessees, interest subsidies, and
 6.9 relocation expenses.

6.10 (c) The commissioner of transportation shall
 6.11 notify the chair of the Transportation Budget
 6.12 Division of the senate and the chair of the
 6.13 Transportation Finance Division of the house
 6.14 of representatives of any significant events
 6.15 that should cause the estimates in paragraph
 6.16 (a) to change.

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

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

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

6.30 Subd. 9. Highway debt service 57,972,000 75,254,000

6.31 \$54,312,000 the first year and \$66,175,000
 6.32 the second year are for transfer to the state
 6.33 bond fund. If this appropriation is insufficient
 6.34 to make all transfers required in the year for
 6.35 which it is made, the commissioner of finance

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

7.8 Subd. 10. **Electronic communications** 5,117,000 5,202,000

7.9	<u>Appropriations by Fund</u>		
7.10	<u>General</u>	<u>9,000</u>	<u>9,000</u>
7.11	<u>Trunk Highway</u>	<u>5,108,000</u>	<u>5,193,000</u>

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

7.15 Subd. 11. **County state-aids** 484,975,000 566,506,000

7.16 This appropriation is from the county
 7.17 state-aid highway fund and is available until
 7.18 spent.

7.19 Subd. 12. **Municipal state-aids** 130,521,000 152,066,000

7.20 (a) This appropriation is from the municipal
 7.21 state-aid street fund and is available until
 7.22 spent.

7.23 (b) If an appropriation for either county
 7.24 state aids or municipal state aids does not
 7.25 exhaust the balance in the fund from which
 7.26 it is made in the year for which it is made,
 7.27 the commissioner of finance, upon request
 7.28 of the commissioner of transportation, shall
 7.29 notify the chair of the Transportation Finance
 7.30 Division of the house of representatives
 7.31 and the chair of the Transportation Budget

8.1 Division of the senate of the amount of the
 8.2 remainder and shall then add that amount
 8.3 to the appropriation. The amount added is
 8.4 appropriated for the purposes of county state
 8.5 aids or municipal state aids, as appropriate.

8.6 (c) If the appropriation for either county state
 8.7 aids or municipal state aids does exhaust
 8.8 the balance in the fund from which it is
 8.9 made in the year for which it is made, the
 8.10 commissioner of finance shall notify the chair
 8.11 of the Transportation Finance Division of the
 8.12 house of representatives and the chair of the
 8.13 Transportation Budget Division of the senate
 8.14 of the amount by which the appropriation
 8.15 exceeds the balance and shall then reduce
 8.16 that amount from the appropriation.

8.17 **Subd. 13. Town road sign replacement**
 8.18 **program**

600,000

0

8.19 This appropriation is from the general fund
 8.20 to the commissioner of transportation to
 8.21 implement the town road sign replacement
 8.22 program established in Laws 2005, First
 8.23 Special Session chapter 6, article 3, section
 8.24 89. For the purpose of this appropriation,
 8.25 implementation includes the purchase and
 8.26 installation of new signs. This appropriation
 8.27 may be used to satisfy any local matching
 8.28 requirement for the receipt of federal funds.
 8.29 Designated funds not allocated by July 1,
 8.30 2009, cancel and revert to the general fund.

8.31 **Subd. 14. Flexible highway account transfers**

8.32 The commissioner of finance shall transfer
 8.33 from the flexible account in the county
 8.34 state-aid highway fund \$5,950,000 the first

9.1 year and \$2,820,000 the second year to the
 9.2 municipal turnback account in the municipal
 9.3 state-aid street fund and \$12,940,000 the first
 9.4 year and \$15,330,000 the second year to the
 9.5 trunk highway fund; and the remainder in
 9.6 each year to the county turnback account in
 9.7 the county state-aid highway fund.

9.8 **Subd. 15. Department support** 40,559,000 41,090,000

9.9 Appropriations by Fund

9.10 <u>Trunk Highway</u>	<u>40,534,000</u>	<u>41,065,000</u>
9.11 <u>Airports</u>	<u>25,000</u>	<u>25,000</u>

9.12 **Subd. 16. Buildings** 17,361,000 17,403,000

9.13 Appropriations by Fund

9.14 <u>General</u>	<u>56,000</u>	<u>56,000</u>
9.15 <u>Trunk Highway</u>	<u>17,305,000</u>	<u>17,347,000</u>

9.16 **Subd. 17. Transfers**

9.17 (a) With the approval of the commissioner of
 9.18 finance, the commissioner of transportation
 9.19 may transfer unencumbered balances among
 9.20 the appropriations from the trunk highway
 9.21 fund and the state airports fund made in this
 9.22 section. No transfer may be made from the
 9.23 appropriation for state road construction. No
 9.24 transfer may be made from the appropriations
 9.25 for debt service to any other appropriation.
 9.26 Transfers under this paragraph may not be
 9.27 made between funds. Transfers between
 9.28 programs must be reported immediately
 9.29 to the chair of the Transportation Budget
 9.30 Division of the senate and the chair of the

12.2	<u>Appropriations by Fund</u>		
12.3	<u>General</u>	<u>39,000</u>	<u>40,000</u>
12.4	<u>Trunk Highway</u>	<u>363,000</u>	<u>377,000</u>

12.5 Subd. 3. Public safety support 7,942,000 8,122,000

12.6	<u>Appropriations by Fund</u>		
12.7	<u>General</u>	<u>3,245,000</u>	<u>3,336,000</u>
12.8	<u>Trunk Highway</u>	<u>3,331,000</u>	<u>3,420,000</u>
12.9	<u>H.U.T.D.</u>	<u>1,366,000</u>	<u>1,366,000</u>

12.10 (a) Of the amount from the general fund,
 12.11 \$110,000 the first year is a onetime
 12.12 appropriation and \$28,000 the second year
 12.13 is a onetime appropriation for a security
 12.14 coordinator to coordinate planning efforts for
 12.15 the Republican National Convention.

12.16 (b) \$380,000 the first year and \$380,000
 12.17 the second year are for payment of public
 12.18 safety officer survivor benefits under
 12.19 Minnesota Statutes, section 299A.44. If the
 12.20 appropriation for either year is insufficient,
 12.21 the appropriation for the other year is
 12.22 available for it.

12.23 (c) \$1,199,000 the first year and \$1,367,000
 12.24 the second year are to be deposited in the
 12.25 public safety officer's benefit account. This
 12.26 money is available for reimbursements under
 12.27 Minnesota Statutes, section 299A.465.

12.28 (d) \$508,000 the first year and \$508,000
 12.29 the second year are for soft body armor
 12.30 reimbursements under Minnesota Statutes,
 12.31 section 299A.38.

12.32 (e) \$792,000 the first year and \$792,000
 12.33 the second year are appropriated from the
 13.1 general fund for transfer by the commissioner
 13.2 of finance to the trunk highway fund on

13.3 December 31, 2007, and December 31, 2008,
 13.4 respectively, in order to reimburse the trunk
 13.5 highway fund for expenses not related to the
 13.6 fund. These represent amounts appropriated
 13.7 out of the trunk highway fund for general
 13.8 fund purposes in the administration and
 13.9 related services program.

