

**SENATE**  
**STATE OF MINNESOTA**  
**NINETIETH SESSION**

**S.F. No. 3806**

(SENATE AUTHORS: NEWMAN)

DATE	D-PG	OFFICIAL STATUS
03/26/2018	6983	Introduction and first reading Referred to Transportation Finance and Policy
03/29/2018	7037	Comm report: To pass and re-referred to Finance
04/12/2018	7296	Withdrawn and re-referred to Transportation Finance and Policy
04/19/2018	7560a	Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act

1.2 relating to transportation; modifying various provisions governing transportation

1.3 and public safety policy and finance; modifying Metropolitan Council budgeting

1.4 requirements; appropriating money related to MNLARS; making appropriations;

1.5 amending Minnesota Statutes 2016, sections 16A.88, subdivision 2; 80E.13;

1.6 161.088, subdivision 2; 161.115, subdivision 111; 161.14, by adding subdivisions;

1.7 161.32, subdivision 2; 168.013, subdivision 6; 168.101, subdivision 2a; 168.127,

1.8 subdivisions 4, 6; 168.27, by adding subdivisions; 168.301, subdivision 3; 168.326;

1.9 168.33, subdivision 8a, by adding a subdivision; 168.346, subdivision 1; 168A.05,

1.10 by adding a subdivision; 168A.12, subdivision 2; 168A.151, subdivision 1;

1.11 168A.17, by adding a subdivision; 168A.29, subdivision 1; 169.011, subdivision

1.12 60; 169.14, subdivision 5; 169.18, subdivisions 10, 11, 12; 169.20, by adding a

1.13 subdivision; 169.26, subdivision 1; 169.28; 169.29; 169.71, subdivision 4; 169.81,

1.14 subdivision 5, by adding a subdivision; 169.8261, subdivision 2; 169.974,

1.15 subdivision 2; 171.041; 174.12, subdivision 8; 174.37, subdivision 6; 174.66;

1.16 221.031, subdivision 2d; 221.0314, subdivision 9; 221.036, subdivisions 1, 3;

1.17 221.122, subdivision 1; 221.161, subdivision 1, by adding a subdivision; 221.171,

1.18 subdivision 1; 299A.01, by adding a subdivision; 299A.705; 360.013, by adding

1.19 a subdivision; 360.017, subdivision 1; 360.021, subdivision 1; 360.062; 360.063,

1.20 subdivisions 1, 3; 360.064, subdivision 1; 360.065, subdivision 1; 360.066,

1.21 subdivision 1; 360.067, by adding a subdivision; 360.071, subdivision 2; 360.305,

1.22 subdivision 6; 394.22, by adding a subdivision; 394.23; 394.231; 394.25,

1.23 subdivision 3; 462.352, by adding a subdivision; 462.355, subdivision 1; 462.357,

1.24 subdivision 9, by adding a subdivision; 473.13, subdivisions 1, 4, by adding

1.25 subdivisions; 473.146, subdivisions 1, 3; 473.3994, by adding a subdivision;

1.26 574.26, subdivision 1a; Minnesota Statutes 2017 Supplement, sections 3.972,

1.27 subdivision 4; 168.013, subdivision 1a; 169.18, subdivision 7; 169.829, subdivision

1.28 4; 171.06, subdivision 2; 473.4051, subdivision 2; 473.4485, subdivision 2; Laws

1.29 2017, First Special Session chapter 3, article 1, section 4, subdivision 2; proposing

1.30 coding for new law in Minnesota Statutes, chapters 161; 168A; 299A; 360;

1.31 repealing Minnesota Statutes 2016, sections 168.013, subdivision 21; 221.161,

1.32 subdivisions 2, 3, 4; 360.063, subdivision 4; 360.065, subdivision 2; 360.066,

1.33 subdivisions 1a, 1b.

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

2.1 Section 1. Minnesota Statutes 2017 Supplement, section 3.972, subdivision 4, is amended  
2.2 to read:

2.3 Subd. 4. **Certain transit financial activity reporting.** (a) The legislative auditor must  
2.4 perform a transit financial activity review of financial information for the Metropolitan  
2.5 Council's Transportation Division ~~and the joint powers board under section 297A.992.~~  
2.6 ~~Within 14 days of the end of each fiscal quarter, two times each year. The first report, due~~  
2.7 April 1, must include the quarters ending on September 30 and December 31 of the previous  
2.8 calendar year. The second report, due October 1, must include the quarters ending on March  
2.9 31 and June 30 of the current year. The legislative auditor must submit the review to the  
2.10 Legislative Audit Commission and the chairs and ranking minority members of the legislative  
2.11 committees with jurisdiction over transportation policy and finance, finance, and ways and  
2.12 means.

2.13 (b) At a minimum, each transit financial activity review must include:

2.14 (1) a summary of monthly financial statements, including balance sheets and operating  
2.15 statements, that shows income, expenditures, and fund balance;

2.16 (2) a list of any obligations and agreements entered into related to transit purposes,  
2.17 whether for capital or operating, including but not limited to bonds, notes, grants, and future  
2.18 funding commitments;

2.19 (3) the amount of funds in clause (2) that has been committed;

2.20 (4) independent analysis by the fiscal oversight officer of the fiscal viability of revenues  
2.21 and fund balance compared to expenditures, taking into account:

2.22 (i) all expenditure commitments;

2.23 (ii) cash flow;

2.24 (iii) sufficiency of estimated funds; and

2.25 (iv) financial solvency of anticipated transit projects; and

2.26 (5) a notification concerning whether the requirements under paragraph (c) have been  
2.27 met.

2.28 (c) The Metropolitan Council ~~and the joint powers board under section 297A.992~~ must  
2.29 produce monthly financial statements as necessary for the review under paragraph (b),  
2.30 clause (1), and provide timely information as requested by the legislative auditor.

2.31 (d) This subdivision expires on April 15, 2023.

3.1 **EFFECTIVE DATE.** This section is effective June 1, 2018.

3.2 Sec. 2. Minnesota Statutes 2016, section 16A.88, subdivision 2, is amended to read:

3.3 Subd. 2. **Metropolitan area transit account.** The metropolitan area transit account is  
3.4 established within the transit assistance fund in the state treasury. All money in the account  
3.5 is annually appropriated to the Metropolitan Council for ~~the funding of transit systems~~  
3.6 system operating expenditures within the metropolitan area under sections 473.384, 473.386,  
3.7 473.387, 473.388, and 473.405 to 473.449.

3.8 **EFFECTIVE DATE; APPLICATION.** This section is effective June 1, 2018, and  
3.9 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

3.10 Sec. 3. Minnesota Statutes 2016, section 80E.13, is amended to read:

3.11 **80E.13 UNFAIR PRACTICES BY MANUFACTURERS, DISTRIBUTORS,**  
3.12 **FACTORY BRANCHES.**

3.13 It is unlawful and an unfair practice for a manufacturer, distributor, or factory branch  
3.14 to engage in any of the following practices:

3.15 (a) delay, refuse, or fail to deliver new motor vehicles or new motor vehicle parts or  
3.16 accessories in reasonable time and in reasonable quantity relative to the new motor vehicle  
3.17 dealer's facilities and sales potential in the dealer's relevant market area, after having accepted  
3.18 an order from a new motor vehicle dealer having a franchise for the retail sale of any new  
3.19 motor vehicle sold or distributed by the manufacturer or distributor, if the new motor vehicle  
3.20 or new motor vehicle parts or accessories are publicly advertised as being available for  
3.21 delivery or actually being delivered. This clause is not violated, however, if the failure is  
3.22 caused by acts or causes beyond the control of the manufacturer;

3.23 (b) refuse to disclose to any new motor vehicle dealer handling the same line make, the  
3.24 manner and mode of distribution of that line make within the relevant market area;

3.25 (c) obtain money, goods, service, or any other benefit from any other person with whom  
3.26 the dealer does business, on account of, or in relation to, the transaction between the dealer  
3.27 and the other person, other than for compensation for services rendered, unless the benefit  
3.28 is promptly accounted for, and transmitted to, the new motor vehicle dealer;

3.29 (d) increase prices of new motor vehicles which the new motor vehicle dealer had ordered  
3.30 for private retail consumers prior to the dealer's receiving the written official price increase  
3.31 notification. A sales contract signed by a private retail consumer shall constitute evidence  
3.32 of each order if the vehicle is in fact delivered to that customer. In the event of manufacturer

4.1 price reductions, the amount of any reduction received by a dealer shall be passed on to the  
4.2 private retail consumer by the dealer if the retail price was negotiated on the basis of the  
4.3 previous higher price to the dealer;

4.4 (e) offer any refunds or other types of inducements to any new motor vehicle dealer for  
4.5 the purchase of new motor vehicles of a certain line make without making the same offer  
4.6 to all other new motor vehicle dealers in the same line make within geographic areas  
4.7 reasonably determined by the manufacturer;

4.8 (f) release to any outside party, except under subpoena or in an administrative or judicial  
4.9 proceeding involving the manufacturer or dealer, any business, financial, or personal  
4.10 information which may be provided by the dealer to the manufacturer, without the express  
4.11 written consent of the dealer or unless pertinent to judicial or governmental administrative  
4.12 proceedings or to arbitration proceedings of any kind;

4.13 (g) deny any new motor vehicle dealer the right of free association with any other new  
4.14 motor vehicle dealer for any lawful purpose;

4.15 (h) unfairly discriminate among its new motor vehicle dealers with respect to warranty  
4.16 reimbursement or authority granted its new vehicle dealers to make warranty adjustments  
4.17 with retail customers;

4.18 (i) compete with a new motor vehicle dealer in the same line make operating under an  
4.19 agreement or franchise from the same manufacturer, distributor, or factory branch. A  
4.20 manufacturer, distributor, or factory branch is considered to be competing when it has an  
4.21 ownership interest, other than a passive interest held for investment purposes, in a dealership  
4.22 of its line make located within the state. A manufacturer, distributor, or factory branch shall  
4.23 not, however, be deemed to be competing when operating a dealership, either temporarily  
4.24 or for a reasonable period, which is for sale to any qualified independent person at a fair  
4.25 and reasonable price, or when involved in a bona fide relationship in which an independent  
4.26 person has made a significant investment subject to loss in the dealership and can reasonably  
4.27 expect to acquire full ownership and full management and operational control of the  
4.28 dealership within a reasonable time on reasonable terms and conditions;

4.29 (j) prevent a new motor vehicle dealer from transferring or assigning a new motor vehicle  
4.30 dealership to a qualified transferee. There shall be no transfer, assignment of the franchise,  
4.31 or major change in the executive management of the dealership, except as is otherwise  
4.32 provided in sections 80E.01 to 80E.17, without consent of the manufacturer, which shall  
4.33 not be withheld without good cause. In determining whether good cause exists for  
4.34 withholding consent to a transfer or assignment, the manufacturer, distributor, factory

5.1 branch, or importer has the burden of proving that the transferee is a person who is not of  
5.2 good moral character or does not meet the franchisor's existing and reasonable capital  
5.3 standards and, considering the volume of sales and service of the new motor vehicle dealer,  
5.4 reasonable business experience standards in the market area. Denial of the request must be  
5.5 in writing and delivered to the new motor vehicle dealer within 60 days after the manufacturer  
5.6 receives the completed application customarily used by the manufacturer, distributor, factory  
5.7 branch, or importer for dealer appointments. If a denial is not sent within this period, the  
5.8 manufacturer shall be deemed to have given its consent to the proposed transfer or change.  
5.9 In the event of a proposed sale or transfer of a franchise, the manufacturer, distributor,  
5.10 factory branch, or importer shall be permitted to exercise a right of first refusal to acquire  
5.11 the franchisee's assets or ownership if:

5.12 (1) the franchise agreement permits the manufacturer, distributor, factory branch, or  
5.13 importer to exercise a right of first refusal to acquire the franchisee's assets or ownership  
5.14 in the event of a proposed sale or transfer;

5.15 (2) the proposed transfer of the dealership or its assets is of more than 50 percent of the  
5.16 ownership or assets;

5.17 (3) the manufacturer, distributor, factory branch, or importer notifies the dealer in writing  
5.18 within 60 days of its receipt of the complete written proposal for the proposed sale or transfer  
5.19 on forms generally utilized by the manufacturer, distributor, factory branch, or importer for  
5.20 such purposes and containing the information required therein and all documents and  
5.21 agreements relating to the proposed sale or transfer;

5.22 (4) the exercise of the right of first refusal will result in the dealer and dealer's owners  
5.23 receiving the same or greater consideration with equivalent terms of sale as is provided in  
5.24 the documents and agreements submitted to the manufacturer, distributor, factory branch,  
5.25 or importer under clause (3);

5.26 (5) the proposed change of 50 percent or more of the ownership or of the dealership  
5.27 assets does not involve the transfer or sale of assets or the transfer or issuance of stock by  
5.28 the dealer or one or more dealer owners to a family member, including a spouse, child,  
5.29 stepchild, grandchild, spouse of a child or grandchild, brother, sister, or parent of the dealer  
5.30 owner; to a manager who has been employed in the dealership for at least four years and is  
5.31 otherwise qualified as a dealer operator; or to a partnership or corporation owned and  
5.32 controlled by one or more of such persons; and

5.33 (6) the manufacturer, distributor, factory branch, or importer agrees to pay the reasonable  
5.34 expenses, including reasonable attorney fees, which do not exceed the usual customary and

6.1 reasonable fees charged for similar work done for other clients incurred by the proposed  
6.2 new owner and transferee before the manufacturer, distributor, factory branch, or importer  
6.3 exercises its right of first refusal, in negotiating and implementing the contract for the  
6.4 proposed change of ownership or transfer of dealership assets. However, payment of such  
6.5 expenses and attorney fees shall not be required if the dealer has not submitted or caused  
6.6 to be submitted an accounting of those expenses within 20 days after the dealer's receipt of  
6.7 the manufacturer, distributor, factory branch, or importer's written request for such an  
6.8 accounting. The manufacturer, distributor, factory branch, or importer may request such an  
6.9 accounting before exercising its right of first refusal. The obligation created under this clause  
6.10 is enforceable by the transferee;

6.11 (k) threaten to modify or replace or modify or replace a franchise with a succeeding  
6.12 franchise that would adversely alter the rights or obligations of a new motor vehicle dealer  
6.13 under an existing franchise or that substantially impairs the sales or service obligations or  
6.14 investments of the motor vehicle dealer;

6.15 (l) unreasonably deny the right to acquire factory program vehicles to any dealer holding  
6.16 a valid franchise from the manufacturer to sell the same line make of vehicles, provided  
6.17 that the manufacturer may impose reasonable restrictions and limitations on the purchase  
6.18 or resale of program vehicles to be applied equitably to all of its franchised dealers. For the  
6.19 purposes of this paragraph, "factory program vehicle" has the meaning given the term in  
6.20 section 80E.06, subdivision 2;

6.21 (m) fail or refuse to offer to its same line make franchised dealers all models manufactured  
6.22 for that line make, other than alternative fuel vehicles as defined in section 216C.01,  
6.23 subdivision 1b. Failure to offer a model is not a violation of this section if the failure is not  
6.24 arbitrary and is due to a lack of manufacturing capacity, a strike, labor difficulty, or other  
6.25 cause over which the manufacturer, distributor, or factory branch has no control;

6.26 (n) require a dealer to pay an extra fee, or remodel, renovate, or recondition the dealer's  
6.27 existing facilities, or purchase unreasonable advertising displays, training, tools, or other  
6.28 materials, or to require the dealer to establish exclusive facilities or dedicated personnel as  
6.29 a prerequisite to receiving a model or a series of vehicles;

6.30 (o) require a dealer to adhere to performance standards that are not applied uniformly  
6.31 to other similarly situated dealers.

6.32 A performance standard, sales objective, or program for measuring dealership performance  
6.33 that may have a material effect on a dealer, including the dealer's right to payment under  
6.34 any incentive or reimbursement program, and the application of the standard or program

7.1 by a manufacturer, distributor, or factory branch must be fair, reasonable, equitable, and  
 7.2 based on accurate information.

7.3 A manufacturer, distributor, or factory branch has the burden of proving that the performance  
 7.4 standard, sales objective, or program for measuring dealership performance is fair and  
 7.5 reasonable under this subdivision;

7.6 (p) unreasonably reduce a dealer's area of sales effectiveness without giving at least 90  
 7.7 days' notice of the proposed reduction. The change may not take effect if the dealer  
 7.8 commences a civil action to determine whether there is good cause for the change within  
 7.9 the 90 days' notice period. The burden of proof in such an action shall be on the manufacturer  
 7.10 or distributor; ~~or~~

7.11 (q) to charge back, withhold payment, deny vehicle allocation, or take any other adverse  
 7.12 action against a dealer when a new vehicle sold by the dealer has been exported to a foreign  
 7.13 country, unless the manufacturer, distributor, or factory branch can show that at the time  
 7.14 of sale, the customer's information was listed on a known or suspected exporter list made  
 7.15 available to the dealer, or the dealer knew or reasonably should have known of the purchaser's  
 7.16 intention to export or resell the motor vehicle in violation of the manufacturer's export  
 7.17 policy. There is a rebuttable presumption that the dealer did not know or should not have  
 7.18 reasonably known that the vehicle would be exported or resold in violation of the  
 7.19 manufacturer's export policy if the vehicle is titled and registered in any state of the United  
 7.20 States; or

7.21 (r) to implement a charge back or withhold payment to a dealer that is solely due to an  
 7.22 unreasonable delay by the registrar, as defined in section 168.002, subdivision 29, in the  
 7.23 transfer or registration of a new motor vehicle. The dealer must give the manufacturer notice  
 7.24 of the state's delay in writing. Within 30 days of any notice of a charge back, withholding  
 7.25 of payments, or denial of a claim, the dealer must transmit to the manufacturer (1)  
 7.26 documentation to demonstrate the vehicle sale and delivery as reported; and (2) a written  
 7.27 attestation signed by the dealer operator or general manager stating that the delay is  
 7.28 attributable to the state. This clause expires on June 30, 2021.

7.29 Sec. 4. Minnesota Statutes 2016, section 161.088, subdivision 2, is amended to read:

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

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

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

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

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

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

8.11 (d) Program funds must be allocated so that no less than 49 percent are for projects  
8.12 within the metropolitan area, as defined in section 473.121, subdivision 2, and no less than  
8.13 49 percent are for projects outside the metropolitan area, as defined in section 473.121,  
8.14 subdivision 2. Up to two percent of program funds may be allocated without regard to the  
8.15 project's geographic location.

8.16 Sec. 5. Minnesota Statutes 2016, section 161.115, subdivision 111, is amended to read:

8.17 Subd. 111. **Route No. 180.** Beginning at a point on Route No. ~~392 southwest or west~~  
8.18 ~~of Ashby 3~~ at or near Erdahl, thence extending in a general northerly or northeasterly  
8.19 direction to a point on ~~Route No. 153 as herein established at or near Ashby, thence extending~~  
8.20 ~~in a northeasterly direction to a point on~~ Route No. 181 as herein established at or near  
8.21 Ottertail.