13.10 (f) \$610,000 the first year and \$610,000
 13.11 the second year are appropriated from
 13.12 the highway user tax distribution fund for
 13.13 transfer by the commissioner of finance to
 13.14 the trunk highway fund on December 31,
 13.15 2007, and December 31, 2008, respectively,
 13.16 in order to reimburse the trunk highway
 13.17 fund for expenses not related to the fund.

13.18 These represent amounts appropriated out
 13.19 of the trunk highway fund for highway
 13.20 user tax distribution fund purposes in the
 13.21 administration and related services program.

13.22 (g) \$716,000 the first year and \$716,000
 13.23 the second year are appropriated from
 13.24 the highway user tax distribution fund for
 13.25 transfer by the commissioner of finance to
 13.26 the general fund on December 31, 2007, and
 13.27 December 31, 2008, respectively, in order to
 13.28 reimburse the general fund for expenses not
 13.29 related to the fund. These represent amounts
 13.30 appropriated out of the general fund for
 13.31 operation of the criminal justice data network
 13.32 related to driver and motor vehicle licensing.

13.33 Subd. 4. **Technical support services** 3,870,000 3,870,000

14.1	<u>Appropriations by Fund</u>		
14.2	<u>General</u>	<u>1,507,000</u>	<u>1,507,000</u>
14.3	<u>Trunk Highway</u>	<u>2,344,000</u>	<u>2,344,000</u>
14.4	<u>H.U.T.D.</u>	<u>19,000</u>	<u>19,000</u>

14.5 Of the amount from the general fund,
 14.6 \$1,416,000 the first year and \$1,416,000
 14.7 the second year are for information systems
 14.8 security and disaster recovery.

14.9 **Subd. 5. Patrolling highways** 67,626,000 71,522,000

14.10	<u>Appropriations by Fund</u>		
14.11	<u>General</u>	<u>37,000</u>	<u>37,000</u>
14.12	<u>Trunk Highway</u>	<u>67,497,000</u>	<u>71,393,000</u>
14.13	<u>H.U.T.D.</u>	<u>92,000</u>	<u>92,000</u>

14.14 (a) Of the amount from the trunk highway
 14.15 fund, \$2,060,000 the first year and
 14.16 \$3,653,000 the second year are for 40
 14.17 additional state patrol troopers under this
 14.18 subdivision and subdivision 6.

14.19 (b) Of the amount from the trunk highway
 14.20 fund, \$1,335,000 the first year and
 14.21 \$1,335,000 the second year are for fuel costs
 14.22 under this subdivision and subdivision 6.

14.23 **Subd. 6. Commercial vehicle enforcement** 6,945,000 7,196,000

14.24 **Subd. 7. Capitol security** 2,963,000 3,030,000

14.25 This appropriation is from the general fund.

14.26 **Subd. 8. Vehicle services** 26,032,000 26,609,000

14.27	<u>Appropriations by Fund</u>		
14.28	<u>Special Revenue</u>	<u>18,696,000</u>	<u>18,973,000</u>
14.29	<u>H.U.T.D.</u>	<u>7,336,000</u>	<u>7,636,000</u>

15.1 (a) The base appropriation from the highway
 15.2 user tax distribution fund is \$7,936,000 for
 15.3 fiscal year 2010 and \$8,236,000 for fiscal
 15.4 year 2011.

15.5 (b) The special revenue fund appropriation is
15.6 from the vehicle services operating account.

15.7 (c) Of the amount from the special revenue
15.8 fund, \$47,000 the first year and \$45,000 the
15.9 second year are for a driver license and motor
15.10 vehicle records contract coordinator.

15.11 Subd. 9. **Driver services** 27,940,000 28,712,000

15.12	<u>Appropriations by Fund</u>		
15.13	<u>Special Revenue</u>	<u>27,939,000</u>	<u>28,711,000</u>
15.14	<u>Trunk Highway</u>	<u>1,000</u>	<u>1,000</u>

15.15 (a) The special revenue fund appropriation is
15.16 from the driver services operating account.

15.17 (b) Of the amount from the special revenue
15.18 fund, \$25,000 the first year and \$23,000 the
15.19 second year are for a driver license and motor
15.20 vehicle records contract coordinator.

15.21 Subd. 10. **Traffic safety** 435,000 435,000

15.22 (a) Of this amount, \$111,000 the first
15.23 year and \$111,000 the second year are
15.24 for planning and administration of grants
15.25 from the National Highway Traffic Safety
15.26 Administration.

15.27 (b) The commissioner of public safety shall
15.28 spend 50 percent of the money available
15.29 to the state under Public Law 105-206,
15.30 section 164, and the remaining 50 percent
15.31 must be transferred to the commissioner
15.32 of transportation for hazard elimination
16.1 activities under United States Code, title 23,
16.2 section 152.

16.3 Subd. 11. **Pipeline safety** 1,315,000 1,354,000

16.4 (a) This appropriation is from the pipeline
16.5 safety account in the special revenue fund.

16.6 (b) Of this amount, \$264,000 the first year
 16.7 and \$255,000 the second year are for an
 16.8 increase in funding to carry out the pipeline
 16.9 safety inspection program.

16.10 **Sec. 6. GENERAL CONTINGENT**
 16.11 **ACCOUNTS.** **\$ 375,000 \$ 375,000**

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

16.17 (a) The appropriations in this section
 16.18 may only be spent with the approval of
 16.19 the governor after consultation with the
 16.20 Legislative Advisory Commission under
 16.21 Minnesota Statutes, section 3.30.

16.22 (b) If an appropriation in this section for
 16.23 either year is insufficient, the appropriation
 16.24 for the other year is available for it.

16.25 **Sec. 7. TORT CLAIMS.** **\$ 600,000 \$ 600,000**

16.26 (a) This appropriation is to the commissioner
 16.27 of finance.

16.28 (b) If the appropriation for either year is
 16.29 insufficient, the appropriation for the other
 16.30 year is available for it.

16.31 **Sec. 8. CONTINGENT TRUNK HIGHWAY APPROPRIATION.**

16.32 The commissioner of transportation, with the approval of the governor after
 16.33 review by the Legislative Advisory Commission under Minnesota Statutes, section 3.30,
 17.1 may transfer all or part of the unappropriated balance in the trunk highway fund to an
 17.2 appropriation (1) for trunk highway design, construction, or inspection in order to take
 17.3 advantage of an unanticipated receipt of income to the trunk highway fund or to take
 17.4 advantage of federal advanced construction funding, (2) for trunk highway maintenance
 17.5 in order to meet an emergency, or (3) to pay tort or environmental claims. Any transfer

17.6 as a result of the use of federal advanced construction funding must include an analysis
 17.7 of the effects on the long-term trunk highway fund balance. The amount transferred is
 17.8 appropriated for the purpose of the account to which it is transferred.

17.9 **Sec. 9. USE OF STATE ROAD CONSTRUCTION APPROPRIATIONS.**

17.10 Any money appropriated to the commissioner of transportation for state road
 17.11 construction for any fiscal year before fiscal year 2008 is available to the commissioner
 17.12 during fiscal years 2008 and 2009 to the extent that the commissioner spends the money
 17.13 on the state road construction project for which the money was originally encumbered
 17.14 during the fiscal year for which it was appropriated. The commissioner of transportation
 17.15 shall report to the commissioner of finance by August 1, 2007, and August 1, 2008, on a
 17.16 form the commissioner of finance provides, on expenditures made during the previous
 17.17 fiscal year that are authorized by this section.

17.18 **Sec. 10. EFFECTIVE DATE.**

17.19 Except as specifically provided otherwise, this article is effective July 1, 2007.

17.20 **ARTICLE 2**

17.21 **TRUNK HIGHWAY BONDS**

17.22 **Section 1. TRUNK HIGHWAY BOND APPROPRIATIONS.**

17.23 The sums shown in the column under "APPROPRIATIONS" are appropriated from
 17.24 the bond proceeds account in the trunk highway fund, or another named fund, to the state
 17.25 agencies or officials indicated, to be spent for public purposes. Appropriations of bond
 17.26 proceeds must be spent as authorized by the Minnesota Constitution, article XIV.

17.27 **SUMMARY**

17.28 <u>Transportation</u>	\$ 1,000,000,000
17.29 <u>Bond Sale Expenses</u>	\$ 1,000,000
17.30 <u>TOTAL</u>	<u>\$ 1,001,000,000</u>

17.31 **APPROPRIATIONS**

17.32 **Sec. 2. TRANSPORTATION.** **\$ 1,000,000,000**

18.1 (a) \$100,000,000 is appropriated on the
 18.2 first day of fiscal years 2008 to 2017 to
 18.3 the commissioner of transportation, for
 18.4 the actual construction, reconstruction,
 18.5 and improvement of trunk highways. This

18.6 includes the cost of actual payments to
 18.7 landowners for lands acquired for highway
 18.8 rights-of-way, payments to lessees, interest
 18.9 subsidies, and relocation expenses.

18.10 (b) The commissioner of transportation may
 18.11 use up to \$170,000,000 of this appropriation
 18.12 for program delivery.

18.13 (c) The commissioner shall use at least
 18.14 \$50,000,000 of this appropriation for
 18.15 accelerating transit facility improvements on
 18.16 or adjacent to trunk highways.

18.17 **Sec. 3. BOND SALE EXPENSES.** **\$ 1,000,000**

18.18 This appropriation is to the commissioner
 18.19 of finance for bond sale expenses under
 18.20 Minnesota Statutes, sections 16A.641,
 18.21 subdivision 8, and 167.50, subdivision 4.

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

18.23 To provide the money appropriated in this article from the bond proceeds account
 18.24 in the trunk highway fund, the commissioner of finance shall sell and issue bonds of
 18.25 the state in an amount up to \$1,001,000,000 in the manner, on the terms, and with the
 18.26 effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota
 18.27 Constitution, article XIV, section 11, at the times and in the amount requested by the
 18.28 commissioner of transportation. The proceeds of the bonds, except accrued interest and
 18.29 any premium received from the sale of the bonds, must be deposited in the bond proceeds
 18.30 account in the trunk highway fund.

18.31 **Sec. 5. EFFECTIVE DATE.**

18.32 Except as specifically provided otherwise, this article is effective July 1, 2007.

19.1 **ARTICLE 3**
 19.2 **HIGHWAY USER TAXES**

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

19.4 **16A.88 TRANSIT FUNDS ASSISTANCE FUND.**

19.5 Subdivision 1. **Transit assistance fund.** A transit assistance fund is established
 19.6 within the state treasury. The fund receives money distributed under section 297B.09,
 19.7 subdivision 1, and other money as specified by law. Money in the fund must be allocated
 19.8 to the greater Minnesota transit account under subdivision 2 and the metropolitan area
 19.9 transit account under subdivision 3 in the manner specified, and must be used solely for
 19.10 transit purposes under the Minnesota Constitution, article XIV, section 13.

19.11 **Subd. 1a. Greater Minnesota transit fund account.** The greater Minnesota transit
 19.12 ~~fund~~ account is established within the transit assistance fund in the state treasury. Money
 19.13 in the ~~fund~~ account is annually appropriated to the commissioner of transportation for
 19.14 assistance to transit systems outside the metropolitan area under section 174.24. ~~Beginning~~
 19.15 ~~in fiscal year 2003,~~ The commissioner may use up to ~~\$400,000 each year~~ \$408,000 in
 19.16 fiscal year 2008 and \$416,000 in fiscal year 2009 and thereafter for administration of the
 19.17 transit program. The commissioner shall use the ~~fund~~ account for transit operations as
 19.18 provided in section 174.24 and related program administration.

19.19 **Subd. 2. Metropolitan area transit fund account.** The metropolitan area transit
 19.20 ~~fund~~ account is established within the transit assistance fund in the state treasury. All
 19.21 money in the ~~fund~~ account is annually appropriated to the Metropolitan Council for the
 19.22 funding of transit systems within the metropolitan area under sections 473.384, 473.386,
 19.23 473.387, 473.388, and 473.405 to 473.449.

19.24 ~~**Subd. 3. Metropolitan area transit appropriation account.** The metropolitan~~
 19.25 ~~area transit appropriation account is established within the general fund. Money in the~~
 19.26 ~~account is to be used for the funding of transit systems in the metropolitan area, subject to~~
 19.27 ~~legislative appropriation.~~

19.28 **EFFECTIVE DATE.** This section is effective July 1, 2007.

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

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

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

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

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

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

20.14	FROM	TO
20.15	\$ 0	\$ 199.99
20.16	200	399.99

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

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

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

20.31 (h) The annual additional tax computed upon the base value as provided herein,
 20.32 during the first ~~and second years~~ year of vehicle life shall be computed upon 100 percent
 20.33 of the base value; for the second year, 80 percent of such value; for the third ~~and fourth~~
 20.34 years year, 90 70 percent of such value; for the fourth year, 60 percent of such value; for
 20.35 the fifth ~~and sixth years~~ year, 75 50 percent of such value; for the sixth year, 40 percent
 20.36 of such value; for the seventh year, ~~60 35~~ percent of such value; for the eighth year, ~~40~~
 21.1 30 percent of such value; for the ninth year, ~~30 20~~ percent of such value; for the tenth year,
 21.2 ten percent of such value; for the 11th and each succeeding year, the sum of \$25.

21.3 In no event shall the annual additional tax be less than \$25. ~~The total tax under this~~
 21.4 ~~subdivision shall not exceed \$189 for the first renewal period and shall not exceed \$99~~
 21.5 ~~for subsequent renewal periods. The total tax under this subdivision on any vehicle filing~~

21.6 ~~its initial registration in Minnesota in the second year of vehicle life shall not exceed~~
21.7 ~~\$189 and shall not exceed \$99 for subsequent renewal periods. The total tax under~~
21.8 ~~this subdivision on any vehicle filing its initial registration in Minnesota in the third or~~
21.9 ~~subsequent year of vehicle life shall not exceed \$99 and shall not exceed \$99 in any~~
21.10 ~~subsequent renewal period~~ The annual additional tax under this paragraph must not exceed
21.11 the annual additional tax that was previously paid or due on that vehicle.