8.22 Sec. 6. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to  
8.23 read:

8.24 Subd. 87. **Officer Bill Mathews Memorial Highway.** That segment of marked U.S.  
8.25 Highway 12 within the city limits of Wayzata is designated as "Officer Bill Mathews  
8.26 Memorial Highway." Subject to section 161.139, the commissioner shall adopt a suitable  
8.27 design to mark this highway and erect appropriate signs.

8.28 Sec. 7. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to  
8.29 read:

8.30 Subd. 88. **Trooper Ray Krueger Memorial Highway.** That segment of marked Trunk  
8.31 Highway 210 within Cass County is designated as "Trooper Ray Krueger Memorial

9.1 Highway." Subject to section 161.139, the commissioner shall adopt a suitable design to  
 9.2 mark this highway and erect appropriate signs in the vicinity of the location where Trooper  
 9.3 Krueger died.

9.4 Sec. 8. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to  
 9.5 read:

9.6 Subd. 89. **Trooper Dale G. Roehrich Memorial Highway.** That segment of marked  
 9.7 U.S. Highway 61 from Lake City to Wabasha is designated as "Trooper Dale G. Roehrich  
 9.8 Memorial Highway." Subject to section 161.139, the commissioner shall adopt a suitable  
 9.9 design to mark this highway and erect appropriate signs.

9.10 Sec. 9. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to  
 9.11 read:

9.12 Subd. 90. **Warrant Officer Dennis A. Groth Memorial Bridge.** The bridge on marked  
 9.13 U.S. Highway 52 over Dakota County State-Aid Highway 42, known as 145th Street within  
 9.14 the city of Rosemount, is designated as "Warrant Officer Dennis A. Groth Memorial Bridge."  
 9.15 Subject to section 161.139, the commissioner shall adopt a suitable design to mark the  
 9.16 bridge and erect appropriate signs.

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

9.18 Sec. 10. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to  
 9.19 read:

9.20 Subd. 91. **Specialist Noah Pierce Bridge.** The bridge on marked U.S. Highway 53 over  
 9.21 marked Trunk Highway 37 in the city of Eveleth is designated as "Specialist Noah Pierce  
 9.22 Bridge." Subject to section 161.139, the commissioner shall adopt a suitable design to mark  
 9.23 this bridge and erect appropriate signs.

9.24 Sec. 11. Minnesota Statutes 2016, section 161.32, subdivision 2, is amended to read:

9.25 Subd. 2. **Direct negotiation.** In cases where the estimated cost of construction work or  
 9.26 maintenance work does not exceed ~~\$150,000~~ \$250,000, the commissioner may enter into  
 9.27 a contract for the work by direct negotiation, by obtaining two or more quotations for the  
 9.28 work, and without advertising for bids or otherwise complying with the requirements of  
 9.29 competitive bidding if the total contractual obligation of the state for the directly negotiated  
 9.30 contract or contracts on any single project does not exceed ~~\$150,000~~ \$250,000. All quotations  
 9.31 obtained shall be kept on file for a period of at least one year after receipt of the quotation.

10.1 Sec. 12. [161.369] INDIAN EMPLOYMENT PREFERENCE.

10.2 As authorized by United States Code, title 23, section 140(d), the commissioner of  
 10.3 transportation may implement an Indian employment preference for members of federally  
 10.4 recognized tribes on projects carried out under United States Code, title 23, on or near an  
 10.5 Indian reservation. For purposes of this section, a project is on or near a reservation if: (1)  
 10.6 the project is within the distance a person seeking employment could reasonably be expected  
 10.7 to commute to and from each work day; or (2) the commissioner, in consultation with  
 10.8 federally recognized Minnesota tribes, determines a project is near an Indian reservation.

10.9 Sec. 13. Minnesota Statutes 2017 Supplement, section 168.013, subdivision 1a, is amended  
 10.10 to read:

10.11 Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in  
 10.12 section 168.002, subdivision 24, and hearses, except as otherwise provided, the tax is \$10  
 10.13 plus an additional tax equal to 1.25 percent of the base value.

10.14 (b) Subject to the classification provisions herein, "base value" means the manufacturer's  
 10.15 suggested retail price of the vehicle including destination charge using list price information  
 10.16 published by the manufacturer or determined by the registrar if no suggested retail price  
 10.17 exists, and shall not include the cost of each accessory or item of optional equipment  
 10.18 separately added to the vehicle and the suggested retail price. In the case of the first  
 10.19 registration of a new vehicle sold or leased by a licensed dealer, the dealer may elect to  
 10.20 individually determine the base value of the vehicle using suggested retail price information  
 10.21 provided by the manufacturer. The registrar must use the base value determined by the  
 10.22 dealer to properly classify the vehicle. A dealer that elects to make the determination must  
 10.23 retain a copy of the suggested retail price label or other supporting documentation with the  
 10.24 vehicle transaction records maintained under Minnesota Rules, part 7400.5200.

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

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

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

10.33 FROM TO

11.1 \$ 0 \$ 199.99

11.2 \$ 200 \$ 399.99

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

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

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

11.17 (h) The annual additional tax must be computed upon a percentage of the base value as  
11.18 follows: during the first year of vehicle life, upon 100 percent of the base value; for the  
11.19 second year, 90 percent of such value; for the third year, 80 percent of such value; for the  
11.20 fourth year, 70 percent of such value; for the fifth year, 60 percent of such value; for the  
11.21 sixth year, 50 percent of such value; for the seventh year, 40 percent of such value; for the  
11.22 eighth year, 30 percent of such value; for the ninth year, 20 percent of such value; for the  
11.23 tenth year, ten percent of such value; for the 11th and each succeeding year, the sum of \$25.

11.24 (i) In no event shall the annual additional tax be less than \$25.

11.25 (j) For any vehicle previously registered in Minnesota and regardless of prior ownership,  
11.26 the total amount due under this subdivision and subdivision 1m must not exceed the smallest  
11.27 total amount previously paid or due on the vehicle.

11.28 Sec. 14. Minnesota Statutes 2016, section 168.013, subdivision 6, is amended to read:

11.29 Subd. 6. **Listing by dealers.** The owner of every motor vehicle not exempted by section  
11.30 168.012 or 168.28, ~~shall~~ must, so long as it is subject to taxation within the state, annually  
11.31 list and register the same and pay the tax ~~herein provided annually~~ under this section;  
11.32 provided, however, that any dealer in motor vehicles, to whom dealer's plates have been  
11.33 issued as provided in this chapter, coming into the possession of ~~any such~~ a motor vehicle

12.1 to be held solely for the purpose of sale or demonstration or both, ~~shall be~~ is entitled to  
 12.2 withhold the tax due on the vehicle from the prior registration period or becoming due on  
 12.3 ~~such vehicle~~ for the following year and no lien for registration tax as provided in section  
 12.4 168.31, subdivision 6, shall attach. When, thereafter, ~~such~~ the vehicle is otherwise used or  
 12.5 is sold, leased, or rented to another person, firm, corporation, or association, the tax for the  
 12.6 remainder of the year, prorated on a monthly basis, ~~shall become~~ becomes payable  
 12.7 immediately.

12.8 Sec. 15. Minnesota Statutes 2016, section 168.101, subdivision 2a, is amended to read:

12.9 Subd. 2a. **Failure to send to registrar submit within ten days.** Any person who fails  
 12.10 to mail in the application for registration or transfer with appropriate taxes and fees to the  
 12.11 commissioner or a deputy registrar of motor vehicles, or otherwise fails to submit ~~said the~~  
 12.12 forms and remittance ~~to the registrar,~~ within ten days following date of sale ~~shall be~~ is guilty  
 12.13 of a misdemeanor.

12.14 Sec. 16. Minnesota Statutes 2016, section 168.127, subdivision 4, is amended to read:

12.15 Subd. 4. **Filing registration applications.** Initial fleet applications for registration and  
 12.16 renewals must be filed with the registrar or ~~authorized~~ a deputy registrar.

12.17 Sec. 17. Minnesota Statutes 2016, section 168.127, subdivision 6, is amended to read:

12.18 Subd. 6. **Fee.** ~~Instead of the filing fee described in section 168.33, subdivision 7, For~~  
 12.19 each vehicle in the fleet, the applicant for fleet registration shall pay:

12.20 (1) the filing fee in section 168.33, subdivision 7, for transactions processed by a deputy  
 12.21 registrar; or

12.22 (2) an equivalent administrative fee to the for transactions processed by the commissioner  
 12.23 for each vehicle in the fleet, which is imposed instead of the filing fee in section 168.33,  
 12.24 subdivision 7.

12.25 Sec. 18. Minnesota Statutes 2016, section 168.27, is amended by adding a subdivision to  
 12.26 read:

12.27 Subd. 32. **Multiple licenses.** If a single legal entity holds more than one new or used  
 12.28 vehicle dealer license, new and used vehicles owned by the entity may be held and offered  
 12.29 for sale at any of the licensed dealership locations without assigning vehicle ownership or  
 12.30 title from one licensee to another. This subdivision does not authorize the sale or offering  
 12.31 for sale of new vehicles by a licensee without a franchise described in subdivision 10.

13.1 Sec. 19. Minnesota Statutes 2016, section 168.27, is amended by adding a subdivision to  
13.2 read:

13.3 Subd. 33. **Designated dealer title and registration liaison.** The registrar must designate  
13.4 by name and provide contact information for one or more registrar employees as needed to  
13.5 (1) promptly and effectively respond to questions from licensed dealers, and (2) troubleshoot  
13.6 dealer issues related to vehicle titling and registration.

13.7 Sec. 20. Minnesota Statutes 2016, section 168.301, subdivision 3, is amended to read:

13.8 Subd. 3. **Late fee.** In addition to any fee or tax otherwise authorized or imposed upon  
13.9 the transfer of title for a motor vehicle, the commissioner of public safety shall impose a  
13.10 \$2 additional fee for failure to deliver a title transfer within ten business days. This  
13.11 subdivision does not apply to transfers from licensed vehicle dealers.

13.12 Sec. 21. Minnesota Statutes 2016, section 168.326, is amended to read:

13.13 **168.326 EXPEDITED DRIVER AND VEHICLE SERVICES; FEE.**

13.14 (a) When an applicant requests and pays an expedited service fee of \$20, in addition to  
13.15 other specified and statutorily mandated fees and taxes, the commissioner or, if appropriate,  
13.16 a driver's license agent or deputy registrar, shall expedite the processing of an application  
13.17 for a driver's license, driving instruction permit, Minnesota identification card, or vehicle  
13.18 title transaction.

13.19 (b) A driver's license agent or deputy registrar may retain \$10 of the expedited service  
13.20 fee for each expedited service request processed by the licensing agent or deputy registrar.

13.21 (c) When expedited service is requested, materials must be mailed or delivered to the  
13.22 requester within three days of receipt of the expedited service fee excluding Saturdays,  
13.23 Sundays, or the holidays listed in section 645.44, subdivision 5. The requester shall comply  
13.24 with all relevant requirements of the requested document.

13.25 (d) The commissioner may decline to accept an expedited service request if it is apparent  
13.26 at the time it is made that the request cannot be granted. The commissioner must not decline  
13.27 an expedited service request and must not prevent a driver's license agent or deputy from  
13.28 accepting an expedited service request solely on the basis of limitations of the driver and  
13.29 vehicle services information technology system.

13.30 (e) The expedited service fees collected under this section for an application for a driver's  
13.31 license, driving instruction permit, or Minnesota identification card minus any portion  
13.32 retained by a licensing agent or deputy registrar under paragraph (b) must be paid into the

14.1 driver services operating account in the special revenue fund specified under section  
14.2 299A.705.

14.3 (f) The expedited service fees collected under this section for a transaction for a vehicle  
14.4 service minus any portion retained by a licensing agent or deputy registrar under paragraph  
14.5 (b) must be paid into the vehicle services operating account in the special revenue fund  
14.6 specified under section 299A.705.

14.7 **EFFECTIVE DATE.** This section is effective November 1, 2018.

14.8 Sec. 22. Minnesota Statutes 2016, section 168.33, subdivision 8a, is amended to read:

14.9 Subd. 8a. **Electronic transmission.** (a) If the commissioner accepts electronic  
14.10 transmission of a motor vehicle transfer and registration by a new or used motor vehicle  
14.11 dealer, a deputy registrar who is equipped with electronic transmission technology and  
14.12 trained in its use shall receive the filing fee provided for in subdivision 7 and review the  
14.13 transfer of each new or used motor vehicle to determine its genuineness and regularity  
14.14 before issuance of a certificate of title, and shall receive and retain the filing fee under  
14.15 subdivision 7, paragraph (a), clause ~~(ii)~~ (2).

14.16 (b) The commissioner must establish reasonable performance, security, technical, and  
14.17 financial standards to approve and allow companies that provide computer software and  
14.18 services to motor vehicle dealers to electronically transmit vehicle title transfer and  
14.19 registration information. An approved company must be offered access to department  
14.20 facilities, staff, and technology on a fair and reasonable basis.

14.21 Sec. 23. Minnesota Statutes 2016, section 168.33, is amended by adding a subdivision to  
14.22 read:

14.23 Subd. 8b. **Transactions by mail.** A deputy registrar may receive motor vehicle  
14.24 applications and submissions under this chapter and chapter 168A by mail and may process  
14.25 the transactions including retention of the appropriate filing fee under subdivision 7.

14.26 Sec. 24. Minnesota Statutes 2016, section 168.346, subdivision 1, is amended to read:

14.27 Subdivision 1. **Vehicle registration data; federal compliance.** (a) Data on an individual  
14.28 provided to register a vehicle shall be treated as provided by United States Code, title 18,  
14.29 section 2721, as in effect on May 23, 2005, and shall be disclosed as required or permitted  
14.30 by that section. The commissioner is prohibited from restricting the uses for which a licensed  
14.31 dealer may obtain data as permitted by United States Code, title 18, section 2721, subsections  
14.32 (b)(2), (3), (7), and (13). The commissioner shall disclose the data in bulk form to an

15.1 authorized recipient upon request for any of the permissible uses described in United States  
15.2 Code, title 18, section 2721.

15.3 (b) The registered owner of a vehicle who is an individual may consent in writing to the  
15.4 commissioner to disclose the individual's personal information exempted by United States  
15.5 Code, title 18, section 2721, to any person who makes a written request for the personal  
15.6 information. If the registered owner is an individual and so authorizes disclosure, the  
15.7 commissioner shall implement the request.

15.8 (c) If authorized by the registered owner as indicated in paragraph (b), the registered  
15.9 owner's personal information may be used, rented, or sold solely for bulk distribution by  
15.10 organizations for business purposes including surveys, marketing, or solicitation.

15.11 Sec. 25. Minnesota Statutes 2016, section 168A.05, is amended by adding a subdivision  
15.12 to read:

15.13 Subd. 1d. **Issuance of certificate by deputy registrar.** (a) If an application for a vehicle's  
15.14 certificate of title is received by a deputy registrar and the deputy registrar is satisfied as to  
15.15 its genuineness and regularity and that the applicant is entitled to the issuance of a certificate  
15.16 of title, the deputy registrar may issue a certificate of title for the vehicle.

15.17 (b) On or before August 1, 2019, the commissioner must authorize a deputy registrar to  
15.18 issue a certificate of title, subject to procedures established by the commissioner.

15.19 Sec. 26. Minnesota Statutes 2016, section 168A.12, subdivision 2, is amended to read:

15.20 Subd. 2. **Owner's interest terminated or vehicle sold by secured party.** If the interest  
15.21 of the owner is terminated or the vehicle is sold under a security agreement by a secured  
15.22 party named in the certificate of title or an assignee of the secured party, the transferee shall  
15.23 promptly mail or deliver to the department the last certificate of title, if available, an  
15.24 application for a new certificate in the format the department prescribes, and an affidavit  
15.25 made by or on behalf of the secured party or assignee that the interest of the owner was  
15.26 lawfully terminated or the vehicle sold pursuant to the terms of the security agreement. If  
15.27 the secured party or assignee succeeds to the interest of the owner and holds the vehicle for  
15.28 resale, the secured party or assignee need not secure a new certificate of title; provided that  
15.29 a notice thereof in a format designated by the department is mailed or delivered by the  
15.30 secured party or assignee to the department in duplicate within 48 hours, but upon transfer  
15.31 to another person the secured party or assignee shall promptly execute assignment and  
15.32 warranty of title and mail or deliver to the transferee or the department the certificate, if

16.1 available, the affidavit, and other documents required to be sent to the department by the  
16.2 transferee.

16.3 Sec. 27. Minnesota Statutes 2016, section 168A.151, subdivision 1, is amended to read:

16.4 Subdivision 1. **Salvage titles.** (a) When an insurer, licensed to conduct business in  
16.5 Minnesota, acquires ownership of a ~~late-model or high-value~~ vehicle through payment of  
16.6 damages, the insurer shall immediately apply for a salvage certificate of title or shall stamp  
16.7 the existing certificate of title with the legend "SALVAGE CERTIFICATE OF TITLE" in  
16.8 a manner prescribed by the department. Within ten days of obtaining the title of a vehicle  
16.9 through payment of damages, an insurer must notify the department in a manner prescribed  
16.10 by the department.

16.11 (b) A person shall immediately apply for a salvage certificate of title if the person acquires  
16.12 a damaged ~~late-model or high-value~~ vehicle with an out-of-state title and the vehicle:

16.13 (1) is a vehicle that was acquired by an insurer through payment of damages;

16.14 (2) is a vehicle for which the cost of repairs exceeds the value of the damaged vehicle;

16.15 or

16.16 (3) has an out-of-state salvage certificate of title as proof of ownership.

16.17 (c) A self-insured owner of a late-model or high-value vehicle that sustains damage by  
16.18 collision or other occurrence which exceeds 80 percent of its actual cash value shall  
16.19 immediately apply for a salvage certificate of title.

16.20 Sec. 28. Minnesota Statutes 2016, section 168A.17, is amended by adding a subdivision  
16.21 to read:

16.22 Subd. 4. **Notice of perfection by dealer.** When a security interest in a vehicle sold by  
16.23 a dealer licensed under section 168.27 is perfected under subdivision 2, the dealer may  
16.24 provide a statement of perfection to the secured party on a form provided by the department.  
16.25 The statement must certify compliance with subdivision 2 and contain the date of delivery  
16.26 to the department. The information provided in the dealer's statement is considered prima  
16.27 facie evidence of the facts contained in it.