21.12 ~~(i) As used in this subdivision and section 168.017, the following terms have the~~
21.13 ~~meanings given: "initial registration" means the 12 consecutive months calendar period~~
21.14 ~~from the day of first registration of a vehicle in Minnesota; and "renewal periods" means~~
21.15 ~~the 12 consecutive calendar months periods following the initial registration period.~~

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

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

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

21.21 (2) the applicant is a licensed motor vehicle lessor under section 168.27, in which
21.22 case the applicant may apply for initial or renewed registration of a vehicle for a period
21.23 of four or more months, the month of expiration to be designated by the applicant at the
21.24 time of registration. However, to qualify for this exemption, the applicant must present
21.25 the application to the registrar at St. Paul, or at deputy registrar offices as the registrar
21.26 may designate.

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

21.31 (c) As used in this subdivision, the following terms have the meanings given:

21.32 (1) "initial registration" means the 12 consecutive months calendar period from the
21.33 day of first registration of a vehicle in Minnesota; and

21.34 (2) "renewal periods" means the 12 consecutive calendar months periods following
21.35 the initial registration period.

22.1 Sec. 4. Minnesota Statutes 2006, section 296A.07, subdivision 3, is amended to read:

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

22.3 (1) E85 is taxed at the rate of ~~14.2~~ 17.75 cents per gallon, and 21.3 cents per gallon
22.4 after May 31, 2008;

22.5 (2) M85 is taxed at the rate of ~~11.4~~ 14.25 cents per gallon, and 17.1 cents per gallon
 22.6 after May 31, 2008; and

22.7 (3) all other gasoline is taxed at the rate of ~~20~~ 25 cents per gallon, and 30 cents
 22.8 per gallon after May 31, 2008.

22.9 **EFFECTIVE DATE.** This section is effective June 1, 2007.

22.10 Sec. 5. Minnesota Statutes 2006, section 296A.08, subdivision 2, is amended to read:

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

22.12 (a) Liquefied petroleum gas or propane is taxed at the rate of ~~15~~ 18.75 cents per
 22.13 gallon, and 22.5 cents per gallon after May 31, 2008.

22.14 (b) Liquefied natural gas is taxed at the rate of ~~12~~ 15 cents per gallon, and 18 cents
 22.15 per gallon after May 31, 2008.

22.16 (c) Compressed natural gas is taxed at the rate of ~~\$1.739~~ \$2.174 per thousand
 22.17 cubic feet, or 20 25 cents per gasoline equivalent, and \$2.609 per thousand cubic feet,
 22.18 or 30 cents per gasoline equivalent after May 31, 2008. For purposes of this paragraph,
 22.19 "gasoline equivalent," as defined by the National Conference on Weights and Measures,
 22.20 which is 5.66 pounds of natural gas.

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

22.24 **EFFECTIVE DATE.** This section is effective June 1, 2007.

22.25 Sec. 6. Minnesota Statutes 2006, section 297B.09, subdivision 1, is amended to read:

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

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

23.1 (c) ~~From July 1, 2003, to June 30, 2007, 30 percent of the money collected and~~
 23.2 ~~received must be deposited in the highway user tax distribution fund, 21.5 percent must be~~
 23.3 ~~deposited in the metropolitan area transit fund under section 16A.88, 1.43 percent must be~~
 23.4 ~~deposited in the greater Minnesota transit fund under section 16A.88, 0.65 percent must~~
 23.5 ~~be deposited in the county state-aid highway fund, and 0.17 percent must be deposited~~

23.6 ~~in the municipal state-aid street fund. The remaining money must be deposited in the~~
23.7 ~~general fund.~~

23.8 ~~(d) On and after July 1, 2007, 32 percent of the money collected and received must~~
23.9 ~~be deposited in the highway user tax distribution fund, 20.5 percent must be deposited~~
23.10 ~~in the metropolitan area transit fund under section 16A.88, and 1.25 percent must be~~
23.11 ~~deposited in the greater Minnesota transit fund under section 16A.88. The remaining~~
23.12 ~~money must be deposited in the general fund.~~

23.13 (b) From July 1, 2007, through June 30, 2008, 38.25 percent must be deposited in
23.14 the highway user tax distribution fund, 23 percent must be deposited in the metropolitan
23.15 area transit account, and 2.5 percent must be deposited in the greater Minnesota transit
23.16 account. The remaining money must be deposited in the general fund.

23.17 (c) From July 1, 2008, through June 30, 2009, 44.25 percent must be deposited in the
23.18 highway user tax distribution fund, 26.75 percent must be deposited in the metropolitan
23.19 area transit account, and 2.75 percent must be deposited in the greater Minnesota transit
23.20 account. The remaining money must be deposited in the general fund.

23.21 (d) From July 1, 2009, through June 30, 2010, 50.25 percent must be deposited in
23.22 the highway user tax distribution fund, 30.5 percent must be deposited in the metropolitan
23.23 area transit account, and three percent must be deposited in the greater Minnesota transit
23.24 account. The remaining money must be deposited in the general fund.

23.25 (e) From July 1, 2010, through June 30, 2011, 56.25 percent must be deposited in the
23.26 highway user tax distribution fund, 34.25 percent must be deposited in the metropolitan
23.27 area transit account, and 3.25 percent must be deposited in the greater Minnesota transit
23.28 account. The remaining money must be deposited in the general fund.

23.29 (f) On and after July 1, 2011, 60 percent must be deposited in the highway user tax
23.30 distribution fund, 36.5 percent must be deposited in the metropolitan area transit account,
23.31 and 3.5 percent must be deposited in the greater Minnesota transit account.

23.32 **EFFECTIVE DATE.** This section is effective July 1, 2007.

23.33 Sec. 7. Minnesota Statutes 2006, section 473.446, subdivision 1, is amended to read:

23.34 Subdivision 1. **Metropolitan area transit tax.** (a) For the purposes of sections
23.35 473.405 to 473.449 and the metropolitan transit system, except as otherwise provided in
24.1 this subdivision, the council shall levy each year upon all taxable property within the
24.2 metropolitan area, defined in section 473.121, subdivision 2, a transit tax consisting of:

24.3 (1) an amount necessary to provide full and timely payment of certificates of
24.4 indebtedness, bonds, including refunding bonds or other obligations issued or to be issued
24.5 under section 473.39 by the council for purposes of acquisition and betterment of property

24.6 and other improvements of a capital nature and to which the council has specifically
 24.7 pledged tax levies under this clause; and

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

24.15 (b) Indebtedness to which property taxes have been pledged under paragraph (a),
 24.16 clause (2), that is incurred in any fiscal year may not exceed the amount necessary to
 24.17 make up the difference between (1) the amount that the council received or expects to
 24.18 receive in that fiscal year from the metropolitan area transit ~~fund~~ account and (2) the
 24.19 amount the council received from that fund in the previous fiscal year multiplied by the
 24.20 percentage increase for the same period in the revised Consumer Price Index for all urban
 24.21 consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States
 24.22 Department of Labor.

24.23 Sec. 8. **EFFECTIVE DATE.**

24.24 Except as specifically provided otherwise, this article is effective July 1, 2007.

24.25 ARTICLE 4

24.26 COUNTY STATE-AID HIGHWAY FUND DISTRIBUTION

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

24.28 **162.06 ACCRUALS TO COUNTY STATE-AID HIGHWAY FUND;**
 24.29 **ACCOUNTS.**

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

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

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

25.10 Subd. 3. **Disaster account.** (a) After deducting administrative costs as provided in
25.11 subdivision 2, the commissioner shall set aside each year ~~a sum of money equal to one~~
25.12 percent of the ~~remaining money in the county state-aid highway fund~~ apportionment sum
25.13 to provide for a disaster account; provided that the total amount of money in the disaster
25.14 account must never exceed two percent of the total sums to be apportioned to the counties.
25.15 ~~This sum~~ The money must be used to provide aid to any county encountering disasters
25.16 or unforeseen events affecting its county state-aid highway system, and resulting in an
25.17 undue and burdensome financial hardship.

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

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

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

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

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

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

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

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

26.9 Subd. 5. **State park road account.** After deducting for administrative costs and
26.10 for the disaster account and research account as ~~heretofore provided from the remainder~~
26.11 ~~of the total sum provided for in subdivision 1, there shall be deducted~~ provided in this
26.12 section, the commissioner shall deduct a sum equal to the three-quarters of one percent of
26.13 the ~~remainder~~ apportionment sum. The sum so deducted shall be set aside in a separate
26.14 account and shall be used for (1) the establishment, location, relocation, construction,
26.15 reconstruction, and improvement of those roads included in the county state-aid highway
26.16 system under Minnesota Statutes 1961, section 162.02, subdivision 6, which border and
26.17 provide substantial access to an outdoor recreation unit as defined in section 86A.04 or
26.18 which provide access to the headquarters of or the principal parking lot located within
26.19 such a unit, and (2) the reconstruction, improvement, repair, and maintenance of county
26.20 roads, city streets, and town roads that provide access to public lakes, rivers, state parks,
26.21 and state campgrounds. Roads described in clause (2) are not required to meet county
26.22 state-aid highway standards. At the request of the commissioner of natural resources the
26.23 counties wherein such roads are located shall do such work as requested in the same
26.24 manner as on any county state-aid highway and shall be reimbursed for such construction,
26.25 reconstruction, or improvements from the amount set aside by this subdivision. Before
26.26 requesting a county to do work on a county state-aid highway as provided in this
26.27 subdivision, the commissioner of natural resources must obtain approval for the project
26.28 from the County State-Aid Screening Board. The screening board, before giving its
26.29 approval, must obtain a written comment on the project from the county engineer of the
26.30 county requested to undertake the project. Before requesting a county to do work on a
26.31 county road, city street, or a town road that provides access to a public lake, a river, a state
26.32 park, or a state campground, the commissioner of natural resources shall obtain a written
26.33 comment on the project from the county engineer of the county requested to undertake
26.34 the project. Any sums paid to counties or cities in accordance with this subdivision shall
26.35 reduce the money needs of said counties or cities in the amounts necessary to equalize
26.36 their status with those counties or cities not receiving such payments. Any balance of the
27.1 amount so set aside, at the end of each year shall be transferred to the county state-aid
27.2 highway fund.

27.3 Subd. 6. **County state-aid highway revolving loan account.** A county state-aid
27.4 highway revolving loan account is created in the transportation revolving loan fund. The
27.5 commissioner may transfer to the account the amount allocated under section 162.065.

27.6 Money in the account may be used to make loans. Funds in the county state-aid highway
27.7 revolving loan account may be used only for aid in the construction, improvement, and
27.8 maintenance of county state-aid highways. Funds in the account may not be used for any
27.9 toll facilities project or congestion-pricing project. Repayments and interest from loans
27.10 from the county state-aid highway revolving loan account must be credited to that account.
27.11 Money in the account is annually appropriated to the commissioner and does not lapse.
27.12 Interest earned from investment of money in this account must be deposited in the county
27.13 state-aid highway revolving loan account.

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

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

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

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

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

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

28.4 ~~(d)~~ (e) An amount equal to 50 percent of the apportionment sum shall be apportioned
28.5 among the several counties so that each county shall receive of such amount the percentage

28.6 that its money needs bears to the sum of the money needs of all of the individual counties;
28.7 provided, that the percentage of such amount that each county is to receive shall be
28.8 adjusted so that each county shall receive in 1958 a total apportionment at least ten
28.9 percent greater than its total 1956 apportionments from the state road and bridge fund;
28.10 and provided further that those counties whose money needs are thus adjusted shall
28.11 never receive a percentage of the apportionment sum less than the percentage that such
28.12 county received in 1958.

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

28.15 Subd. 1a. **Apportionment sum and excess sum.** (a) For purposes of this
28.16 subdivision, "amount available" means the amount identified in section 162.06,
28.17 subdivision 1.

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

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

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

28.24 (2) attributed to a change in the passenger vehicle registration tax under section
28.25 168.013, imposed on or after July 1, 2007, that exceeds the amount collected in fiscal year
28.26 2007 multiplied by the annual average United States Consumer Price Index for all urban
28.27 consumers, United States city average, as determined by the United States Department of
28.28 Labor for the previous year, divided by the annual average for calendar year 2006; and

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

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

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

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

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

29.11 Sec. 5. **INSTRUCTION TO REVISOR.**

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

29.14 Sec. 6. **EFFECTIVE DATE.**

29.15 Except as specifically provided otherwise, this article is effective July 1, 2007.

29.16 **ARTICLE 5**

29.17 **LOCAL OPTION TAXES**

29.18 Section 1. Minnesota Statutes 2006, section 161.04, is amended by adding a
 29.19 subdivision to read:

29.20 Subd. 5. **Highway spending in metropolitan transportation area.** In any year
 29.21 during which taxes authorized in section 297A.992, subdivision 2, are imposed, and
 29.22 exclusive of the expenditure of these revenues, the percentage of total trunk highway fund
 29.23 expenditures attributable to projects in the metropolitan transportation area, within the
 29.24 meaning of section 297A.992, subdivision 1, may not decrease more than two percentage
 29.25 points from the average of the previous five years of trunk highway fund metropolitan
 29.26 transportation area expenditures.