16.28 Sec. 29. [168A.241] MOTOR VEHICLE TITLE TRANSFER AND REGISTRATION  
16.29 ADVISORY COMMITTEE.

16.30 Subdivision 1. **Members.** (a) The Motor Vehicle Title and Registration Advisory  
16.31 Committee consists of the following 13 members:

17.1 (1) two members of the house of representatives, one appointed by the speaker of the  
17.2 house and one appointed by the minority leader;

17.3 (2) two members of the senate, one appointed by the majority leader and one appointed  
17.4 by the minority leader;

17.5 (3) one representative from the Minnesota Deputy Registrar's Association;

17.6 (4) one representative from the Minnesota Automobile Dealers Association;

17.7 (5) one representative from the Northland Independent Automobile Dealers Association;

17.8 (6) one staff member from the Department of Public Safety Driver and Vehicle Services  
17.9 Division;

17.10 (7) two representatives from deputy registrars, appointed by the commissioner;

17.11 (8) two representatives from dealers licensed under section 168.27, appointed by the  
17.12 commissioner; and

17.13 (9) one representative who performs auctions exclusively for dealers licensed under  
17.14 section 168.27 and not for the general public, appointed by the commissioner following  
17.15 consultation with eligible auto auction businesses.

17.16 (b) Section 15.059 governs the Motor Vehicle Title and Registration Advisory Committee.

17.17 (c) Members of the advisory committee must be compensated and reimbursed for  
17.18 expenses as provided in section 15.059, subdivision 3.

17.19 Subd. 2. **Organization.** (a) The members of the advisory committee must annually elect  
17.20 a chair and other officers as the members deem necessary.

17.21 (b) The advisory committee must meet at least two times per year.

17.22 Subd. 3. **Open meetings.** The advisory committee is subject to chapter 13D. An advisory  
17.23 committee meeting occurs when a quorum is present and the members receive information,  
17.24 discuss, or take action on any matter relating to the advisory committee's duties . The advisory  
17.25 committee may conduct meetings as provided in section 13D.015 or 13D.02. The advisory  
17.26 committee may conduct meetings at any location in the state that is appropriate for the  
17.27 purposes of the advisory committee, provided the location is open and accessible to the  
17.28 public. For legislative members of the advisory committee, enforcement of this subdivision  
17.29 is governed by section 3.055, subdivision 2. For nonlegislative members of the advisory  
17.30 committee, enforcement of this subdivision is governed by section 13D.06, subdivisions 1  
17.31 and 2.

18.1 Subd. 4. **Staff.** The commissioner must provide support staff, office space, and  
 18.2 administrative services to the advisory committee.

18.3 Subd. 5. **Duties.** The advisory committee's duties include but are not limited to:

18.4 (1) serving in an advisory capacity to the commissioner of public safety and the director  
 18.5 of driver and vehicle services on matters relevant to:

18.6 (i) effective and efficient systems relating to the ownership, transfer, and registration of  
 18.7 motor vehicles; and

18.8 (ii) planning and implementing future changes and enhancements to vehicle registration  
 18.9 systems; and

18.10 (2) reviewing and making recommendations with respect to work plans, policy initiatives,  
 18.11 major activities, and strategic planning.

18.12 Subd. 6. **Report and recommendations.** Beginning February 15, 2019, and annually  
 18.13 thereafter, the commissioner must prepare and submit to the chairs and ranking minority  
 18.14 members of the committees of the house of representatives and the senate with jurisdiction  
 18.15 over motor vehicle title and registration a report that summarizes the advisory committee's  
 18.16 activities, issues identified by the advisory committee, methods taken to address the issues,  
 18.17 and recommendations for legislative action, if needed.

18.18 Subd. 7. **Expiration.** The advisory committee expires June 30, 2021.

18.19 Sec. 30. Minnesota Statutes 2016, section 168A.29, subdivision 1, is amended to read:

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

18.21 (1) for filing an application for and the issuance of an original certificate of title, ~~the~~  
 18.22 ~~sum of:~~

18.23 ~~(i) until December 31, 2016, \$6.25 of which \$3.25 must be paid into the vehicle services~~  
 18.24 ~~operating account of the special revenue fund under section 299A.705, and from July 1,~~  
 18.25 ~~2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to the driver~~  
 18.26 ~~and vehicle services technology account; and~~

18.27 ~~(ii) on and after January 1, 2017, \$8.25, of which \$4.15 must be paid into the vehicle~~  
 18.28 ~~services operating account under section 299A.705;~~

18.29 (2) for each security interest when first noted upon a certificate of title, including the  
 18.30 concurrent notation of any assignment thereof and its subsequent release or satisfaction, ~~the~~

19.1 ~~sum of \$2, except that no fee is due for a security interest filed by a public authority under~~  
 19.2 ~~section 168A.05, subdivision 8;~~

19.3 ~~(3) until December 31, 2016, for the transfer of the interest of an owner and the issuance~~  
 19.4 ~~of a new certificate of title, the sum of \$5.50 of which \$2.50 must be paid into the vehicle~~  
 19.5 ~~services operating account of the special revenue fund under section 299A.705, and from~~  
 19.6 ~~July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to~~  
 19.7 ~~the driver and vehicle services technology account;~~

19.8 ~~(4) (3)~~ for each assignment of a security interest when first noted on a certificate of title,  
 19.9 unless noted concurrently with the security interest, ~~the sum of \$1; and~~

19.10 ~~(5) (4)~~ for issuing a duplicate certificate of title, ~~the sum of \$7.25,~~ of which \$3.25 must  
 19.11 be paid into the vehicle services operating account ~~of the special revenue fund under section~~  
 19.12 ~~299A.705; from July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee~~  
 19.13 ~~and credited to the driver and vehicle services technology account.~~

19.14 (b) In addition to the fee required under paragraph (a), clause (1), the department must  
 19.15 be paid \$3.50. The additional \$3.50 fee collected under this paragraph must be deposited  
 19.16 in the special revenue fund and credited to the public safety motor vehicle account established  
 19.17 in section 299A.70.

19.18 Sec. 31. Minnesota Statutes 2016, section 169.011, subdivision 60, is amended to read:

19.19 Subd. 60. **Railroad train.** "Railroad train" means a steam engine, electric or other motor,  
 19.20 with or without cars coupled thereto, operated upon rails, except streetcars. Railroad train  
 19.21 includes on-track equipment or other rolling stock operated upon rails, whether self-propelled  
 19.22 or coupled to another device.

19.23 Sec. 32. Minnesota Statutes 2016, section 169.14, subdivision 5, is amended to read:

19.24 Subd. 5. **Zoning within local area.** (a) When local authorities believe that the existing  
 19.25 speed limit upon any street or highway, or part thereof, within their respective jurisdictions  
 19.26 and not a part of the trunk highway system is greater or less than is reasonable or safe under  
 19.27 existing conditions, they may request the commissioner to authorize, upon the basis of an  
 19.28 engineering and traffic investigation, the erection of appropriate signs designating what  
 19.29 speed is reasonable and safe, and the commissioner may authorize the erection of appropriate  
 19.30 signs designating a reasonable and safe speed limit thereat, which speed limit shall be  
 19.31 effective when such signs are erected. Any speeds in excess of these speed limits shall be  
 19.32 prima facie evidence that the speed is not reasonable or prudent and that it is unlawful;

20.1 except that any speed limit within any municipality shall be a maximum limit and any speed  
 20.2 in excess thereof shall be unlawful. Alteration of speed limits on streets and highways shall  
 20.3 be made only upon authority of the commissioner except as provided in subdivision 5a.

20.4 (b) At the request of a county board, the commissioner may establish a speed limit in  
 20.5 excess of 55 miles per hour on a county road or county engineer state-aid highway upon  
 20.6 the basis of an engineering and traffic investigation. The county engineer must erect  
 20.7 appropriate signs and the increased speed limit is effective when the signs are erected.

20.8 (c) Notwithstanding paragraphs (a) and (b), a county board may by resolution increase  
 20.9 or decrease the speed limit of any street or highway within the county's jurisdiction by five  
 20.10 or ten miles per hour. The county engineer must erect appropriate signs to display the new  
 20.11 speed limit.

20.12 **EFFECTIVE DATE.** This section is effective June 1, 2018.

20.13 Sec. 33. Minnesota Statutes 2017 Supplement, section 169.18, subdivision 7, is amended  
 20.14 to read:

20.15 Subd. 7. **Laned highway.** When any roadway has been divided into two or more clearly  
 20.16 marked lanes for traffic, the following rules, in addition to all others consistent ~~herewith~~  
 20.17 with this subdivision, shall apply:

20.18 ~~(a)~~ (1) A vehicle shall be driven as nearly as practicable entirely within a single lane  
 20.19 and shall not be moved from ~~such~~ the lane until the driver has first ascertained that ~~such~~ the  
 20.20 movement can be made with safety.;

20.21 ~~(b)~~ (2) Upon a roadway which is not a one-way roadway and which is divided into three  
 20.22 lanes, a vehicle shall not be driven in the center lane except when overtaking and passing  
 20.23 another vehicle where the roadway is clearly visible and ~~such~~ the center lane is clear of  
 20.24 traffic within a safe distance, or in preparation for a left turn or where ~~such~~ the center lane  
 20.25 is at the time allocated exclusively to traffic moving in the direction the vehicle is proceeding,  
 20.26 and is signposted to give notice of ~~such~~ the allocation. The left lane of a three-lane roadway  
 20.27 which is not a one-way roadway shall not be used for overtaking and passing another vehicle.;

20.28 ~~(c)~~ (3) Official signs may be erected directing slow-moving traffic to use a designated  
 20.29 lane or allocating specified lanes to traffic moving in the same direction, and drivers of  
 20.30 vehicles shall obey the ~~directions of every such~~ sign.;

20.31 ~~(d)~~ (4) Whenever a bicycle lane has been established on a roadway, any person operating  
 20.32 a motor vehicle on ~~such~~ the roadway shall not drive in the bicycle lane except to perform  
 20.33 parking maneuvers in order to park where parking is permitted, to enter or leave the highway,

21.1 to prepare for a turn as provided in section 169.19, subdivision 1, or to stop a school bus  
 21.2 for the purpose of receiving or discharging any person provided the school bus is equipped  
 21.3 and identified as provided in sections 169.441 and 169.442, subdivision 1, and the flashing  
 21.4 red signals are activated and stop-signal arm is extended; and

21.5 (5) notwithstanding clause (1), the operator of a vehicle or combination of vehicles with  
 21.6 a total length in excess of 40 feet or a total width exceeding ten feet may, with due regard  
 21.7 for all other traffic, deviate from the lane in which the operator is driving to the extent  
 21.8 necessary to approach and drive through a roundabout.

21.9 Sec. 34. Minnesota Statutes 2016, section 169.18, subdivision 10, is amended to read:

21.10 Subd. 10. **Slow-moving vehicle.** ~~Upon all roadways any~~ (a) A person operating a vehicle  
 21.11 ~~proceeding~~ at less than the normal speed of traffic at the time and place and under the  
 21.12 ~~existing conditions then existing shall be driven~~ must drive in the right-hand lane then  
 21.13 ~~available for traffic~~, or as close as practicable to the right-hand curb or edge of the roadway;  
 21.14 ~~except when.~~ A person who violates this paragraph must pay a fine of not less than \$100.

21.15 (b) Paragraph (a) does not apply if:

21.16 (1) the vehicle is overtaking and passing another vehicle proceeding in the same direction;  
 21.17 ~~or when;~~

21.18 (2) the vehicle is preparing for a left to turn left at an intersection or into a private road  
 21.19 ~~or driveway, or when;~~

21.20 (3) a specific lane is designated and posted for a specific type of traffic; or

21.21 (4) the vehicle is preparing to exit a controlled access highway by using an exit on the  
 21.22 left side of the road.

21.23 Sec. 35. Minnesota Statutes 2016, section 169.18, subdivision 11, is amended to read:

21.24 Subd. 11. **Passing parked emergency vehicle; citation; probable cause.** (a) When  
 21.25 approaching and before passing an authorized emergency vehicle with its emergency lights  
 21.26 activated that is parked or otherwise stopped on or next to a street or highway having two  
 21.27 lanes in the same direction, the driver of a vehicle shall safely move the vehicle to the lane  
 21.28 farthest away from the emergency vehicle, if it is possible to do so.

21.29 (b) When approaching and before passing an authorized emergency vehicle with its  
 21.30 emergency lights activated that is parked or otherwise stopped on or next to a street or  
 21.31 highway having more than two lanes in the same direction, the driver of a vehicle shall

22.1 safely move the vehicle so as to leave a full lane vacant between the driver and any lane in  
 22.2 which the emergency vehicle is completely or partially parked or otherwise stopped, if it is  
 22.3 possible to do so.

22.4 (c) If a lane change under paragraph (a) or (b) is impossible, or when approaching and  
 22.5 before passing an authorized emergency vehicle with its emergency lights activated that is  
 22.6 parked or otherwise stopped on or next to a street or highway having only one lane in the  
 22.7 same direction, the driver of a vehicle must reduce the speed of the motor vehicle to a speed  
 22.8 that is reasonable and prudent under the conditions until the motor vehicle has completely  
 22.9 passed the parked or stopped emergency vehicle, if it is possible to do so.

22.10 ~~(e)~~ (d) A peace officer may issue a citation to the driver of a motor vehicle if the peace  
 22.11 officer has probable cause to believe that the driver has operated the vehicle in violation of  
 22.12 this subdivision within the four-hour period following the termination of the incident or a  
 22.13 receipt of a report under paragraph ~~(d)~~ (e). The citation may be issued even though the  
 22.14 violation was not committed in the presence of the peace officer.

22.15 ~~(d)~~ (e) Although probable cause may be otherwise satisfied by other evidentiary elements  
 22.16 or factors, probable cause is sufficient for purposes of this subdivision when the person  
 22.17 cited is operating the vehicle described by a member of the crew of an authorized emergency  
 22.18 vehicle responding to an incident in a timely report of the violation of this subdivision,  
 22.19 which includes a description of the vehicle used to commit the offense and the vehicle's  
 22.20 license plate number. For the purposes of issuance of a citation under paragraph ~~(e)~~ (d),  
 22.21 "timely" means that the report must be made within a four-hour period following the  
 22.22 termination of the incident.

22.23 ~~(e)~~ (f) For purposes of paragraphs (a) ~~and (b)~~ to (c) only, the terms "authorized emergency  
 22.24 vehicle" and "emergency vehicle" include a towing vehicle defined in section 168B.011,  
 22.25 subdivision 12a, that has activated flashing lights authorized under section 169.64,  
 22.26 subdivision 3, in addition to the vehicles described in the definition for "authorized  
 22.27 emergency vehicle" in section 169.011, subdivision 3.

22.28 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to offenses  
 22.29 committed on or after that date.

22.30 Sec. 36. Minnesota Statutes 2016, section 169.18, subdivision 12, is amended to read:

22.31 Subd. 12. **Passing certain parked vehicles.** (a) When approaching and before passing  
 22.32 a freeway service patrol vehicle, road maintenance vehicle, utility company vehicle, or  
 22.33 construction vehicle with its warning lights activated that is parked or otherwise stopped

23.1 on or next to a street or highway having two lanes in the same direction, the driver of a  
 23.2 vehicle shall safely move the vehicle to the lane farthest away from the parked or stopped  
 23.3 vehicle, if it is possible to do so.

23.4 (b) When approaching and before passing a freeway service patrol vehicle, road  
 23.5 maintenance vehicle, utility company vehicle, or construction vehicle with its warning lights  
 23.6 activated that is parked or otherwise stopped on or next to a street or highway having more  
 23.7 than two lanes in the same direction, the driver of a vehicle shall safely move the vehicle  
 23.8 so as to leave a full lane vacant between the driver and any lane in which the vehicle is  
 23.9 completely or partially parked or otherwise stopped, if it is possible to do so.

23.10 (c) If a lane change under paragraph (a) or (b) is impossible, or when approaching and  
 23.11 before passing a freeway service patrol vehicle, road maintenance vehicle, utility company  
 23.12 vehicle, or construction vehicle with its warning lights activated that is parked or otherwise  
 23.13 stopped on or next to a street or highway having only one lane in the same direction, the  
 23.14 driver of a vehicle must reduce the speed of the motor vehicle to a speed that is reasonable  
 23.15 and prudent under the conditions until the motor vehicle has completely passed the parked  
 23.16 or stopped freeway service patrol vehicle, road maintenance vehicle, utility company vehicle,  
 23.17 or construction vehicle, if it is possible to do so.

23.18 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
 23.19 committed on or after that date.

23.20 Sec. 37. Minnesota Statutes 2016, section 169.20, is amended by adding a subdivision to  
 23.21 read:

23.22 **Subd. 8. Roundabouts.** If two vehicles or combinations of vehicles each having a total  
 23.23 length in excess of 40 feet or a total width in excess of ten feet approach or drive through  
 23.24 a roundabout at approximately the same time or so closely as to constitute a hazard of  
 23.25 collision, the operator of the vehicle or combination of vehicles on the right must yield the  
 23.26 right-of-way to the vehicle or combination of vehicles on the left and, if necessary, must  
 23.27 reduce speed or stop in order to so yield.

23.28 Sec. 38. Minnesota Statutes 2016, section 169.26, subdivision 1, is amended to read:

23.29 Subdivision 1. **Requirements.** (a) Except as provided in section 169.28, subdivision 1,  
 23.30 when any person driving a vehicle approaches a railroad grade crossing under any of the  
 23.31 circumstances stated in this paragraph, the driver shall stop the vehicle not less than ten feet  
 23.32 from the nearest railroad track and shall not proceed until safe to do so and until the roadway

24.1 is clear of traffic so that the vehicle can proceed without stopping until the rear of the vehicle  
 24.2 is at least ten feet past the farthest railroad track. These requirements apply when:

24.3 (1) a clearly visible electric or mechanical signal device warns of the immediate approach  
 24.4 of a railroad train; or

24.5 (2) an approaching railroad train is plainly visible and is in hazardous proximity.

24.6 (b) The fact that a moving railroad train approaching a railroad grade crossing is visible  
 24.7 from the crossing is prima facie evidence that it is not safe to proceed.

24.8 (c) The driver of a vehicle shall stop and remain stopped and not traverse the grade  
 24.9 crossing when a human flagger signals the approach or passage of a railroad train or when  
 24.10 a crossing gate is lowered warning of the immediate approach or passage of a railroad train.  
 24.11 No person may drive a vehicle past a flagger at a railroad crossing until the flagger signals  
 24.12 that the way is clear to proceed or drive a vehicle past a lowered crossing gate.

24.13 Sec. 39. Minnesota Statutes 2016, section 169.28, is amended to read:

24.14 **169.28 CERTAIN VEHICLES TO STOP AT RAILROAD CROSSING.**

24.15 Subdivision 1. **Requirements.** (a) The driver of any motor vehicle carrying passengers  
 24.16 for hire, or of any school bus whether carrying passengers or not, or of any Head Start bus  
 24.17 whether carrying passengers or not, or of any vehicle that is required to stop at railroad  
 24.18 grade crossings under Code of Federal Regulations, title 49, section 392.10, before crossing  
 24.19 at grade any track or tracks of a railroad, shall stop the vehicle not less than 15 feet nor more  
 24.20 than 50 feet from the nearest rail of the railroad and while so stopped shall listen and look  
 24.21 in both directions along the track for any approaching railroad train, and for signals indicating  
 24.22 the approach of a railroad train, except as ~~hereinafter~~ otherwise provided, and in this section.  
 24.23 The driver shall not proceed until safe to do so and until the roadway is clear of traffic so  
 24.24 that the vehicle can proceed without stopping until the rear of the vehicle is at least ten feet  
 24.25 past the farthest railroad track. The driver must not shift gears while crossing the railroad  
 24.26 tracks.

24.27 (b) A school bus or Head Start bus shall not be flagged across railroad grade crossings  
 24.28 except at those railroad grade crossings that the local school administrative officer may  
 24.29 designate.

24.30 (c) A type III vehicle, as defined in section 169.011, is exempt from the requirement of  
 24.31 school buses to stop at railroad grade crossings.

25.1 (d) The requirements of this subdivision do not apply to the crossing of light rail vehicle  
25.2 track or tracks that are located in a public street when:

25.3 (1) the crossing occurs within the intersection of two or more public streets;

25.4 (2) the intersection is controlled by a traffic-control signal; and

25.5 (3) the intersection is marked with signs indicating to drivers that the requirements of  
25.6 this subdivision do not apply. Notwithstanding any other provision of law, the owner or  
25.7 operator of the track or tracks is authorized to place, maintain, and display the signs upon  
25.8 and in the view of the public street or streets.

25.9 Subd. 2. **Exempt crossing.** (a) The commissioner may designate a crossing as an exempt  
25.10 crossing:

25.11 (1) if the crossing is on a rail line on which service has been abandoned;

25.12 (2) if the crossing is on a rail line that carries fewer than five trains each year, traveling  
25.13 at speeds of ten miles per hour or less; or

25.14 (3) as agreed to by the operating railroad and the Department of Transportation, following  
25.15 a diagnostic review of the crossing.

25.16 (b) The commissioner shall direct the railroad to erect at the crossing signs bearing the  
25.17 word "Exempt" that conform to section 169.06. The installation or presence of an exempt  
25.18 sign does not relieve a driver of the duty to use due care.

25.19 (c) A railroad train must not proceed across an exempt crossing unless a police officer  
25.20 is present to direct traffic or a railroad employee is on the ground to warn traffic until the  
25.21 railroad train enters the crossing.

25.22 ~~(e)~~ (d) A vehicle that must stop at grade crossings under subdivision 1 is not required  
25.23 to stop at a marked exempt crossing unless directed otherwise by a police officer or a railroad  
25.24 employee.

25.25 Sec. 40. Minnesota Statutes 2016, section 169.29, is amended to read:

25.26 **169.29 CROSSING RAILROAD TRACKS WITH CERTAIN EQUIPMENT.**

25.27 (a) No person shall operate or move any caterpillar tractor, steam shovel, derrick, roller,  
25.28 or any equipment or structure having a normal operating speed of six or less miles per hour  
25.29 or a vertical body or load clearance of less than nine inches above the level surface of a  
25.30 roadway upon or across any tracks at a railroad grade crossing without first complying with  
25.31 this section.

26.1 (b) Before making any crossing, the person operating or moving any vehicle or equipment  
26.2 set forth in this section shall first stop the same not less than ten, nor more than 50, feet  
26.3 from the nearest rail of the railway, and while so stopped shall listen and look in both  
26.4 directions along the track for any approaching railroad train and for signals indicating the  
26.5 approach of a railroad train, and shall not proceed until the crossing can be made safely.

26.6 (c) No crossing shall be made when warning is given by automatic signal or crossing  
26.7 gates or a flagger or otherwise of the immediate approach of a railroad train or car.

26.8 (d) No stop need be made at a crossing on a rail line on which service has been abandoned  
26.9 and where a sign erected in conformance with section 169.06 and bearing the word "Exempt"  
26.10 has been installed, unless directed otherwise by a flagger. The installation or presence of  
26.11 an exempt sign shall not relieve any driver of the duty to use due care.

26.12 Sec. 41. Minnesota Statutes 2016, section 169.71, subdivision 4, is amended to read:

26.13 Subd. 4. **Glazing material; prohibitions and exceptions.** (a) No person shall drive or  
26.14 operate any motor vehicle required to be registered in the state of Minnesota upon any street  
26.15 or highway under the following conditions:

26.16 (1) when the windshield is composed of, covered by, or treated with any material which  
26.17 has the effect of making the windshield more reflective or in any other way reducing light  
26.18 transmittance through the windshield;

26.19 (2) when any window on the vehicle is composed of, covered by, or treated with any  
26.20 material that has a highly reflective or mirrored appearance;

26.21 (3) when any side window or rear window is composed of or treated with any material  
26.22 so as to obstruct or substantially reduce the driver's clear view through the window or has  
26.23 a light transmittance of less than 50 percent plus or minus three percent in the visible light  
26.24 range or a luminous reflectance of more than 20 percent plus or minus three percent; or

26.25 (4) when any material has been applied after August 1, 1985, to any motor vehicle  
26.26 window without an accompanying permanent marking which indicates the percent of  
26.27 transmittance and the percent of reflectance afforded by the material. The marking must be  
26.28 in a manner so as not to obscure vision and be readable when installed on the vehicle.

26.29 (b) This subdivision does not apply to glazing materials which:

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

27.1 (2) are required to satisfy prescription or medical needs of the driver of the vehicle or a  
 27.2 passenger if:

27.3 (i) the driver or passenger is in possession of the prescription or a physician's statement  
 27.4 of medical need;

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

27.8 (iii) the prescription or statement contains an expiration date, which must be no more  
 27.9 than two years after the date the prescription or statement was issued; or

27.10 (3) are applied to:

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

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

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

27.16 (iv) the side and rear windows of a limousine as defined in section 168.002, subdivision  
 27.17 15, that is registered in compliance with the requirements of section 168.128; or

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

27.19 Sec. 42. Minnesota Statutes 2016, section 169.81, subdivision 5, is amended to read:

27.20 Subd. 5. **Manner of loading.** ~~No (a) A vehicle shall~~ must not be driven or moved on  
 27.21 any highway unless such the vehicle is so constructed, loaded, or the load securely covered  
 27.22 as to prevent any of its load from dropping, sifting, leaking, blowing, or otherwise escaping  
 27.23 therefrom, except that.

27.24 (b) Notwithstanding paragraph (a), a vehicle or combination of vehicles may:

27.25 (1) drop sand may be dropped for the purpose of securing to secure traction, or;

27.26 (2) sprinkle water or other substances may be sprinkled on a roadway in cleaning or  
 27.27 maintaining such to clean or maintain the roadway; or

27.28 (3) leak liquid if transporting sugar beets.

27.29 (c) This subdivision shall does not apply to motor vehicles operated by a farmer or the  
 27.30 farmer's agent when transporting produce such as small grains, shelled corn, soybeans, or

28.1 other farm produce of a size and density not likely to cause injury to persons or damage to  
 28.2 property on escaping in small amounts from a vehicle.

28.3 (d) A violation of this subdivision by a vehicle that is carrying farm produce and that is  
 28.4 not exempted by the preceding sentence under paragraph (c) is a petty misdemeanor.

28.5 **EFFECTIVE DATE.** This section is effective June 1, 2018.

28.6 Sec. 43. Minnesota Statutes 2016, section 169.81, is amended by adding a subdivision to  
 28.7 read:

28.8 **Subd. 11. Automobile transporter.** (a) For purposes of this subdivision, the following  
 28.9 terms have the meanings given them:

28.10 (1) "automobile transporter" means any vehicle combination designed and used to  
 28.11 transport assembled highway vehicles, including truck camper units;

28.12 (2) "stinger-steered automobile transporter" means a truck tractor semitrailer having the  
 28.13 fifth wheel located on a drop frame located behind and below the rear-most axle of the  
 28.14 power unit; and

28.15 (3) "backhaul" means the return trip of a vehicle transporting cargo or general freight,  
 28.16 especially when carrying goods back over all or part of the same route.

28.17 (b) Stinger-steered combination automobile transporters having a length of 80 feet or  
 28.18 less may be operated on interstate highways and other highways designated in this section,  
 28.19 and may carry a load that extends four feet or less in the front of the vehicle and six feet or  
 28.20 less in the rear of the vehicle.

28.21 (c) An automobile transporter may transport cargo or general freight on a backhaul,  
 28.22 provided it complies with weight limitations for a truck tractor and semitrailer combination  
 28.23 under section 169.824.

28.24 Sec. 44. Minnesota Statutes 2016, section 169.8261, subdivision 2, is amended to read:

28.25 **Subd. 2. Conditions.** (a) A vehicle or combination of vehicles described in subdivision  
 28.26 1 must:

28.27 (1) comply with seasonal load restrictions in effect between the dates set by the  
 28.28 commissioner under section 169.87, subdivision 2;

28.29 (2) comply with bridge load limits posted under section 169.84;

28.30 (3) be equipped and operated with six or more axles and brakes on all wheels;

29.1 (4) not exceed 90,000 pounds gross vehicle weight, or 99,000 pounds gross vehicle  
29.2 weight during the time when seasonal increases are authorized under section 169.826;

29.3 (5) not be operated on interstate highways;

29.4 (6) obtain an annual permit from the commissioner of transportation;

29.5 (7) obey all road postings; and

29.6 (8) not exceed 20,000 pounds gross weight on any single axle.

29.7 (b) A vehicle operated under this section may exceed the legal axle weight limits listed  
29.8 in section 169.824 by not more than 12.5 percent; except that, the weight limits may be  
29.9 exceeded by not more than 23.75 percent during the time when seasonal increases are  
29.10 authorized under section 169.826, subdivision 1.

29.11 (c) Notwithstanding paragraph (a), clause (5), a vehicle or combination of vehicles  
29.12 hauling raw or unfinished forest products may also operate on the segment of Interstate  
29.13 Route 35 provided under United States Code, title 23, section 127.

29.14 Sec. 45. Minnesota Statutes 2017 Supplement, section 169.829, subdivision 4, is amended  
29.15 to read:

29.16 Subd. 4. **Certain emergency vehicles.** (a) The provisions of sections 169.80 to 169.88  
29.17 governing size, weight, and load do not apply to a fire apparatus, a law enforcement special  
29.18 response vehicle, or a licensed land emergency ambulance service vehicle.

29.19 (b) Emergency vehicles designed to transport personnel and equipment to support the  
29.20 suppression of fires and to mitigate other hazardous situations are subject to the following  
29.21 weight limitations when operated on an interstate highway: (1) 24,000 pounds on a single  
29.22 steering axle; (2) 33,500 pounds on a single drive axle; (3) 52,000 pounds on a tandem rear  
29.23 drive steer axle; and (4) 62,000 pounds on a tandem axle. The gross weight of an emergency  
29.24 vehicle operating on an interstate highway must not exceed 86,000 pounds.

29.25 Sec. 46. Minnesota Statutes 2016, section 169.974, subdivision 2, is amended to read:

29.26 Subd. 2. **License endorsement and permit requirements.** (a) No person shall operate  
29.27 a motorcycle on any street or highway without having a valid driver's license with a  
29.28 two-wheeled vehicle endorsement as provided by law. A person may operate an autocycle  
29.29 without a two-wheeled vehicle endorsement, provided the person has a valid driver's license  
29.30 issued under section 171.02.

30.1 (b) The commissioner of public safety shall issue a two-wheeled vehicle endorsement  
30.2 only if the applicant (1) has in possession a valid two-wheeled vehicle instruction permit  
30.3 as provided in paragraph (c), (2) has passed a written examination and road test administered  
30.4 by the Department of Public Safety for the endorsement, and (3) in the case of applicants  
30.5 under 18 years of age, presents a certificate or other evidence of having successfully  
30.6 completed an approved two-wheeled vehicle driver's safety course in this or another state,  
30.7 in accordance with rules adopted by the commissioner of public safety for courses offered  
30.8 by a public, private, or commercial school or institute. The commissioner of public safety  
30.9 may waive the road test for any applicant on determining that the applicant possesses a valid  
30.10 license to operate a two-wheeled vehicle issued by a jurisdiction that requires a comparable  
30.11 road test for license issuance.

30.12 (c) The commissioner of public safety shall issue a two-wheeled vehicle instruction  
30.13 permit to any person over 16 years of age who (1) is in possession of a valid driver's license,  
30.14 (2) is enrolled in an approved two-wheeled vehicle driver's safety course, and (3) has passed  
30.15 a written examination for the permit and paid a fee prescribed by the commissioner of public  
30.16 safety. A two-wheeled vehicle instruction permit is effective for one year and may be  
30.17 renewed under rules prescribed by the commissioner of public safety.

30.18 (d) No person who is operating by virtue of a two-wheeled vehicle instruction permit  
30.19 shall:

30.20 (1) carry any passengers on the streets and highways of this state on the motorcycle  
30.21 while the person is operating the motorcycle;

30.22 (2) drive the motorcycle at night; or

30.23 ~~(3) drive the motorcycle on any highway marked as an interstate highway pursuant to~~  
30.24 ~~title 23 of the United States Code; or~~

30.25 ~~(4)~~ (3) drive the motorcycle without wearing protective headgear that complies with  
30.26 standards established by the commissioner of public safety.

30.27 (e) Notwithstanding paragraphs (a) to (d), the commissioner of public safety may issue  
30.28 a special motorcycle permit, restricted or qualified as the commissioner of public safety  
30.29 deems proper, to any person demonstrating a need for the permit and unable to qualify for  
30.30 a driver's license.

30.31 Sec. 47. Minnesota Statutes 2016, section 171.041, is amended to read:

30.32 **171.041 RESTRICTED LICENSE FOR FARM WORK.**

31.1 (a) Notwithstanding any provisions of section 171.04 relating to the age of an applicant  
 31.2 to the contrary, the commissioner may issue a restricted farm work license to operate a  
 31.3 motor vehicle to a person who has attained the age of 15 years and who, except for age, is  
 31.4 qualified to hold a driver's license. The applicant is not required to comply with the six-month  
 31.5 instruction permit possession provisions of sections 171.04, subdivision 1, clause (2), and  
 31.6 171.05, subdivision 2a, or with the 12-month provisional license possession provision of  
 31.7 section 171.04, subdivision 1, clause (1), item (i).

31.8 (b) The restricted license ~~shall~~ must be issued solely for the purpose of authorizing the  
 31.9 person to whom the restricted license is issued to assist the person's parents or guardians  
 31.10 with farm work. An individual may perform farm work under the restricted license for any  
 31.11 entity authorized to farm under section 500.24. A person holding this restricted license may  
 31.12 operate a motor vehicle only during daylight hours and only within a radius of ~~20~~ 40 miles  
 31.13 of the parent's or guardian's farmhouse; however, in no case may a person holding the  
 31.14 restricted license operate a motor vehicle in a city of the first class.

31.15 (c) An applicant for a restricted license shall apply to the commissioner for the license  
 31.16 on forms prescribed by the commissioner. The application shall be accompanied by:

31.17 (1) a copy of a property tax statement showing that the applicant's parent or guardian  
 31.18 owns land that is classified as agricultural land or a copy of a rental statement or agreement  
 31.19 showing that the applicant's parent or guardian rents land classified as agricultural land; and

31.20 (2) a written verified statement by the applicant's parent or guardian setting forth the  
 31.21 necessity for the license.

31.22 **EFFECTIVE DATE.** This section is effective June 1, 2018.

31.23 Sec. 48. Minnesota Statutes 2017 Supplement, section 171.06, subdivision 2, is amended  
 31.24 to read:

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

31.26 REAL ID Compliant or				
31.27 Noncompliant Classified				
31.28 Driver's License	D-\$17.25	C-\$21.25	B-\$28.25	A-\$36.25
31.29 REAL ID Compliant or				
31.30 Noncompliant Classified				
31.31 Under-21 D.L.	D-\$17.25	C-\$21.25	B-\$28.25	A-\$16.25
31.32 Enhanced Driver's License	D-\$32.25	C-\$36.25	B-\$43.25	A-\$51.25
31.33 REAL ID Compliant or				
31.34 Noncompliant Instruction				
31.35 Permit				\$5.25

32.1	Enhanced Instruction	
32.2	Permit	\$20.25
32.3	Commercial Learner's	
32.4	Permit	\$2.50
32.5	REAL ID Compliant or	
32.6	Noncompliant Provisional	
32.7	License	\$8.25
32.8	Enhanced Provisional	
32.9	License	\$23.25
32.10	Duplicate REAL ID	
32.11	Compliant or Noncompliant	
32.12	License or duplicate REAL	
32.13	ID Compliant or	
32.14	Noncompliant identification	
32.15	card	\$6.75
32.16	Enhanced Duplicate	
32.17	License or enhanced	
32.18	duplicate identification card	\$21.75
32.19	REAL ID Compliant or	
32.20	Noncompliant Minnesota	
32.21	identification card or REAL	
32.22	ID Compliant or	
32.23	Noncompliant Under-21	
32.24	Minnesota identification	
32.25	card, other than duplicate,	
32.26	except as otherwise	
32.27	provided in section 171.07,	
32.28	subdivisions 3 and 3a	\$11.25
32.29	Enhanced Minnesota	
32.30	identification card	\$26.25

32.31 ~~In addition to each fee required in this paragraph, the commissioner shall collect a surcharge~~  
 32.32 ~~of: (1) \$1.75 until June 30, 2012; and (2) \$1.00 from July 1, 2012, to June 30, 2016.~~  
 32.33 ~~Surcharges collected under this paragraph must be credited to the driver and vehicle services~~  
 32.34 ~~technology account in the special revenue fund under section 299A.705.~~

32.35 (b) Notwithstanding paragraph (a), an individual who holds a provisional license and  
 32.36 has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33,  
 32.37 169A.35, sections 169A.50 to 169A.53, or section 171.177, (2) convictions for crash-related  
 32.38 moving violations, and (3) convictions for moving violations that are not crash related, shall  
 32.39 have a \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving  
 32.40 violation" has the meaning given it in section 171.04, subdivision 1.

32.41 (c) In addition to the driver's license fee required under paragraph (a), the commissioner  
 32.42 shall collect an additional \$4 processing fee from each new applicant or individual renewing  
 32.43 a license with a school bus endorsement to cover the costs for processing an applicant's

33.1 initial and biennial physical examination certificate. The department shall not charge these  
33.2 applicants any other fee to receive or renew the endorsement.

33.3 (d) In addition to the fee required under paragraph (a), a driver's license agent may charge  
33.4 and retain a filing fee as provided under section 171.061, subdivision 4.

33.5 (e) In addition to the fee required under paragraph (a), the commissioner shall charge a  
33.6 filing fee at the same amount as a driver's license agent under section 171.061, subdivision  
33.7 4. Revenue collected under this paragraph must be deposited in the driver services operating  
33.8 account.

33.9 (f) An application for a Minnesota identification card, instruction permit, provisional  
33.10 license, or driver's license, including an application for renewal, must contain a provision  
33.11 that allows the applicant to add to the fee under paragraph (a), a \$2 donation for the purposes  
33.12 of public information and education on anatomical gifts under section 171.075.