29.27 Sec. 2. Minnesota Statutes 2006, section 163.051, is amended to read:

29.28 **163.051 METROPOLITAN COUNTY WHEELAGE TAX.**

29.29 Subdivision 1. **Tax authorized.** The board of commissioners of each metropolitan
 29.30 county is authorized to levy by resolution a wheelage tax of \$5 for the year 1972 and each
 29.31 subsequent year thereafter by resolution \$20 each year on each motor vehicle, except
 29.32 motorcycles as defined in section 169.01, subdivision 4, which is kept in such county
 30.1 when not in operation and which is that is domiciled in the county and subject to annual
 30.2 registration and taxation under chapter 168. A wheelage tax does not apply to motorcycles
 30.3 as defined in section 169.01, subdivision 4, and motor vehicles registered under section
 30.4 168.013, subdivision 1e, with a total gross weight of 26,001 pounds or greater. The board
 30.5 may provide by resolution for collection of the wheelage tax by county officials or it may
 30.6 request that the tax be collected by the state registrar of motor vehicles, and the state

30.7 registrar ~~of motor vehicles~~ shall collect ~~such the~~ tax on behalf of the county if requested,
 30.8 ~~as provided in subdivision 2~~ provided in the board resolution.

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

30.22 Subd. 2a. **Tax proceeds deposited; costs of collection; appropriation.**
 30.23 Notwithstanding ~~the provisions of~~ any other law, the ~~state~~ registrar ~~of motor vehicles~~ shall
 30.24 deposit the proceeds of the wheelage tax imposed by subdivision 2, to the credit of the
 30.25 ~~county wheelage tax~~ road and bridge fund of each ~~metropolitan~~ county that levies the
 30.26 wheelage tax. The amount necessary to pay the costs of ~~collection of said~~ collecting the
 30.27 tax is appropriated to the registrar from the county ~~wheelage tax~~ road and bridge fund of
 30.28 each ~~metropolitan~~ county ~~to the state registrar of motor vehicles~~ that levies the tax.

30.29 Subd. 3. **Distribution to metropolitan county; appropriation.** ~~On or before April~~
 30.30 ~~1 in 1972 and each subsequent year, the commissioner of finance shall issue a warrant in~~
 30.31 ~~favor of the treasurer of each metropolitan county for which the registrar has collected a~~
 30.32 ~~wheelage tax in the amount of such tax then on hand in the county wheelage tax fund.~~
 30.33 ~~There is hereby appropriated from the county wheelage tax fund each year, to each~~
 30.34 ~~metropolitan county entitled to payments authorized by this section, sufficient moneys~~
 30.35 ~~to make such payments.~~

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

31.5 Subd. 5. **Effect on road and bridge levy.** ~~The county auditor of each metropolitan~~
 31.6 ~~county shall reduce the amount of the property taxes levied pursuant to law in 1973 for~~
 31.7 ~~collection in 1974, by the board of commissioners of such county for the county road~~

31.8 ~~and bridge fund, by the following amount: Anoka County, \$341,750; Carver County,~~
 31.9 ~~\$86,725; Dakota County, \$386,165; Hennepin County, \$2,728,425; Ramsey County,~~
 31.10 ~~\$1,276,815; Scott County, \$104,805; Washington County, \$227,220, and shall spread only~~
 31.11 ~~the balance thereof on the tax rolls for collection in 1972. The county auditor shall also~~
 31.12 ~~reduce the amount of such taxes levied pursuant to law in 1972 and any subsequent year,~~
 31.13 ~~for collection in the respective ensuing years, by the amount of wheelage taxes received~~
 31.14 ~~by the county in the 12 months immediately preceding such levy.~~

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

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

31.25 Sec. 3. Minnesota Statutes 2006, section 168.011, subdivision 6, is amended to read:

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

31.30 Sec. 4. Minnesota Statutes 2006, section 168.013, subdivision 1, is amended to read:

31.31 Subdivision 1. **Imposition.** Motor vehicles, except as set forth in section 168.012,
 31.32 using the public streets or highways in the state, and park trailers taxed under subdivision
 31.33 1j, shall be taxed in lieu of all other taxes thereon, except wheelage taxes, ~~so-called,~~ which
 31.34 may be imposed by any city or county as provided by law, and except gross earnings
 32.1 taxes paid by companies subject or made subject thereto, and shall be privileged to
 32.2 use the public streets and highways, on the basis and at the rate for each calendar year
 32.3 as hereinafter provided.

32.4 Sec. 5. Minnesota Statutes 2006, section 297A.94, is amended to read:

32.5 **297A.94 DEPOSIT OF REVENUES.**

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

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

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

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

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

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

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

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

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

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

33.1 (1) 50 percent of the receipts must be deposited in the heritage enhancement account
33.2 in the game and fish fund, and may be spent only on activities that improve, enhance, or
33.3 protect fish and wildlife resources, including conservation, restoration, and enhancement
33.4 of land, water, and other natural resources of the state;

33.5 (2) 22.5 percent of the receipts must be deposited in the natural resources fund, and
33.6 may be spent only for state parks and trails;

33.7 (3) 22.5 percent of the receipts must be deposited in the natural resources fund, and
 33.8 may be spent only on metropolitan park and trail grants;

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

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

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

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

33.25 Sec. 6. **[297A.992] METROPOLITAN TRANSPORTATION SALES AND USE**
 33.26 **TAX.**

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

33.29 (1) "metropolitan transportation area" means the counties of Anoka, Dakota,
 33.30 Hennepin, Ramsey, and Washington, and may include the counties of Carver and Scott if
 33.31 declared by resolution of its county board to be a part of the metropolitan transportation
 33.32 area; and

33.33 (2) "joint powers board" means the Metropolitan Transportation Area Joint Powers
 33.34 Board.

34.1 Subd. 2. **Authorization; rates.** (a) Notwithstanding section 297A.99, subdivisions
 34.2 1, 2, 3, 5, and 13, or 477A.016, or any other law, the boards of the counties acting under a
 34.3 joint powers agreement as specified in this section may impose (1) a transportation sales
 34.4 and use tax within the metropolitan transportation area, at a rate of one-half of one percent
 34.5 on retail sales and uses taxable under this chapter, and (2) an excise tax of \$20 per motor
 34.6 vehicle purchased or acquired from any person engaged in the business of selling motor

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

34.9 (b) The tax imposed under this section is not included in determining if the total tax
34.10 on lodging in the city of Minneapolis exceeds the maximum allowed tax under Laws 1986,
34.11 chapter 396, section 5, as amended by Laws 2001, First Special Session chapter 5, article
34.12 12, section 87, or in determining a tax that may be imposed under any other limitations.

34.13 Subd. 3. **Joint powers board.** (a) Before imposing the taxes authorized under
34.14 subdivision 2, all of the counties in the metropolitan transportation area shall enter into
34.15 a joint powers agreement to create the joint powers board. A joint powers agreement
34.16 under this section:

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

34.20 (2) may provide for withdrawal of participating counties before final termination of
34.21 the agreement; and

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

34.23 (b) The joint powers board must consist of one representative of each county
34.24 appointed by its county board. The joint powers board has the powers and duties provided
34.25 in this section and in section 471.59.

34.26 (c) The joint powers board shall maximize the availability and use of federal funds in
34.27 projects funded under this section. The joint powers board may not utilize proceeds of the
34.28 taxes imposed, or proceeds of bonds or other obligations issued, to reimburse counties for
34.29 ordinary administrative expenses incurred in carrying out the provisions of this section.