33.13 Sec. 49. Minnesota Statutes 2016, section 174.12, subdivision 8, is amended to read:

33.14 Subd. 8. **Legislative report.** (a) By February 1 of each odd-numbered year, the  
33.15 commissioner of transportation, with assistance from the commissioner of employment and  
33.16 economic development, shall submit a report on the transportation economic development  
33.17 program to the chairs and ranking minority members of the legislative committees with  
33.18 jurisdiction over transportation policy and finance and economic development policy and  
33.19 finance.

33.20 (b) At a minimum, the report must:

33.21 (1) summarize the requirements and implementation of the transportation economic  
33.22 development program established in this section;

33.23 (2) review the criteria and economic impact performance measures used for evaluation,  
33.24 prioritization, and selection of projects;

33.25 (3) provide a brief overview of each project that received financial assistance under the  
33.26 program, which must at a minimum identify:

33.27 (i) basic project characteristics, such as funding recipient, geographic location, and type  
33.28 of transportation modes served;

33.29 (ii) sources and respective amounts of project funding; and

33.30 (iii) the degree of economic benefit anticipated or observed, following the economic  
33.31 impact performance measures established under subdivision 4;

34.1 (4) identify the allocation of funds, including but not limited to a breakdown of total  
 34.2 project funds by transportation mode, the amount expended for administrative costs, and  
 34.3 the amount transferred to the transportation economic development assistance account;

34.4 (5) evaluate the overall economic impact of the program; and

34.5 (6) provide recommendations for any legislative changes related to the program.

34.6 (c) Notwithstanding paragraph (a), a report is not required in an odd-numbered year if  
 34.7 no project received financial assistance during the preceding 24 months.

34.8 Sec. 50. Minnesota Statutes 2016, section 174.37, subdivision 6, is amended to read:

34.9 Subd. 6. **Expiration.** The committee expires June 30, ~~2018~~ 2022.

34.10 Sec. 51. Minnesota Statutes 2016, section 174.66, is amended to read:

34.11 **174.66 CONTINUATION OF CARRIER RULES.**

34.12 (a) Orders and directives in force, issued, or promulgated under authority of chapters  
 34.13 174A, 216A, 218, 219, 221, and 222 remain and continue in force and effect until repealed,  
 34.14 modified, or superseded by duly authorized orders or directives of the commissioner of  
 34.15 transportation. To the extent allowed under federal law or regulation, rules adopted under  
 34.16 authority of the following sections are transferred to the commissioner of transportation  
 34.17 and continue in force and effect until repealed, modified, or superseded by duly authorized  
 34.18 rules of the commissioner:

34.19 (1) section 218.041 except rules related to the form and manner of filing railroad rates,  
 34.20 railroad accounting rules, and safety rules;

34.21 (2) section 219.40;

34.22 (3) rules relating to rates or tariffs, or the granting, limiting, or modifying of permits  
 34.23 under section 221.031, subdivision 1; and

34.24 ~~(4) rules relating to rates, charges, and practices under section 221.161, subdivision 4;~~  
 34.25 ~~and~~

34.26 ~~(5) rules relating to rates, tariffs, or the granting, limiting, or modifying of permits under~~  
 34.27 ~~section 221.121.~~

34.28 (b) The commissioner shall review the transferred rules, orders, and directives and, when  
 34.29 appropriate, develop and adopt new rules, orders, or directives.

35.1 Sec. 52. Minnesota Statutes 2016, section 221.031, subdivision 2d, is amended to read:

35.2 Subd. 2d. **Hours of service exemptions.** The federal regulations incorporated in section  
 35.3 221.0314, subdivision 9, for ~~maximum driving and on-duty time,~~ hours of service do not  
 35.4 apply to drivers engaged in intrastate transportation within a 150-air-mile radius from the  
 35.5 source of the commodities<sub>2</sub> or from the retail or wholesale distribution point of the farm  
 35.6 supplies<sub>2</sub> for:

35.7 (1) agricultural commodities<sub>2</sub> or

35.8 (2) farm supplies for agricultural purposes ~~from March 15 to December 15 of each year;~~  
 35.9 ~~or.~~

35.10 (2) ~~sugar beets from September 1 to May 15 of each year.~~

35.11 Sec. 53. Minnesota Statutes 2016, section 221.0314, subdivision 9, is amended to read:

35.12 Subd. 9. **Hours of service of driver.** (a) Code of Federal Regulations, title 49, part 395,  
 35.13 is incorporated by reference, except that paragraphs (a), (c), (d), (f), (h), (i), ~~(k)~~, (m), and  
 35.14 (n) of section 395.1 of that part are not incorporated. In addition, cross-references to sections  
 35.15 or paragraphs not incorporated in this subdivision are not incorporated by reference.

35.16 (b) For purposes of Code of Federal Regulations, title 49, part 395.1, paragraph (k), the  
 35.17 planting and harvest period for Minnesota is from January 1 through December 31 of each  
 35.18 year.

35.19 (c) The requirements of Code of Federal Regulations, title 49, part 395, do not apply to  
 35.20 drivers of lightweight vehicles.

35.21 Sec. 54. Minnesota Statutes 2016, section 221.036, subdivision 1, is amended to read:

35.22 Subdivision 1. **Order.** The commissioner may issue an order requiring violations to be  
 35.23 corrected and administratively assessing monetary penalties for a violation of (1) section  
 35.24 221.021; (2) section 221.033, subdivision 2b; (3) section 221.171; (4) section 221.141; (5)  
 35.25 a federal, state, or local law, regulation, rule, or ordinance pertaining to railroad-highway  
 35.26 grade crossings; or (6) rules of the commissioner relating to the transportation of hazardous  
 35.27 waste, motor carrier operations, or insurance, ~~or tariffs and accounting.~~ An order must be  
 35.28 issued as provided in this section.

35.29 Sec. 55. Minnesota Statutes 2016, section 221.036, subdivision 3, is amended to read:

35.30 Subd. 3. **Amount of penalty; considerations.** (a) The commissioner may issue an order  
 35.31 assessing a penalty of up to \$5,000 for all violations identified during a single audit or

36.1 investigation of (1) section 221.021<sup>2</sup>, 221.141<sup>2</sup> or 221.171, or (2) rules of the commissioner  
 36.2 relating to motor carrier operations; or insurance, or tariffs and accounting, identified during  
 36.3 a single inspection, audit, or investigation.

36.4 (b) The commissioner may issue an order assessing a penalty up to a maximum of  
 36.5 \$10,000 for all violations of section 221.033, subdivision 2b, identified during a single  
 36.6 inspection or audit.

36.7 (c) In determining the amount of a penalty, the commissioner shall consider:

36.8 (1) the willfulness of the violation;

36.9 (2) the gravity of the violation, including damage to humans, animals, air, water, land,  
 36.10 or other natural resources of the state;

36.11 (3) the history of past violations, including the similarity of the most recent violation  
 36.12 and the violation to be penalized, the time elapsed since the last violation, the number of  
 36.13 previous violations, and the response of the person to the most recent violation identified;

36.14 (4) the economic benefit gained by the person by allowing or committing the violation;  
 36.15 and

36.16 (5) other factors as justice may require, if the commissioner specifically identifies the  
 36.17 additional factors in the commissioner's order.

36.18 (d) The commissioner shall assess a penalty in accordance with Code of Federal  
 36.19 Regulations, title 49, section 383.53, against:

36.20 (1) a driver who is convicted of a violation of an out-of-service order;

36.21 (2) an employer who knowingly allows or requires an employee to operate a commercial  
 36.22 motor vehicle in violation of an out-of-service order; or

36.23 (3) an employer who knowingly allows or requires an employee to operate a commercial  
 36.24 motor vehicle in violation of a federal, state, or local law or regulation pertaining to  
 36.25 railroad-highway grade crossings.

36.26 Sec. 56. Minnesota Statutes 2016, section 221.122, subdivision 1, is amended to read:

36.27 Subdivision 1. **Registration, insurance, and filing requirements.** (a) An order issued  
 36.28 by the commissioner which grants a certificate or permit must contain a service date.

36.29 (b) The person to whom the order granting the certificate or permit is issued shall do  
 36.30 the following within 45 days from the service date of the order:

37.1 (1) register vehicles which will be used to provide transportation under the permit or  
 37.2 certificate with the commissioner and pay the vehicle registration fees required by law; and

37.3 (2) file and maintain insurance or bond as required by section 221.141 and rules of the  
 37.4 commissioner; and.

37.5 ~~(3) file rates and tariffs as required by section 221.161 and rules of the commissioner.~~

37.6 Sec. 57. Minnesota Statutes 2016, section 221.161, subdivision 1, is amended to read:

37.7 Subdivision 1. ~~Filing; hearing upon commissioner initiative~~ Tariff maintenance and  
 37.8 contents. A household goods carrier mover shall ~~file and maintain with the commissioner~~  
 37.9 a tariff showing rates and charges for transporting household goods. ~~Tariffs must be prepared~~  
 37.10 ~~and filed in accordance with the rules of the commissioner. When tariffs are filed in~~  
 37.11 ~~accordance with the rules and accepted by the commissioner, the filing constitutes notice~~  
 37.12 ~~to the public and interested parties of the contents of the tariffs. The commissioner shall not~~  
 37.13 ~~accept for filing tariffs that are unjust, unreasonable, unjustly discriminatory, unduly~~  
 37.14 ~~preferential or prejudicial, or otherwise in violation of this section or rules adopted under~~  
 37.15 ~~this section. If the tariffs appear to be unjust, unreasonable, unjustly discriminatory, unduly~~  
 37.16 ~~preferential or prejudicial, or otherwise in violation of this section or rules adopted under~~  
 37.17 ~~this section, after notification and investigation by the department, the commissioner may~~  
 37.18 ~~suspend and postpone the effective date of the tariffs and assign the tariffs for hearing upon~~  
 37.19 ~~notice to the household goods carrier filing the proposed tariffs and to other interested~~  
 37.20 ~~parties, including users of the service and competitive carriers by motor vehicle and rail.~~  
 37.21 ~~At the hearing, the burden of proof is on the household goods carrier filing the proposed~~  
 37.22 ~~tariff to sustain the validity of the proposed schedule of rates and charges. The tariffs and~~  
 37.23 ~~subsequent supplements to them or reissues of them must state the effective date, which~~  
 37.24 ~~may not be less than ten days following the date of filing, unless the period of time is reduced~~  
 37.25 ~~by special permission of the commissioner. A household goods mover must prepare a tariff~~  
 37.26 under this section in accordance with Code of Federal Regulations, title 49, part 1310.3,  
 37.27 which is incorporated by reference.

37.28 Sec. 58. Minnesota Statutes 2016, section 221.161, is amended by adding a subdivision  
 37.29 to read:

37.30 Subd. 5. Tariff availability. (a) A household goods mover subject to this section must  
 37.31 maintain all of its effective tariffs at its principal place of business and at each of its terminal  
 37.32 locations, and must make the tariffs available to the public for inspection at all times the

38.1 household goods mover is open for business. Any publication referred to in a tariff must be  
 38.2 maintained with that tariff.

38.3 (b) Upon request, a household goods mover must provide copies of tariffs, specific tariff  
 38.4 provisions, or tariff subscriptions to the commissioner or any interested person.

38.5 Sec. 59. Minnesota Statutes 2016, section 221.171, subdivision 1, is amended to read:

38.6 Subdivision 1. **Compensation fixed by schedule on file.** ~~No~~ A household goods carrier  
 38.7 shall mover must not charge or receive a greater, lesser, or different compensation for the  
 38.8 transportation ~~of persons or property or for related service,~~ provided than the rates and  
 38.9 charges ~~named in the carrier's schedule on file and in effect with the commissioner including~~  
 38.10 ~~any rate fixed by the commissioner~~ specified in the tariff under section 221.161; ~~nor shall.~~  
 38.11 A household goods ~~carrier~~ mover must not refund or remit in any manner or by any device,  
 38.12 directly or indirectly, the rates and charges required to be collected by the ~~carrier~~ mover  
 38.13 under the ~~carrier's~~ mover's schedules ~~or under the rates, if any, fixed by the commissioner.~~

38.14 Sec. 60. Minnesota Statutes 2016, section 299A.01, is amended by adding a subdivision  
 38.15 to read:

38.16 Subd. 8. **Highway user tax distribution fund use limitation.** The commissioner must  
 38.17 not spend any money from the highway user tax distribution fund for employees working  
 38.18 in the public information center or comparable customer service positions elsewhere in the  
 38.19 department.

38.20 Sec. 61. **[299A.704] DRIVER AND VEHICLE SERVICES FUND.**

38.21 A driver and vehicle services fund is established within the state treasury. The fund  
 38.22 consists of accounts and money as specified by law, and any other money otherwise donated,  
 38.23 allotted, appropriated, or legislated to the fund.

38.24 Sec. 62. Minnesota Statutes 2016, section 299A.705, is amended to read:

38.25 **299A.705 DRIVER AND VEHICLE SERVICES ACCOUNTS.**

38.26 Subdivision 1. **Vehicle services operating account.** (a) The vehicle services operating  
 38.27 account is created in the ~~special revenue~~ driver and vehicle services fund, consisting of all  
 38.28 money from the vehicle services fees specified in chapters 168, 168A, and 168D, and any  
 38.29 other money otherwise donated, allotted, appropriated, or legislated to ~~this~~ the account.

39.1 (b) Funds appropriated ~~are available~~ from this account must be used by the commissioner  
 39.2 of public safety to administer the vehicle services as specified in chapters 168, 168A, and  
 39.3 168D, and section 169.345, including:

39.4 (1) designing, producing, issuing, and mailing vehicle registrations, plates, emblems,  
 39.5 and titles;

39.6 (2) collecting title and registration taxes and fees;

39.7 (3) transferring vehicle registration plates and titles;

39.8 (4) maintaining vehicle records;

39.9 (5) issuing disability certificates and plates;

39.10 (6) licensing vehicle dealers;

39.11 (7) appointing, monitoring, and auditing deputy registrars; and

39.12 (8) inspecting vehicles when required by law.

39.13 Subd. 2. **Driver services operating account.** (a) The driver services operating account  
 39.14 is created in the ~~special revenue~~ driver and vehicle services fund, consisting of all money  
 39.15 collected under chapter 171 and any other money otherwise donated, allotted, appropriated,  
 39.16 or legislated to the account.

39.17 (b) ~~Money in the~~ Funds appropriated from this account must be used by the commissioner  
 39.18 of public safety to administer the driver services specified in chapters 169A and 171,  
 39.19 including the activities associated with producing and mailing drivers' licenses and  
 39.20 identification cards and notices relating to issuance, renewal, or withdrawal of driving and  
 39.21 identification card privileges for any fiscal year or years and for the testing and examination  
 39.22 of drivers.

39.23 Subd. 3. **Driver and vehicle services technology account.** (a) The driver and vehicle  
 39.24 services technology account is created in the ~~special revenue~~ driver and vehicle services  
 39.25 fund, consisting of the technology surcharge collected as specified in ~~chapters 168, 168A,~~  
 39.26 ~~and 171; the filing fee revenue collected under section 168.33, subdivision 7; section 168.33~~  
 39.27 and any other money otherwise donated, allotted, appropriated, or legislated to this account.

39.28 (b) Money in the account is annually appropriated to the commissioner of public safety  
 39.29 to support the research, development, deployment, and maintenance of a driver and vehicle  
 39.30 services information system.

39.31 (c) ~~Following completion of the deposit of filing fee revenue into the driver and vehicle~~  
 39.32 ~~services technology account as provided under section 168.33, subdivision 7~~ Annually by

40.1 February 1, the commissioner ~~shall~~ must submit a ~~notification report~~ to the chairs and  
 40.2 ranking minority members of the legislative committees with jurisdiction over transportation  
 40.3 policy and finance ~~concerning driver and vehicle services information system implementation,~~  
 40.4 ~~which must include information~~ on (1) total revenue deposited in the driver and vehicle  
 40.5 services technology account for the previous calendar year, with a breakdown by sources  
 40.6 of funds; (2) total project costs incurred through December 31 of the previous calendar year,  
 40.7 with a breakdown by key project components; and (3) an estimate of ongoing system  
 40.8 maintenance costs.

40.9 Subd. 4. **Prohibited expenditures.** The commissioner is prohibited from expending  
 40.10 money from driver and vehicle services accounts created in the ~~special revenue driver and~~  
 40.11 vehicle services fund for any purpose that is not specifically authorized in this section or in  
 40.12 the chapters specified in this section.

40.13 Sec. 63. Minnesota Statutes 2016, section 360.013, is amended by adding a subdivision  
 40.14 to read:

40.15 Subd. 46a. **Comprehensive plan.** "Comprehensive plan" has the meaning given in  
 40.16 section 394.22, subdivision 9, or 462.352, subdivision 5.

40.17 Sec. 64. Minnesota Statutes 2016, section 360.017, subdivision 1, is amended to read:

40.18 Subdivision 1. **Creation; authorized disbursements.** (a) There is hereby created a  
 40.19 fund to be known as the state airports fund. The fund shall consist of all money appropriated  
 40.20 to it, or directed to be paid into it, by the legislature.

40.21 (b) The state airports fund shall be paid out on authorization of the commissioner and  
 40.22 shall be used:

40.23 (1) to acquire, construct, improve, maintain, and operate airports and other air navigation  
 40.24 facilities;

40.25 (2) to assist municipalities in the planning, acquisition, construction, improvement, and  
 40.26 maintenance of airports and other air navigation facilities;

40.27 (3) to assist municipalities to initiate, enhance, and market scheduled air service at their  
 40.28 airports;

40.29 (4) to promote interest and safety in aeronautics through education and information; and

40.30 (5) to pay the salaries and expenses of the Department of Transportation related to  
 40.31 aeronautic planning, administration, and operation. All allotments of money from the state

41.1 airports fund for salaries and expenses shall be approved by the commissioner of management  
41.2 and budget.

41.3 ~~(c) A municipality that adopts a comprehensive plan that the commissioner finds is~~  
41.4 ~~incompatible with the state aviation plan is not eligible for assistance from the state airports~~  
41.5 ~~fund.~~

41.6 Sec. 65. Minnesota Statutes 2016, section 360.021, subdivision 1, is amended to read:

41.7 Subdivision 1. **Authority to establish.** The commissioner is authorized and empowered,  
41.8 on behalf of and in the name of this state, within the limitation of available appropriations,  
41.9 to acquire, by purchase, gift, devise, lease, condemnation proceedings, or otherwise, property,  
41.10 real or personal, for the purpose of establishing and constructing restricted landing areas  
41.11 and other air navigation facilities and to acquire in like manner, own, control, establish,  
41.12 construct, enlarge, improve, maintain, equip, operate, regulate, and police such restricted  
41.13 landing areas and other air navigation facilities, either within or without this state; and to  
41.14 make, prior to any such acquisition, investigations, surveys, and plans. The commissioner  
41.15 may maintain, equip, operate, regulate, and police airports, either within or without this  
41.16 state. The operation and maintenance of airports is an essential public service. The  
41.17 commissioner may maintain at such airports facilities for the servicing of aircraft and for  
41.18 the comfort and accommodation of air travelers. The commissioner may dispose of any  
41.19 such property, airport, restricted landing area, or any other air navigation facility, by sale,  
41.20 lease, or otherwise, in accordance with the laws of this state governing the disposition of  
41.21 other like property of the state. The commissioner may not acquire or take over any restricted  
41.22 landing area, or other air navigation facility without the consent of the owner. The  
41.23 commissioner shall not acquire any additional state airports nor establish any additional  
41.24 state-owned airports. The commissioner may erect, equip, operate, and maintain on any  
41.25 airport buildings and equipment necessary and proper to maintain, and conduct such airport  
41.26 and air navigation facilities connected therewith. The commissioner shall not expend money  
41.27 for land acquisition, or for the construction, improvement, or maintenance of airports, or  
41.28 for air navigation facilities for an airport, unless the ~~governmental unit~~ municipality, county,  
41.29 or joint airport zoning board involved has or is establishing a zoning authority for that  
41.30 airport, and the authority has made a good-faith showing that it is in the process of and will  
41.31 complete with due diligence, an airport zoning ordinance in accordance with sections 360.061  
41.32 to 360.074. The commissioner may provide funds to support airport safety projects that  
41.33 maintain existing infrastructure, regardless of a zoning authority's efforts to complete a  
41.34 zoning regulation. The commissioner may withhold funding from only the airport subject

42.1 to the proposed zoning ordinance. Notwithstanding the foregoing prohibition, the  
 42.2 commissioner may continue to maintain the state-owned airport at Pine Creek.

42.3 Sec. 66. Minnesota Statutes 2016, section 360.062, is amended to read:

42.4 **360.062 AIRPORT HAZARD PREVENTION; PROTECTING EXISTING**  
 42.5 **NEIGHBORHOOD LAND USES.**

42.6 (a) It is hereby found that an airport hazard endangers the lives and property of users of  
 42.7 the airport and of occupants of land in its vicinity, and may reduce the size of the area  
 42.8 available for the landing, takeoff, and maneuvering of aircraft, thereby impairing the utility  
 42.9 of the airport and the public investment therein. It is also found that the social and financial  
 42.10 costs of disrupting existing land uses around airports ~~in built-up urban areas, particularly~~  
 42.11 ~~established residential neighborhoods,~~ often outweigh the benefits of a reduction in airport  
 42.12 hazards that might result from the elimination or removal of those uses.

42.13 (b) Accordingly, it is hereby declared: (1) ~~that~~ the creation or establishment of an airport  
 42.14 hazard is a public nuisance and an injury to the community served by the airport in question;  
 42.15 (2) ~~that~~ it is ~~therefor~~ necessary in the interest of the public health, public safety, and general  
 42.16 welfare that the creation or establishment of airport hazards be prevented and that this should  
 42.17 be accomplished to the extent legally possible, by exercise of the police power, without  
 42.18 compensation; and (3) ~~that~~ the elimination or removal of existing land uses, ~~particularly~~  
 42.19 ~~established residential neighborhoods in built-up urban areas,~~ or their designation as  
 42.20 nonconforming uses is not in the public interest and should be avoided whenever possible  
 42.21 consistent with reasonable standards of safety.

42.22 (c) It is further declared that the prevention of the creation or establishment of airport  
 42.23 hazards and the elimination, removal, alteration, mitigation, or marking and lighting of  
 42.24 existing airport hazards are essential public purposes services for which political subdivisions  
 42.25 may raise and expend public funds and acquire land or property interests therein.

42.26 Sec. 67. Minnesota Statutes 2016, section 360.063, subdivision 1, is amended to read:

42.27 Subdivision 1. **Enforcement under police power.** (a) In order to prevent the creation  
 42.28 or establishment of airport hazards, every municipality having an airport hazard area within  
 42.29 its territorial limits may, unless a joint airport zoning board is permitted under subdivision  
 42.30 3, adopt, amend from time to time, administer, and enforce, under the police power and in  
 42.31 the manner and upon the conditions hereinafter prescribed, airport zoning regulations for  
 42.32 such airport hazard area, which regulations may divide such area into zones, and, within

43.1 such zones, specify the land uses permitted and regulate and restrict the height to which  
43.2 structures and trees may be erected or allowed to grow.

43.3 ~~For the purpose of promoting~~ In order to promote health, safety, order, convenience,  
43.4 prosperity, general welfare and ~~for conserving~~ to conserve property values and ~~encouraging~~  
43.5 encourage the most appropriate use of land, the municipality may regulate ~~the location, size~~  
43.6 ~~and use of buildings and the density of population in that portion of an airport hazard area~~  
43.7 ~~under approach zones for a distance not to exceed two miles from the airport boundary and~~  
43.8 ~~in other portions of an~~ in airport hazard area may regulate by land use zoning for a distance  
43.9 ~~not to exceed one mile from the airport boundary, and by height restriction zoning for a~~  
43.10 ~~distance not to exceed 1-1/2 miles from the airport boundary~~ areas: (1) land use; (2) height  
43.11 restrictions; (3) the location, size, and use of buildings; and (4) the density of population.

43.12 (c) The powers granted by this subdivision may be exercised by metropolitan airports  
43.13 commissions in contiguous cities of the first class in and for which they have been created.

43.14 (d) In the case of airports owned or operated by the state of Minnesota such powers shall  
43.15 be exercised by the state airport zoning boards or by the commissioner of transportation as  
43.16 authorized herein.

43.17 Sec. 68. Minnesota Statutes 2016, section 360.063, subdivision 3, is amended to read:

43.18 Subd. 3. **Joint airport zoning board.** (a) Where an airport is owned or controlled by a  
43.19 municipality and an airport hazard area appertaining to the airport is located within the  
43.20 territorial limits of another county or municipality, the municipality owning or controlling  
43.21 the airport may request a county or municipality in which an airport hazard area is located:

43.22 (1) to adopt and enforce airport zoning regulations for the area in question ~~that conform~~  
43.23 ~~to standards prescribed by the commissioner pursuant to subdivision 4~~ under sections  
43.24 360.0655 and 360.0656; or

43.25 (2) to join in creating a joint airport zoning board pursuant to paragraph (b). The owning  
43.26 or controlling municipality shall determine which of these actions it shall request, except  
43.27 as provided in paragraph (e) for the Metropolitan Airports Commission. The request shall  
43.28 be made by certified mail to the governing body of each county and municipality in which  
43.29 an airport hazard area is located.

43.30 (b) Where an airport is owned or controlled by a municipality and an airport hazard area  
43.31 appertaining to the airport is located within the territorial limits of another county or  
43.32 municipality, the municipality owning or controlling the airport and the county or other  
43.33 municipality within which the airport hazard area is located may, by ordinance or resolution

44.1 duly adopted, create a joint airport zoning board, which board shall have the same power  
44.2 to adopt, administer, and enforce airport zoning regulations applicable to the airport hazard  
44.3 area in question as that vested by subdivision 1 in the municipality within which the area  
44.4 is located. A joint board shall have as members two representatives appointed by the  
44.5 municipality owning or controlling the airport and two from the county or municipality, or  
44.6 in case more than one county or municipality is involved two from each county or  
44.7 municipality, in which the airport hazard is located, and in addition a chair elected by a  
44.8 majority of the members so appointed. All members shall serve at the pleasure of their  
44.9 respective appointing authority. Notwithstanding any other provision of law to the contrary,  
44.10 if the owning and controlling municipality is a city of the first class it shall appoint four  
44.11 members to the board, and the chair of the board shall be elected from the membership of  
44.12 the board.

44.13 (c) If a county or municipality, within 60 days of receiving a request from an owning  
44.14 or controlling municipality pursuant to paragraph (a), fails to adopt, or thereafter fails to  
44.15 enforce, the zoning regulations or fails to join in creating a joint airport zoning board, the  
44.16 owning or controlling municipality, or a joint airport zoning board created without  
44.17 participation by the subdivisions which fail to join the board, may itself adopt, administer,  
44.18 and enforce airport zoning regulations for the airport hazard area in question. In the event  
44.19 of conflict between the regulations and airport zoning regulations adopted by the county or  
44.20 municipality within which the airport hazard area is located, section 360.064, subdivision  
44.21 2, applies.

44.22 (d) "Owning or controlling municipality," as used in this subdivision, includes:

44.23 (1) a joint airport operating board created pursuant to section 360.042 that has been  
44.24 granted all the powers of a municipality in zoning matters under the agreement creating the  
44.25 board;

44.26 (2) a joint airport operating board created pursuant to section 360.042 that has not been  
44.27 granted zoning powers under the agreement creating the board; provided that the board shall  
44.28 not itself adopt zoning regulations nor shall a joint airport zoning board created at its request  
44.29 adopt zoning regulations unless all municipalities that created the joint operating board join  
44.30 to create the joint zoning board; and

44.31 (3) the Metropolitan Airports Commission established and operated pursuant to chapter  
44.32 473.

44.33 (e) The Metropolitan Airports Commission shall request creation of one joint airport  
44.34 zoning board for each airport operated under its authority.

45.1 Sec. 69. Minnesota Statutes 2016, section 360.064, subdivision 1, is amended to read:

45.2 Subdivision 1. **Comprehensive regulations.** In the event that a municipality has adopted,  
45.3 or hereafter adopts, a comprehensive zoning ordinance regulating, among other things the  
45.4 height of buildings, any airport zoning regulations applicable to the same area or portion  
45.5 thereof ~~may~~ must be incorporated by reference or incorporated in and made a part of such  
45.6 comprehensive zoning regulations and be administered and enforced in connection therewith.

45.7 Sec. 70. Minnesota Statutes 2016, section 360.065, subdivision 1, is amended to read:

45.8 Subdivision 1. **Notice of proposed zoning regulations, hearing.** (a) No airport zoning  
45.9 regulations shall be adopted, amended, or changed under sections 360.011 to 360.076,  
45.10 except by action of the governing body of the municipality ~~or~~ county in question, or joint  
45.11 airport zoning board under section 360.0655 or 360.0656, or the boards provided for in  
45.12 section 360.063, subdivisions 3 and 7, or by the commissioner as provided in subdivisions  
45.13 6 and 8, ~~after public hearings, at which parties in interest and citizens shall have an~~  
45.14 opportunity to be heard.

45.15 (b) A public hearing ~~shall~~ must be held on the proposed airport zoning regulations  
45.16 proposed by a municipality, county, or joint airport zoning board before they are submitted  
45.17 ~~for approval~~ to the commissioner ~~and after that approval but before final adoption by the~~  
45.18 ~~local zoning authority~~ for approval. If any changes that alter the regulations placed on a  
45.19 parcel of land are made to the proposed airport zoning regulations after the initial public  
45.20 hearing, the municipality, county, or joint airport zoning board must hold a second public  
45.21 hearing before final adoption of the regulation. The commissioner may require a second  
45.22 hearing as determined necessary.

45.23 (c) Notice of a hearing ~~required pursuant to this subdivision shall~~ must be published by  
45.24 ~~the local zoning authority~~ municipality, county, or joint airport zoning board at least three  
45.25 times during the period between 15 days and five days before the hearing in an official  
45.26 newspaper and in a second newspaper designated by that authority which has a wide general  
45.27 circulation in the area affected by the proposed regulations and posted on the municipality's,  
45.28 county's, or joint airport zoning board's Web site. If there is not a second newspaper of wide  
45.29 general circulation in the area that the municipality, county, or joint airport zoning board  
45.30 can designate for the notice, the municipality, county, or joint airport zoning board is only  
45.31 required to publish the notice one in the official newspaper of the jurisdiction. The notice  
45.32 shall not be published in the legal notice section of a newspaper. The notice must specify  
45.33 the time, location, and purpose of the hearing, and must identify any additional location and

46.1 time the proposed regulations will be available for public inspection. A copy of the published  
 46.2 notice must be added to the record of the proceedings.

46.3 ~~(d) Notice of a hearing shall also be mailed to the governing body of each political~~  
 46.4 ~~subdivision in which property affected by the regulations is located. Notice shall must be~~  
 46.5 ~~given by mail at least ~~15~~ ten days before each hearing to any persons in municipalities that~~  
 46.6 ~~own land proposed to be included in safety zone A or B as provided in the rules of the~~  
 46.7 ~~Department of Transportation and landowners where the location or size of a building, or~~  
 46.8 ~~the density of population, will be regulated. Mailed notice must also be provided at least~~  
 46.9 ~~ten days before each hearing to persons or municipalities that have previously requested~~  
 46.10 ~~such notice from the ~~authority~~ municipality, county, or joint airport zoning board. The notice~~  
 46.11 ~~must specify the time, location, and purpose of the hearing, and must identify any additional~~  
 46.12 ~~location and time the proposed regulations will be made available for public inspection.~~  
 46.13 ~~Mailed notice must also identify the property affected by the regulations. For the purpose~~  
 46.14 ~~of ~~giving~~ providing mailed notice, the ~~authority~~ municipality, county, or joint airport zoning~~  
 46.15 ~~board may use any appropriate records to determine the names and addresses of owners. A~~  
 46.16 ~~copy of the notice and a list of the owners and addresses to which the notice was sent ~~shall~~~~  
 46.17 ~~~~be attested to by the responsible person and shall must be made a part of~~ added to the records~~  
 46.18 ~~of the proceedings. The Failure to ~~give~~ provide mailed notice to individual property owners;~~  
 46.19 ~~or ~~defects~~ a defect in the notice, ~~shall~~ does not invalidate the proceedings; ~~provided if a~~~~  
 46.20 ~~bona fide attempt to comply with this subdivision ~~has been~~ was made. A notice shall describe~~  
 46.21 ~~the property affected by the proposed regulations and the restrictions to be imposed on the~~  
 46.22 ~~property by the regulations and shall state the place and time at which the proposed~~  
 46.23 ~~regulations are available for public inspection.~~

46.24 **Sec. 71. [360.0655] AIRPORT ZONING REGULATIONS BASED ON**  
 46.25 **COMMISSIONER'S STANDARDS; SUBMISSION PROCESS.**

46.26 Subdivision 1. **Submission to commissioner; review.** (a) Except as provided in section  
 46.27 360.0656, prior to adopting zoning regulations, the municipality, county, or joint airport  
 46.28 zoning board must submit the proposed regulations to the commissioner for the commissioner  
 46.29 to determine whether the regulations conform to the standards prescribed by the  
 46.30 commissioner. The municipality, county, or joint airport zoning board may elect to complete  
 46.31 custom airport zoning under section 360.0656 instead of using the commissioner's standard,  
 46.32 but only after providing written notice to the commissioner.

46.33 (b) Notwithstanding section 15.99, the commissioner must examine the proposed  
 46.34 regulations within 90 days of receipt of the regulations and report to the municipality, county,

47.1 or joint airport zoning board the commissioner's approval or objections, if any. Failure to  
47.2 respond within 90 days is deemed an approval. The commissioner may request additional  
47.3 information from the municipality, county, or joint airport zoning board within the 90-day  
47.4 review period. If the commissioner requests additional information, the 90-day review period  
47.5 is tolled until the commissioner receives information and deems the information satisfactory.

47.6 (c) If the commissioner objects on the grounds that the regulations do not conform to  
47.7 the standards prescribed by the commissioner, the municipality, county, or joint airport  
47.8 zoning board must make amendments necessary to resolve the objections or provide written  
47.9 notice to the commissioner that the municipality, county, or joint airport zoning board will  
47.10 proceed with zoning under section 360.0656.

47.11 (d) If the municipality, county, or joint airport zoning board makes revisions to the  
47.12 proposed regulations after its initial public hearing, the municipality, county, or joint airport  
47.13 zoning board must conduct a second public hearing on the revisions and resubmit the revised  
47.14 proposed regulations to the commissioner for review. The commissioner must examine the  
47.15 revised proposed regulations within 90 days of receipt to determine whether the revised  
47.16 proposed regulations conform to the standards prescribed by the commissioner.

47.17 (e) If, after a second review period, the commissioner determines that the municipality,  
47.18 county, or joint airport zoning board failed to submit proposed regulations that conform to  
47.19 the commissioner's standards, the commissioner must provide a final written decision to  
47.20 the municipality, county, or joint airport zoning board.

47.21 (f) The municipality, county, or joint airport zoning board must not adopt regulations  
47.22 or take other action until the proposed regulations are approved by the commissioner.

47.23 (g) The commissioner may approve local zoning ordinances that are more stringent than  
47.24 the commissioner's standards.

47.25 (h) If the commissioner approves the proposed regulations, the municipality, county, or  
47.26 joint airport zoning board may adopt the regulations.

47.27 (i) A copy of the adopted regulations must be filed with the county recorder in each  
47.28 county that contains a zoned area subject to the regulations.

47.29 (j) Substantive rights that existed and had been exercised prior to August 1, 2018, are  
47.30 not affected by the filing of the regulations.

47.31 Subd. 2. **Protection of existing land uses.** (a) In order to ensure minimum disruption  
47.32 of existing land uses, the commissioner's airport zoning standards and local airport zoning  
47.33 ordinances or regulations adopted under section 360.0655 must distinguish between the

48.1 creation or establishment of a use and the elimination of an existing use, and must avoid  
 48.2 the elimination, removal, or reclassification of existing uses to the extent consistent with  
 48.3 reasonable safety standards. The commissioner's standards must include criteria for  
 48.4 determining when an existing land use may constitute an airport hazard so severe that public  
 48.5 safety considerations outweigh the public interest in preventing disruption to that land use.

48.6 (b) Airport zoning regulations that classify as a nonconforming use or require  
 48.7 nonconforming use classification with respect to any existing low-density structure or  
 48.8 existing isolated low-density building lots must be adopted under sections 360.061 to  
 48.9 360.074.

48.10 (c) A local airport zoning authority may classify a land use described in paragraph (b)  
 48.11 as an airport hazard if the authority finds that the classification is justified by public safety  
 48.12 considerations and is consistent with the commissioner's airport zoning standards. Any land  
 48.13 use described in paragraph (b) that is classified as an airport hazard must be acquired, altered,  
 48.14 or removed at public expense.

48.15 (d) This subdivision must not be construed to affect the classification of any land use  
 48.16 under any zoning ordinances or regulations not adopted under sections 360.061 to 360.074.

48.17 Sec. 72. **[360.0656] CUSTOM AIRPORT ZONING STANDARDS.**

48.18 Subdivision 1. Custom airport zoning standards; factors. (a) Notwithstanding section  
 48.19 360.0655, a municipality, county, or joint airport zoning board must provide notice to the  
 48.20 commissioner when the municipality, county, or joint airport zoning board intends to establish  
 48.21 and adopt custom airport zoning regulations under this section.