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

34.33 Subd. 4. **Grants for transportation projects.** (a) The joint powers board
34.34 shall by resolution, and in consultation with one elected city official from each county
34.35 in the metropolitan transportation area appointed by the Association of Metropolitan
35.1 Municipalities, establish a grant application process and define objective criteria for the
35.2 award of grants.

35.3 (b) Grant applications must be submitted in a form prescribed by the joint powers
35.4 board. An applicant must provide, in addition to all other information required by the joint
35.5 powers board, the estimated cost of the project, the amount of the grant sought, possible
35.6 sources of funding in addition to the grant sought, and identification of any federal funds
35.7 that will be utilized if the grant is awarded.

35.8 (c) Grants must be funded by the proceeds of the taxes imposed under this section, or
35.9 bonds or other obligations issued by the joint powers board. Grant awards must be made
35.10 annually by July 1 and funded in the next calendar year.

35.11 Subd. 5. **Use of grant awards.** The joint powers board may only award grants to
35.12 the state and political subdivisions for the following purposes:

35.13 (1) construction or reconstruction of trunk highways or local roads of regional
35.14 significance;

35.15 (2) capital improvements to transit ways;

35.16 (3) feasibility studies, planning, alternatives analyses, environmental studies,
35.17 engineering, and construction of transit ways; and

35.18 (4) operating assistance for transit.

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

35.22 Subd. 7. **Report.** In each year in which the taxes authorized in this section are
35.23 imposed, the joint powers board shall report by February 1 to the house of representatives
35.24 and senate committees having jurisdiction over transportation policy and finance
35.25 concerning the revenues received and grants awarded.

35.26 Sec. 7. **[297A.993] GREATER MINNESOTA TRANSPORTATION SALES AND**
35.27 **USE TAX.**

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

36.3 Subd. 2. **Allocation; termination.** The proceeds of the taxes must be dedicated
36.4 exclusively to payment of the cost of a specific transportation project or improvement.
36.5 The transportation project or improvement must be designated by the board of the county,
36.6 or more than one county acting under a joint powers agreement. The taxes must terminate
36.7 after the project or improvement has been completed.

37.9 the areawide pool under section 473F.08, subdivision 3, clause (a), plus the portion of
 37.10 the municipality's aid under section 273.1398, subdivision 2, attributable to the transit
 37.11 levy; times

37.12 (2) the ratio of (i) ~~the appropriation from the transit fund to the council for nondebt~~
 37.13 ~~transit operations~~ an amount equal to 3.623 percent of the state revenues generated from
 37.14 the taxes imposed under section 297A.815 and chapter 297B for the current fiscal year to
 37.15 (ii) ~~the total levy certified by the council under section 473.446 and the opt-out transit~~
 37.16 operating assistance grants received under this subdivision in calendar year 2001 or the
 37.17 tax revenues for transit services levied by all replacement service municipalities under
 37.18 this section for taxes payable in 2001, including that portion of the levy derived from
 37.19 the areawide pool under section 473F.08, subdivision 3, clause (a), plus the portion of
 37.20 homestead and agricultural credit aid under section 273.1398, subdivision 2, attributable
 37.21 to nondebt transit levies, times

37.22 (3) the ratio of (i) the municipality's total taxable market value for taxes payable in
 37.23 ~~the most recent year for which data is available~~ 2007 divided by the municipality's total
 37.24 taxable market value for taxes payable in 2001, to (ii) the total taxable market value of
 37.25 all property ~~in the metropolitan area~~ located in replacement service municipalities for
 37.26 taxes payable in ~~the most recent year for which data is available~~ 2007 divided by the
 37.27 total taxable market value of all property ~~in the metropolitan area~~ located in replacement
 37.28 service municipalities for taxes payable in 2001.

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

37.32 **Sec. 3. REPEALER.**

37.33 Minnesota Statutes 2006, section 174.32, is repealed.

37.34 **Sec. 4. EFFECTIVE DATE.**

38.1 Except as specifically provided otherwise, this article is effective July 1, 2007.

38.2 **ARTICLE 7**

38.3 **DEPARTMENT OF PUBLIC SAFETY SERVICE FEES**

38.4 Section 1. Minnesota Statutes 2006, section 168.017, subdivision 3, is amended to read:

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

38.8 (1) the application is an original rather than renewal application; or
 38.9 (2) the applicant is a licensed motor vehicle lessor under section 168.27, in which
 38.10 case the applicant may apply for initial ~~or renewed~~ registration of a vehicle for a period
 38.11 of four or more months, the month of expiration to be designated by the applicant at the
 38.12 time of registration. However, to qualify for this exemption, the applicant must pay a \$10
 38.13 administrative fee and present the application to the registrar at St. Paul, or at a designated
 38.14 deputy registrar offices as the registrar may designate. office. At the end of the initial
 38.15 registration period, the applicant may only renew the registration on the vehicle for the
 38.16 remainder of the period prescribed under subdivision 1 had the applicant not utilized the
 38.17 exception in this subdivision. Upon the renewal of registration, the applicant shall pay
 38.18 1/12 of the annual tax for each calendar month remaining in the registration period in
 38.19 addition to a \$10 administrative fee. Nothing in this subdivision prohibits the applicant
 38.20 from purchasing registration for an additional full registration period in conjunction with
 38.21 the purchase of the remainder portion.

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

38.26 (c) The fee collected under paragraph (a), clause (2), must be deposited in the vehicle
 38.27 services operating account in the special revenue fund as specified in section 299A.705.

38.28 Sec. 2. Minnesota Statutes 2006, section 168.12, subdivision 5, is amended to read:

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

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

39.7	Sequential Regular Double Plate	\$ 4.25
39.8	Sequential Special Plate Double	\$ 7.00

39.9	Sequential Regular Single Plate		\$	3.00	
39.10	Sequential Special Plate-Single		\$	5.50	
39.11	Utility Trailer Self-Adhesive Plate		\$	2.50	
39.12	Nonsequential Double Plate		\$	14.00	
39.13	Nonsequential Single Plate		\$	10.00	
39.14	Duplicate Sticker		\$	1.00	
39.15	<u>License Plate</u>				
				<u>Single</u>	<u>Double</u>
39.16	<u>Regular and Disability</u>	\$	<u>4.50</u>	\$	<u>6.00</u>
39.17	<u>Special</u>	\$	<u>8.50</u>	\$	<u>10.00</u>
39.18	<u>Personalized (Replacement)</u>	\$	<u>10.00</u>	\$	<u>14.00</u>
39.19	<u>Collector Category</u>	\$	<u>13.50</u>	\$	<u>15.00</u>
39.20	<u>Emergency Vehicle Display</u>	\$	<u>3.00</u>	\$	<u>6.00</u>
39.21	<u>Utility Trailer Self-Adhesive</u>	\$	<u>2.50</u>		
39.22	<u>Stickers</u>				
39.23	<u>Duplicate Year</u>	\$	<u>1.00</u>	\$	<u>1.00</u>
39.24	<u>International Fuel Tax</u>				
39.25	<u>Agreement</u>	\$	<u>2.50</u>		

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

39.28 Sec. 3. Minnesota Statutes 2006, section 168A.29, subdivision 1, is amended to read:

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

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

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

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

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

40.6 (5) for issuing a duplicate certificate of title, the sum of ~~\$6.50~~ \$7.25 of which ~~\$2.50~~
 40.7 \$3.25 must be paid into the vehicle services operating account of the special revenue fund
 40.8 under section 299A.705.