48.22 (b) Airport zoning regulations submitted to the commissioner under this subdivision are  
 48.23 not subject to the commissioner's zoning regulations under section 360.0655 or Minnesota  
 48.24 Rules, part 8800.2400.

48.25 (c) When developing and adopting custom airport zoning regulations under this section,  
 48.26 the municipality, county, or joint airport zoning board must include in the record a detailed  
 48.27 analysis that explains how the proposed custom airport zoning regulations addressed the  
 48.28 following factors to ensure a reasonable level of safety:

48.29 (1) the location of the airport, the surrounding land uses, and the character of  
 48.30 neighborhoods in the vicinity of the airport, including:

48.31 (i) the location of vulnerable populations, including schools, hospitals, and nursing  
 48.32 homes, in the airport hazard area;

- 49.1 (ii) the location of land uses that attract large assemblies of people in the airport hazard  
49.2 area;
- 49.3 (iii) the availability of contiguous open spaces in the airport hazard area;
- 49.4 (iv) the location of wildlife attractants in the airport hazard area;
- 49.5 (v) airport ownership or control of the federal Runway Protection Zone and the  
49.6 department's Clear Zone;
- 49.7 (vi) land uses that create or cause interference with the operation of radio or electronic  
49.8 facilities used by the airport or aircraft;
- 49.9 (vii) land uses that make it difficult for pilots to distinguish between airport lights and  
49.10 other lights, result in glare in the eyes of pilots using the airport, or impair visibility in the  
49.11 vicinity of the airport;
- 49.12 (viii) land uses that otherwise inhibit a pilot's ability to land, take off, or maneuver the  
49.13 aircraft;
- 49.14 (ix) airspace protection to prevent the creation of air navigation hazards in the airport  
49.15 hazard area; and
- 49.16 (x) the social and economic costs of restricting land uses;
- 49.17 (2) the airport's type of operations and how the operations affect safety surrounding the  
49.18 airport;
- 49.19 (3) the accident rate at the airport compared to a statistically significant sample, including  
49.20 an analysis of accident distribution based on the rate with a higher accident incidence;
- 49.21 (4) the planned land uses within an airport hazard area, including any applicable platting,  
49.22 zoning, comprehensive plan, or transportation plan; and
- 49.23 (5) any other information relevant to safety or the airport.
- 49.24 **Subd. 2. Submission to commissioner; review.** (a) Except as provided in section  
49.25 360.0655, prior to adopting zoning regulations, the municipality, county, or joint airport  
49.26 zoning board must submit its proposed regulations and the supporting record to the  
49.27 commissioner for review. The commissioner must determine whether the proposed custom  
49.28 airport zoning regulations and supporting record (1) evaluate the criteria under subdivision  
49.29 1, and (2) provide a reasonable level of safety.
- 49.30 (b) Notwithstanding section 15.99, the commissioner must examine the proposed  
49.31 regulations within 90 days of receipt of the regulations and report to the municipality, county,

50.1 or joint airport zoning board the commissioner's approval or objections, if any. Failure to  
50.2 respond within 90 days is deemed an approval. The commissioner may request additional  
50.3 information from the municipality, county, or joint airport zoning board within the 90-day  
50.4 review period.

50.5 (c) If the commissioner objects on the grounds that the regulations do not provide a  
50.6 reasonable level of safety, the municipality, county, or joint airport zoning board must  
50.7 review, consider, and provide a detailed explanation demonstrating how it evaluated the  
50.8 objections and what action it took or did not take in response to the objections. If the  
50.9 municipality, county, or joint airport zoning board submits amended regulations after its  
50.10 initial public hearing, the municipality, county, or joint airport zoning board must conduct  
50.11 a second public hearing on the revisions and resubmit the revised proposed regulations to  
50.12 the commissioner for review. The commissioner must examine the revised proposed  
50.13 regulations within 90 days of receipt of the regulations. If the commissioner requests  
50.14 additional information, the 90-day review period is tolled until satisfactory information is  
50.15 received by the commissioner. Failure to respond within 90 days is deemed an approval.

50.16 (d) If, after the second review period, the commissioner determines that the municipality,  
50.17 county, or joint airport zoning board failed to submit proposed regulations that provide a  
50.18 reasonable safety level, the commissioner must provide a final written decision to the  
50.19 municipality, county, or joint airport zoning board.

50.20 (e) A municipality, county, or joint airport zoning board is prohibited from adopting  
50.21 custom regulations or taking other action until the proposed regulations are approved by  
50.22 the commissioner.

50.23 (f) If the commissioner approves the proposed regulations, the municipality, county, or  
50.24 joint airport zoning board may adopt the regulations.

50.25 (g) A copy of the adopted regulations must be filed with the county recorder in each  
50.26 county that contains a zoned area subject to the regulations.

50.27 (h) Substantive rights that existed and had been exercised prior to August 1, 2018, are  
50.28 not affected by the filing of the regulations.

50.29 Sec. 73. Minnesota Statutes 2016, section 360.066, subdivision 1, is amended to read:

50.30 Subdivision 1. **Reasonableness.** ~~Standards of the commissioner~~ Zoning standards defining  
50.31 airport hazard areas and the categories of uses permitted and airport zoning regulations  
50.32 adopted under sections 360.011 to 360.076, shall be reasonable, and none shall impose a  
50.33 requirement or restriction which is not reasonably necessary to effectuate the purposes of

51.1 sections 360.011 to 360.076. ~~In determining what minimum airport zoning regulations may~~  
 51.2 ~~be adopted, the commissioner and a local airport zoning authority shall consider, among~~  
 51.3 ~~other things, the character of the flying operations expected to be conducted at the airport,~~  
 51.4 ~~the location of the airport, the nature of the terrain within the airport hazard area, the existing~~  
 51.5 ~~land uses and character of the neighborhood around the airport, the uses to which the property~~  
 51.6 ~~to be zoned are planned and adaptable, and the social and economic costs of restricting land~~  
 51.7 ~~uses versus the benefits derived from a strict application of the standards of the commissioner.~~

51.8 Sec. 74. Minnesota Statutes 2016, section 360.067, is amended by adding a subdivision  
 51.9 to read:

51.10 Subd. 5. **Federal no hazard determination.** (a) Notwithstanding subdivisions 1 and 2,  
 51.11 a municipality, county, or joint airport zoning board may include in its custom airport zoning  
 51.12 regulations adopted under section 360.0656 an option to permit construction of a structure,  
 51.13 an increase or alteration of the height of a structure, or the growth of an existing tree without  
 51.14 a variance from height restrictions if the Federal Aviation Administration has analyzed the  
 51.15 proposed construction, alteration, or growth under Code of Federal Regulations, title 14,  
 51.16 part 77, and has determined the proposed construction, alteration, or growth does not:

51.17 (1) pose a hazard to air navigation;

51.18 (2) require changes to airport or aircraft operations; or

51.19 (3) require any mitigation conditions by the Federal Aviation Administration that cannot  
 51.20 be satisfied by the landowner.

51.21 (b) A municipality, county, or joint airport zoning board that permits an exception to  
 51.22 height restrictions under this subdivision must require the applicant to file the Federal  
 51.23 Aviation Administration's no hazard determination with the applicable zoning administrator.  
 51.24 The applicant must obtain written approval of the zoning administrator before construction,  
 51.25 alteration, or growth may occur. Failure of the administrator to respond within 60 days to  
 51.26 a filing under this subdivision is deemed a denial. The Federal Aviation Administration's  
 51.27 no hazard determination does not apply to requests for variation from land use, density, or  
 51.28 any other requirement unrelated to the height of structures or the growth of trees.

51.29 Sec. 75. Minnesota Statutes 2016, section 360.071, subdivision 2, is amended to read:

51.30 Subd. 2. **Membership.** (a) Where a zoning board of appeals or adjustment already exists,  
 51.31 it may be appointed as the board of adjustment. Otherwise, the board of adjustment shall  
 51.32 consist of five members, each to be appointed for a term of three years by the authority

52.1 adopting the regulations and to be removable by the appointing authority for cause, upon  
 52.2 written charges and after public hearing. The length of initial appointments may be staggered.

52.3 (b) In the case of a Metropolitan Airports Commission, five members shall be appointed  
 52.4 by the commission chair from the area in and for which the commission was created, any  
 52.5 of whom may be members of the commission. In the case of an airport owned or operated  
 52.6 by the state of Minnesota, the board of commissioners of the county, or counties, in which  
 52.7 the airport hazard area is located shall constitute the airport board of adjustment and shall  
 52.8 exercise the powers and duties of such board as provided herein.

52.9 Sec. 76. Minnesota Statutes 2016, section 360.305, subdivision 6, is amended to read:

52.10 Subd. 6. **Zoning required.** The commissioner ~~shall~~ must not expend money for planning  
 52.11 or land acquisition, or for the construction, improvement, or maintenance of airports, or for  
 52.12 air navigation facilities for an airport, unless the ~~governmental unit~~ municipality, county,  
 52.13 or joint airport zoning board involved has or is establishing a zoning authority for that  
 52.14 airport, and the authority has made a good-faith showing that it is in the process of and will  
 52.15 complete with due diligence, an airport zoning ordinance in accordance with sections 360.061  
 52.16 to 360.074. The commissioner may provide funds to support airport safety projects that  
 52.17 maintain existing infrastructure, regardless of a zoning authority's efforts to complete a  
 52.18 zoning regulation. The commissioner ~~shall~~ must make maximum use of zoning and easements  
 52.19 to eliminate runway and other potential airport hazards rather than land acquisition in fee.

52.20 Sec. 77. Minnesota Statutes 2016, section 394.22, is amended by adding a subdivision to  
 52.21 read:

52.22 Subd. 1a. **Airport safety zone.** "Airport safety zone" means an area subject to land use  
 52.23 zoning controls adopted under sections 360.061 to 360.074 if the zoning controls regulate  
 52.24 (1) the size or location of buildings, or (2) the density of population.

52.25 Sec. 78. Minnesota Statutes 2016, section 394.23, is amended to read:

52.26 **394.23 COMPREHENSIVE PLAN.**

52.27 The board has the power and authority to prepare and adopt by ordinance, a  
 52.28 comprehensive plan. A comprehensive plan or plans when adopted by ordinance must be  
 52.29 the basis for official controls adopted under the provisions of sections 394.21 to 394.37.  
 52.30 The commissioner of natural resources must provide the natural heritage data from the  
 52.31 county biological survey, if available, to each county for use in the comprehensive plan.  
 52.32 When adopting or updating the comprehensive plan, the board must, if the data is available

53.1 to the county, consider natural heritage data resulting from the county biological survey. In  
 53.2 a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision  
 53.3 10b, the board must consider adopting goals and objectives that will protect open space and  
 53.4 the environment. The board must consider the location and dimensions of airport safety  
 53.5 zones in any portion of the county, and of any airport improvements, identified in the airport's  
 53.6 most recent approved airport layout plan.

53.7 Sec. 79. Minnesota Statutes 2016, section 394.231, is amended to read:

53.8 **394.231 COMPREHENSIVE PLANS IN GREATER MINNESOTA; OPEN SPACE.**

53.9 A county adopting or updating a comprehensive plan in a county outside the metropolitan  
 53.10 area as defined by section 473.121, subdivision 2, and that is not a greater than 80 percent  
 53.11 area, as defined in section 103G.005, subdivision 10b, shall consider adopting goals and  
 53.12 objectives for the preservation of agricultural, forest, wildlife, and open space land, and  
 53.13 minimizing development in sensitive shoreland areas. Within three years of updating the  
 53.14 comprehensive plan, the county shall consider adopting ordinances as part of the county's  
 53.15 official controls that encourage the implementation of the goals and objectives. The county  
 53.16 shall consider the following goals and objectives:

53.17 (1) minimizing the fragmentation and development of agricultural, forest, wildlife, and  
 53.18 open space lands, including consideration of appropriate minimum lot sizes;

53.19 (2) minimizing further development in sensitive shoreland areas;

53.20 (3) minimizing development near wildlife management areas, scientific and natural  
 53.21 areas, and nature centers;

53.22 (4) encouraging land uses in airport safety zones that are compatible with the safe  
 53.23 operation of the airport and the safety of people in the vicinity of the airport;

53.24 ~~(4)~~ (5) identification of areas of preference for higher density, including consideration  
 53.25 of existing and necessary water and wastewater services, infrastructure, other services, and  
 53.26 to the extent feasible, encouraging full development of areas previously zoned for  
 53.27 nonagricultural uses;

53.28 ~~(5)~~ (6) encouraging development close to places of employment, shopping centers,  
 53.29 schools, mass transit, and other public and private service centers;

53.30 ~~(6)~~ (7) identification of areas where other developments are appropriate; and

53.31 ~~(7)~~ (8) other goals and objectives a county may identify.

54.1 Sec. 80. Minnesota Statutes 2016, section 394.25, subdivision 3, is amended to read:

54.2 Subd. 3. **In district zoning, maps.** Within each such district zoning ordinances or maps  
 54.3 may also be adopted designating or limiting the location, height, width, bulk, type of  
 54.4 foundation, number of stories, size of, and the specific uses for which dwellings, buildings,  
 54.5 and structures may be erected or altered; the minimum and maximum size of yards, courts,  
 54.6 or other open spaces; setback from existing roads and highways and roads and highways  
 54.7 designated on an official map; protective measures necessary to protect the public interest  
 54.8 including but not limited to controls relating to appearance, signs, lighting, hours of operation  
 54.9 and other aesthetic performance characteristics including but not limited to noise, heat,  
 54.10 glare, vibrations and smoke; the area required to provide for off street loading and parking  
 54.11 facilities; heights of trees and structures near airports; and to avoid too great concentration  
 54.12 or scattering of the population. All such provisions shall be uniform for each class of land  
 54.13 or building throughout each district, but the provisions in one district may differ from those  
 54.14 in other districts. No provision may prohibit earth sheltered construction as defined in section  
 54.15 216C.06, subdivision 14, or manufactured homes built in conformance with sections 327.31  
 54.16 to 327.35 that comply with all other zoning ordinances promulgated pursuant to this section.  
 54.17 Airport safety zones must be included on maps that illustrate boundaries of zoning districts  
 54.18 and that are adopted as official controls.

54.19 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to maps  
 54.20 created or updated under this section on or after that date.

54.21 Sec. 81. Minnesota Statutes 2016, section 462.352, is amended by adding a subdivision  
 54.22 to read:

54.23 Subd. 1a. **Airport safety zone.** "Airport safety zone" has the meaning given in section  
 54.24 394.22, subdivision 1a.

54.25 Sec. 82. Minnesota Statutes 2016, section 462.355, subdivision 1, is amended to read:

54.26 Subdivision 1. **Preparation and review.** The planning agency shall prepare the  
 54.27 comprehensive municipal plan. In discharging this duty the planning agency shall consult  
 54.28 with and coordinate the planning activities of other departments and agencies of the  
 54.29 municipality to insure conformity with and to assist in the development of the comprehensive  
 54.30 municipal plan. In its planning activities the planning agency shall take due cognizance of  
 54.31 the planning activities of adjacent units of government and other affected public agencies.  
 54.32 The planning agency shall periodically review the plan and recommend amendments  
 54.33 whenever necessary. When preparing or recommending amendments to the comprehensive

55.1 plan, the planning agency of a municipality located within a county that is not a greater than  
 55.2 80 percent area, as defined in section 103G.005, subdivision 10b, must consider adopting  
 55.3 goals and objectives that will protect open space and the environment. When preparing or  
 55.4 recommending amendments to the comprehensive plan, the planning agency must consider  
 55.5 (1) the location and dimensions of airport safety zones in any portion of the municipality,  
 55.6 and (2) any airport improvements identified in the airport's most recent approved airport  
 55.7 layout plan.

55.8 Sec. 83. Minnesota Statutes 2016, section 462.357, is amended by adding a subdivision  
 55.9 to read:

55.10 Subd. 1i. **Airport safety zones on zoning maps.** Airport safety zones must be included  
 55.11 on maps that illustrate boundaries of zoning districts and that are adopted as official controls.

55.12 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to maps  
 55.13 created or updated under this section on or after that date.

55.14 Sec. 84. Minnesota Statutes 2016, section 462.357, subdivision 9, is amended to read:

55.15 Subd. 9. **Development goals and objectives.** In adopting official controls after July 1,  
 55.16 2008, in a municipality outside the metropolitan area, as defined by section 473.121,  
 55.17 subdivision 2, the municipality shall consider restricting new residential, commercial, and  
 55.18 industrial development so that the new development takes place in areas subject to the  
 55.19 following goals and objectives:

55.20 (1) minimizing the fragmentation and development of agricultural, forest, wildlife, and  
 55.21 open space lands, including consideration of appropriate minimum lot sizes;

55.22 (2) minimizing further development in sensitive shoreland areas;

55.23 (3) minimizing development near wildlife management areas, scientific and natural  
 55.24 areas, and nature centers;

55.25 (4) encouraging land uses in airport safety zones that are compatible with the safe  
 55.26 operation of the airport and the safety of people in the vicinity of the airport;

55.27 ~~(4)~~ (5) identification of areas of preference for higher density, including consideration  
 55.28 of existing and necessary water and wastewater services, infrastructure, other services, and  
 55.29 to the extent feasible, encouraging full development of areas previously zoned for  
 55.30 nonagricultural uses;

56.1 ~~(5)~~ (6) encouraging development close to places of employment, shopping centers,  
56.2 schools, mass transit, and other public and private service centers;

56.3 ~~(6)~~ (7) identification of areas where other developments are appropriate; and

56.4 ~~(7)~~ (8) other goals and objectives a municipality may identify.

56.5 Sec. 85. Minnesota Statutes 2016, section 473.13, subdivision 1, is amended to read:

56.6 Subdivision 1. **Budget.** (a) Except as provided in paragraph (b), on or before December  
56.7 20 of each year, the council shall adopt a final budget covering its anticipated receipts and  
56.8 disbursements for the ensuing year and shall decide upon the total amount necessary to be  
56.9 raised from ad valorem tax levies to meet its budget. The budget ~~shall~~ must state in detail  
56.10 the expenditures for each program to be undertaken, including the expenses for salaries,  
56.11 consultant services, overhead, travel, ~~printing,~~ and other items. The budget ~~shall~~ must state  
56.12 in detail the council's nontransportation capital expenditures ~~of the council~~ for the budget  
56.13 year, based on a five-year capital program adopted by the council and transmitted to the  
56.14 legislature. After adoption of the budget and no later than five working days after December  
56.15 20, the council shall certify to the auditor of each metropolitan county the share of the tax  
56.16 to be levied within that county, which must be an amount bearing the same proportion to  
56.17 the total levy agreed on by the council as the net tax capacity of the county bears to the net  
56.18 tax capacity of the metropolitan area. The maximum amount of any levy made for the  
56.19 purpose of this chapter may not exceed the limits set by the statute authorizing the levy.