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

40.13 Sec. 4. Minnesota Statutes 2006, section 171.02, subdivision 3, is amended to read:

40.14 Subd. 3. **Motorized bicycle.** (a) A motorized bicycle may not be operated on any
 40.15 public roadway by any person who does not possess a valid driver's license, unless the
 40.16 person has obtained a motorized bicycle operator's permit or motorized bicycle instruction
 40.17 permit from the commissioner of public safety. The operator's permit may be issued to
 40.18 any person who has attained the age of 15 years and who has passed the examination
 40.19 prescribed by the commissioner. The instruction permit may be issued to any person who
 40.20 has attained the age of 15 years and who has successfully completed an approved safety
 40.21 course and passed the written portion of the examination prescribed by the commissioner.

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

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

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

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

41.1	(1) Examination and operator's permit, valid for one year	\$ 6 6.75
41.2	(2) Duplicate	\$ 3 3.75
41.3	(3) Renewal permit before age 21 and valid until age 21	\$ 9 9.75
41.4	(4) Renewal permit age 21 or older and valid for four years	\$ 15 15.75
41.5	(5) Duplicate of any renewal permit	\$ 4.50 5.25
41.6	(6) Written examination and instruction permit, valid for 30	
41.7	days	\$ 6 6.75

41.8 Sec. 5. Minnesota Statutes 2006, section 171.06, subdivision 2, is amended to read:

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

41.11	Classified Driver's				
41.12	License	D-\$21.50	C-\$25.50	B-\$32.50	A-\$40.50
41.13	Classified Under-21 D.L.	D-\$21.50	C-\$25.50	B-\$32.50	A-\$20.50
41.14	<u>Classified Driver's</u>				
41.15	<u>License</u>	<u>D-\$22.25</u>	<u>C-\$26.25</u>	<u>B-\$33.25</u>	<u>A-\$41.25</u>
41.16	<u>Classified Under-21 D.L.</u>	<u>D-\$22.25</u>	<u>C-\$26.25</u>	<u>B-\$33.25</u>	<u>A-\$21.25</u>
41.17					<u>\$9.50</u>
41.18	Instruction Permit				<u>\$10.25</u>
41.19					<u>\$12.50</u>
41.20	Provisional License				<u>\$13.25</u>
41.21	Duplicate License or				
41.22	duplicate identification				<u>\$11.00</u>
41.23	card				<u>\$11.75</u>
41.24	Minnesota identification				
41.25	card or Under-21				
41.26	Minnesota identification				
41.27	card, other than duplicate,				
41.28	except as otherwise				
41.29	provided in section				
41.30	171.07, subdivisions 3				<u>\$15.50</u>
41.31	and 3a				<u>\$16.25</u>

41.32 (b) Notwithstanding paragraph (a), an individual who holds a provisional license and
 41.33 has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33,
 41.34 169A.35, or sections 169A.50 to 169A.53, (2) convictions for crash-related moving
 41.35 violations, and (3) convictions for moving violations that are not crash related, shall have a
 41.36 \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation"
 41.37 has the meaning given it in section 171.04, subdivision 1.

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

42.3 Sec. 6. Minnesota Statutes 2006, section 171.07, subdivision 3a, is amended to read:

42.4 Subd. 3a. **Identification cards for seniors.** A Minnesota identification card issued
 42.5 to an applicant 65 years of age or over shall be of a distinguishing color and plainly
 42.6 marked "senior." The fee for the card issued to an applicant 65 years of age or over shall
 42.7 be one-half the required fee for a class D driver's license rounded down to the nearest

42.8 quarter dollar. A Minnesota identification card or a Minnesota driver's license issued to a
42.9 person 65 years of age or over shall be valid identification for the purpose of qualifying
42.10 for reduced rates, free licenses or services provided by any board, commission, agency or
42.11 institution that is wholly or partially funded by state appropriations.

42.12 Sec. 7. Minnesota Statutes 2006, section 171.07, subdivision 11, is amended to read:

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

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

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

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

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

43.3 (f) The department and its employees:

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

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

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

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

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

43.12 Sec. 8. Minnesota Statutes 2006, section 171.20, subdivision 4, is amended to read:

43.13 Subd. 4. **Reinstatement fee.** (a) Before the license is reinstated, (1) an individual
43.14 whose driver's license has been suspended under section 171.16, subdivisions 2 and 3;
43.15 171.175; 171.18; or 171.182, or who has been disqualified from holding a commercial
43.16 driver's license under section 171.165, and (2) an individual whose driver's license has
43.17 been suspended under section 171.186 and who is not exempt from such a fee, must
43.18 pay a fee of \$20.

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

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

43.25 (d) Reinstatement fees collected under paragraph (a) for suspensions under sections
43.26 171.16, subdivision 3, and 171.18, subdivision 1, clause (10), must be deposited in the
43.27 special revenue fund and are appropriated to the Peace Officer Standards and Training
43.28 Board for peace officer training reimbursement to local units of government.

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

43.30 Sec. 9. Minnesota Statutes 2006, section 299D.09, is amended to read:

43.31 **299D.09 ESCORT SERVICE; APPROPRIATION; RECEIPTS.**

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

44.1 The fees charged for services provided by the State Patrol with a vehicle are \$73.60
44.2 an hour in fiscal year 2008 and \$75.76 an hour in fiscal year 2009 and thereafter. The fees
44.3 charged for services provided without a vehicle are \$54.00 an hour in fiscal year 2008 and
44.4 \$56.16 an hour in fiscal year 2009 and thereafter.

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

44.7 Sec. 10. **EFFECTIVE DATE.**

44.8 Except as specifically provided otherwise, this article is effective July 1, 2007.

Article locations in h0946-1

ARTICLE 1	TRANSPORTATION APPROPRIATIONS	Page.Ln 1.21
ARTICLE 2	TRUNK HIGHWAY BONDS	Page.Ln 17.20
ARTICLE 3	HIGHWAY USER TAXES	Page.Ln 19.1
ARTICLE 4	COUNTY STATE-AID HIGHWAY FUND DISTRIBUTION	Page.Ln 24.25
ARTICLE 5	LOCAL OPTION TAXES	Page.Ln 29.16
ARTICLE 6	TRANSPORTATION FINANCE	Page.Ln 36.14
ARTICLE 7	DEPARTMENT OF PUBLIC SAFETY SERVICE FEES	Page.Ln 38.2

174.32 TRANSIT ASSISTANCE PROGRAM.

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

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

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

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

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

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

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

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