56.20 (b) For the transportation components of the council's budgeting, each fiscal year starts  
56.21 July 1 and ends the following June 30. On or before June 15 of each year, the council must  
56.22 adopt a final budget for the transportation components that identifies its anticipated receipts  
56.23 and disbursements for the next fiscal year. The budget must state in detail the expenditures  
56.24 to be undertaken for each program, including the expenses for salaries, consultant services,  
56.25 overhead, travel, and other items. The budget must state in detail the council's transportation  
56.26 capital expenditures for the budget year, based on a five-year capital program adopted by  
56.27 the council and transmitted to the legislature.

56.28 ~~(b)~~ (c) As part of the budget under paragraph (b) in each even-numbered year, the council  
56.29 ~~shall~~ must prepare for its transit programs a financial plan for the succeeding three ~~calendar~~  
56.30 fiscal years, in half-year segments. The financial plan must contain schedules of user charges  
56.31 and any changes in user charges planned or anticipated by the council during the period of  
56.32 the plan. The financial plan must contain a proposed request for state financial assistance  
56.33 for the succeeding biennium.

57.1 ~~(e)~~ (d) In addition, the each budget under paragraphs (a) and (b) must show for each  
57.2 year:

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

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

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

57.11 **EFFECTIVE DATE; APPLICATION.** This section is effective beginning with the  
57.12 transportation budget period under paragraph (b) that starts July 1, 2019, and applies in the  
57.13 counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

57.14 Sec. 86. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision to  
57.15 read:

57.16 **Subd. 1d. Budget changes or variances; reports.** At least quarterly by January 1, April  
57.17 1, July 1, and October 1, the council must submit a summary to the chairs and ranking  
57.18 minority members of the house of representatives and senate committees with jurisdiction  
57.19 over transportation policy and finance and to the Legislative Commission on Metropolitan  
57.20 Government on any changes to or variances from the budget adopted under subdivision 1.

57.21 **EFFECTIVE DATE; APPLICATION.** This section is effective June 1, 2018, and  
57.22 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

57.23 Sec. 87. Minnesota Statutes 2016, section 473.13, subdivision 4, is amended to read:

57.24 **Subd. 4. Accounts; accounting system; controls; audits.** (a) The council shall keep  
57.25 an accurate account of its receipts and disbursements. For the transportation and transit  
57.26 components of the council's financial activity, the council must use the state accounting  
57.27 system maintained by the commissioner of management and budget under sections 16A.14  
57.28 and 16A.15.

57.29 (b) Disbursements of council money must be made by check or by electronic funds  
57.30 transfer, signed or authorized by the chair or vice-chair of the council, and countersigned  
57.31 or authorized by its regional administrator or designee after whatever auditing and approval  
57.32 of the expenditure may be required by the council.

58.1 (c) The state auditor shall audit the books and accounts of the council once each year,  
58.2 or as often as funds and personnel of the state auditor permit. The council shall pay to the  
58.3 state the total cost and expenses of the examination, including the salaries paid to the auditors  
58.4 while actually engaged in making the examination. The general fund must be credited with  
58.5 all collections made for any examination.

58.6 **EFFECTIVE DATE; APPLICATION.** This section is effective July 1, 2019, for the  
58.7 transportation budget period that starts on that date and applies in the counties of Anoka,  
58.8 Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

58.9 Sec. 88. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision to  
58.10 read:

58.11 Subd. 6. **Overview of revenues and expenditures; forecast.** (a) In cooperation with  
58.12 the commissioner of management and budget and as required by section 16A.103, the  
58.13 council must prepare in February and November of each year a financial overview and  
58.14 forecast of revenues and expenditures for the transportation components of the council's  
58.15 budget.

58.16 (b) At a minimum, the financial overview and forecast must identify:

58.17 (1) actual revenues, expenditures, transfers, reserves, and balances for each of the previous  
58.18 four budget years;

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

58.21 (3) a comparison of the information under clause (2) to the prior forecast, including any  
58.22 changes made.

58.23 (c) The information under paragraph (b), clauses (1) and (2), must include:

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

58.28 (2) data for both transportation operating and capital expenditures; and

58.29 (3) fund balances for each replacement service provider under section 473.388.

58.30 (d) The financial overview and forecast must summarize reserve policies, identify the  
58.31 methodology for cost allocation, and review revenue assumptions and variables affecting  
58.32 the assumptions.

59.1 (e) The council must review the financial overview and forecast information with the  
 59.2 chairs and legislative staff of the legislative committees with jurisdiction over finance, ways  
 59.3 and means, and transportation finance no later than two weeks following the release of the  
 59.4 forecast.

59.5 **EFFECTIVE DATE; APPLICATION.** This section is effective June 1, 2018, and  
 59.6 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

59.7 Sec. 89. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision to  
 59.8 read:

59.9 Subd. 7. **Budget assumptions.** (a) As part of the budget submission to the legislature  
 59.10 under section 16A.11, the council must explicitly identify the assumptions used (1) to prepare  
 59.11 the budget submission, and (2) for any underlying documentation or plans regarding  
 59.12 transportation and transit.

59.13 (b) As part of the budget submission to the legislature under section 16A.11, the council  
 59.14 must include copies of any report, application, or related document submitted to the Federal  
 59.15 Transit Administration since the previous budget submission was provided to the legislature.  
 59.16 In the budget submission, the council must explicitly identify the assumptions used to  
 59.17 prepare each of the reports, applications, or related documents.

59.18 (c) In the budget submission to the legislature under section 16A.11, the council must  
 59.19 include a section that provides a detailed explanation of the impact each assumption identified  
 59.20 in paragraphs (a) and (b) has on the council's financial forecast.

59.21 Sec. 90. Minnesota Statutes 2016, section 473.146, subdivision 1, is amended to read:

59.22 Subdivision 1. **Requirement.** The council ~~shall~~ must adopt a long-range comprehensive  
 59.23 policy ~~plan~~ plans for transportation and wastewater treatment. ~~The plans~~ Each policy plan  
 59.24 must substantially conform to all policy statements, purposes, goals, standards, and maps  
 59.25 in the development guide developed and adopted by the council under section 473.145 and  
 59.26 this chapter. Each policy plan must include, to the extent appropriate to the functions,  
 59.27 services, and systems covered, the following:

59.28 (1) forecasts of changes in the general levels and distribution of population, households,  
 59.29 employment, land uses, and other relevant matters, for the metropolitan area and appropriate  
 59.30 subareas;

59.31 (2) a statement of issues, problems, needs, and opportunities with respect to the functions,  
 59.32 services, and systems covered;

60.1 (3) a statement of the council's goals, objectives, and priorities with respect to the  
 60.2 functions, services, and systems covered, addressing areas and populations to be served,  
 60.3 the levels, distribution, and staging of services; a general description of the facility systems  
 60.4 required to support the services; the estimated cost of improvements required to achieve  
 60.5 the council's goals for the regional systems, including an analysis of what portion of the  
 60.6 funding for each improvement is proposed to come from the state, Metropolitan Council  
 60.7 levies, and cities, counties, and towns in the metropolitan area, respectively, and other  
 60.8 similar matters;

60.9 (4) a statement of policies to effectuate the council's goals, objectives, and priorities;

60.10 (5) a statement of the fiscal implications of the council's plan, including a statement of:  
 60.11 (i) the resources available under existing fiscal policy; (ii) the adequacy of resources under  
 60.12 existing fiscal policy and any shortfalls and unattended needs; (iii) additional resources, if  
 60.13 any, that are or may be required to effectuate the council's goals, objectives, and priorities;  
 60.14 and (iv) any changes in existing fiscal policy, on regional revenues and intergovernmental  
 60.15 aids respectively, that are expected or that the council has recommended or may recommend;

60.16 (6) a statement of the relationship of the policy plan to other policy plans and ~~chapters~~  
 60.17 relevant portions of the ~~Metropolitan~~ development guide;

60.18 (7) a statement of the relationships to local comprehensive plans prepared under sections  
 60.19 473.851 to 473.871; and

60.20 (8) additional general information as may be necessary to develop the policy plan or as  
 60.21 may be required by the laws relating to the metropolitan agency and function covered by  
 60.22 the policy plan.

60.23 **EFFECTIVE DATE; APPLICATION.** This section is effective June 1, 2018, and  
 60.24 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

60.25 Sec. 91. Minnesota Statutes 2016, section 473.146, subdivision 3, is amended to read:

60.26 Subd. 3. ~~Development guide: Transportation policy plan.~~ (a) The transportation  
 60.27 ~~chapter policy plan~~ must include policies relating to all transportation forms and be designed  
 60.28 to promote the legislative determinations, policies, and goals set forth in section 473.371.

60.29 (b) In addition to the requirements regarding the contents of the policy plan under  
 60.30 subdivision 1, the plan must include:

60.31 (1) a fully constrained scenario that assumes no revenue increase from current law and  
 60.32 no inflationary increases;

61.1 (2) a partially constrained scenario that assumes no revenue increase from current law  
61.2 but includes reasonable inflationary increases; and

61.3 (3) an envisioned revenue scenario that identifies a revenue increase in an amount that  
61.4 accommodates transportation system maintenance, improvements, and expansion, including  
61.5 for state and local roads, regular route bus service, busways, and guideways.

61.6 (c) The estimates under each scenario in paragraph (b) must identify anticipated long-term  
61.7 transit system impacts, including unfunded costs for each transit mode and any reductions  
61.8 in regular route bus service hours.

61.9 (d) In addition to the requirements of subdivision 1 regarding the contents of the policy  
61.10 plan, the nontransit element portion of the ~~transportation chapter~~ plan must include the  
61.11 following:

61.12 (1) a statement of the needs and problems of the metropolitan area with respect to the  
61.13 functions covered, including the present and prospective demand for and constraints on  
61.14 access to regional business concentrations and other major activity centers and the constraints  
61.15 on and acceptable levels of development and vehicular trip generation at such centers;

61.16 (2) the objectives of and the policies to be forwarded by the policy plan;

61.17 (3) a general description of the physical facilities and services to be developed;

61.18 (4) a statement as to the general location of physical facilities and service areas;

61.19 (5) a general statement of timing and priorities in the development of those physical  
61.20 facilities and service areas;

61.21 (6) a detailed statement, updated every two years, of timing and priorities for  
61.22 improvements and expenditures needed on the metropolitan highway system;

61.23 (7) a general statement on the level of public expenditure appropriate to the facilities;  
61.24 and

61.25 (8) a long-range assessment of air transportation trends and factors that may affect airport  
61.26 development in the metropolitan area and policies and strategies that will ensure a  
61.27 comprehensive, coordinated, and timely investigation and evaluation of alternatives for  
61.28 airport development.

61.29 (e) The council shall develop the nontransit element portion in consultation with the  
61.30 transportation advisory board and the Metropolitan Airports Commission and cities having  
61.31 an airport located within or adjacent to its corporate boundaries. The council shall also take

62.1 into consideration the airport development and operations plans and activities of the  
62.2 commission. The council shall transmit the results to the state Department of Transportation.

62.3 **EFFECTIVE DATE; APPLICATION.** This section is effective June 1, 2018, applies  
62.4 for the next regular update to the transportation policy plan, and applies in the counties of  
62.5 Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

62.6 Sec. 92. Minnesota Statutes 2016, section 473.3994, is amended by adding a subdivision  
62.7 to read:

62.8 Subd. 15. **Rail colocation prohibition.** The responsible authority is prohibited from  
62.9 constructing a light rail transit line or extension in a shared use rail corridor for freight rail  
62.10 and light rail transit.

62.11 **EFFECTIVE DATE; APPLICATION.** This section is effective June 1, 2018. The  
62.12 portion of this section applicable to the Metropolitan Council applies in the counties of  
62.13 Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

62.14 Sec. 93. Minnesota Statutes 2017 Supplement, section 473.4051, subdivision 2, is amended  
62.15 to read:

62.16 Subd. 2. **Operating costs.** (a) After operating revenue and federal money have been  
62.17 used to pay for light rail transit operations, 50 percent of the remaining operating costs must  
62.18 be paid by the state.

62.19 (b) Notwithstanding paragraph (a), all operating and ongoing capital maintenance costs  
62.20 must be paid from nonstate sources for a segment of a light rail transit line or line extension  
62.21 project that formally entered the engineering phase of the Federal Transit Administration's  
62.22 "New Starts" capital investment grant program between August 1, 2016, and December 31,  
62.23 2016.

62.24 (c) For purposes of this subdivision, operating costs consist of the costs associated with  
62.25 light rail system daily operations and the maintenance costs associated with keeping light  
62.26 rail services and facilities operating. Operating costs do not include costs incurred to enhance  
62.27 or expand the existing system, construct new buildings or facilities, purchase new vehicles,  
62.28 or make technology improvements.

63.1 Sec. 94. Minnesota Statutes 2017 Supplement, section 473.4485, subdivision 2, is amended  
63.2 to read:

63.3 Subd. 2. **Legislative report.** (a) By October 15 in every even-numbered year, the council  
63.4 must prepare, in collaboration with the commissioner, a report on comprehensive transit  
63.5 finance in the metropolitan area. The council must submit the report electronically to the  
63.6 chairs and ranking minority members of the legislative committees with jurisdiction over  
63.7 transportation policy and finance.

63.8 (b) The report must be structured to provide financial information in six-month increments  
63.9 corresponding to state and local fiscal years, and must use consistent assumptions and  
63.10 methodologies. The report must explicitly identify and explain the assumptions and  
63.11 methodologies used to prepare the report. The report must comprehensively identify all  
63.12 funding sources and expenditures related to transit in the metropolitan area, including but  
63.13 not limited to:

63.14 (1) sources and uses of funds from regional railroad authorities, joint powers agreements,  
63.15 counties, and cities;

63.16 (2) expenditures for transit planning, feasibility studies, alternatives analysis, and other  
63.17 transit project development; and

63.18 (3) expenditures for guideways, busways, regular route bus service, demand-response  
63.19 service, and special transportation service under section 473.386.

63.20 (c) The report must include a section that summarizes the status of (1) guideways in  
63.21 revenue operation, and (2) guideway projects (i) currently in study, planning, development,  
63.22 or construction; (ii) identified in the transportation policy plan under section 473.146; or  
63.23 (iii) identified in the comprehensive statewide freight and passenger rail plan under section  
63.24 174.03, subdivision 1b.

63.25 (d) At a minimum, the guideways status section of the report must provide for each  
63.26 guideway project wholly or partially in the metropolitan area:

63.27 (1) a brief description of the project, including projected ridership;

63.28 (2) a summary of the overall status and current phase of the project;

63.29 (3) a timeline that includes (i) project phases or milestones, including any federal  
63.30 approvals; (ii) expected and known dates of commencement of each phase or milestone;  
63.31 and (iii) expected and known dates of completion of each phase or milestone;

64.1 (4) a brief progress update on specific project phases or milestones completed since the  
64.2 last previous submission of a report under this subdivision; and

64.3 (5) a summary financial plan that identifies, as reflected by the data and level of detail  
64.4 available in the latest phase of project development and to the extent available:

64.5 (i) capital expenditures, including expenditures to date and total projected expenditures,  
64.6 with a breakdown by committed and proposed sources of funds for the project;

64.7 (ii) estimated annual operations and maintenance expenditures reflecting the level of  
64.8 detail available in the current phase of the project development, with a breakdown by  
64.9 committed and proposed sources of funds for the project; and

64.10 (iii) if feasible, project expenditures by budget activity.

64.11 (e) The report must include a section that summarizes the status of (1) busways in revenue  
64.12 operation, and (2) busway projects currently in study, planning, development, or construction.

64.13 (f) The report must include a section that identifies the total ridership, farebox recovery  
64.14 ratio, and per-passenger operating subsidy for (1) each route and line in revenue operation  
64.15 by a transit provider, including guideways, busways, and regular route bus service; and (2)  
64.16 demand-response service and special transportation service. The section must provide data,  
64.17 as available on a per-passenger mile basis and must provide information for at least the  
64.18 previous three years. The section must identify performance standards for farebox recovery  
64.19 and identify each route and line that does not meet the standards.

64.20 (g) The report must also include a systemwide capacity analysis for transit operations  
64.21 and investment in expansion and maintenance that:

64.22 (1) provides a funding projection, annually over the ensuing ten years, and with a  
64.23 breakdown by committed and proposed sources of funds, of:

64.24 (i) total capital expenditures for guideways and for busways;

64.25 (ii) total operations and maintenance expenditures for guideways and for busways;

64.26 (iii) total funding available for guideways and for busways, including from projected or  
64.27 estimated farebox recovery; and

64.28 (iv) total funding available for transit service in the metropolitan area; and

64.29 (2) evaluates the availability of funds and distribution of sources of funds for guideway  
64.30 and for busway investments.

65.1 (h) The capacity analysis under paragraph (g) must include all guideway and busway  
 65.2 lines for which public funds are reasonably expected to be expended in planning,  
 65.3 development, construction, revenue operation, or capital maintenance during the ensuing  
 65.4 ten years.

65.5 (i) Local units of government must provide assistance and information in a timely manner  
 65.6 as requested by the commissioner or council for completion of the report.

65.7 Sec. 95. Minnesota Statutes 2016, section 574.26, subdivision 1a, is amended to read:

65.8 Subd. 1a. **Exemptions: certain manufacturers; commissioner of transportation;**  
 65.9 **road maintenance.** (a) Sections 574.26 to 574.32 do not apply to a manufacturer of public  
 65.10 transit buses that manufactures at least 100 public transit buses in a calendar year. For  
 65.11 purposes of this section, "public transit bus" means a motor vehicle designed to transport  
 65.12 people, with a design capacity for carrying more than 40 passengers, including the driver.  
 65.13 The term "public transit bus" does not include a school bus, as defined in section 169.011,  
 65.14 subdivision 71.

65.15 (b) At the discretion of the commissioner of transportation, sections 574.26 to 574.32  
 65.16 do not apply to any projects of the Department of Transportation (1) costing less than the  
 65.17 amount in section 471.345, subdivision 3, ~~or~~ (2) involving the permanent or semipermanent  
 65.18 installation of heavy machinery, fixtures, or other capital equipment to be used primarily  
 65.19 for maintenance or repair, or (3) awarded under section 161.32, subdivision 2.

65.20 (c) Sections 574.26 to 574.32 do not apply to contracts for snow removal, ice removal,  
 65.21 grading, or other similar routine road maintenance on town roads.

65.22 Sec. 96. Laws 2017, First Special Session chapter 3, article 1, section 4, subdivision 2, is  
 65.23 amended to read:

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

65.25 (a) **Office of Communications** 553,000 573,000

65.26 Appropriations by Fund

65.27 2018 2019

65.28 General 127,000 130,000

65.29 Trunk Highway 426,000 443,000

65.30 (b) **Public Safety Support** 6,372,000 6,569,000

65.31 Appropriations by Fund

65.32 2018 2019

66.1	General	1,225,000	1,235,000
66.2	H.U.T.D.	1,366,000	1,366,000
66.3	Trunk Highway	3,781,000	3,968,000

66.4 The commissioner must not spend any money  
 66.5 from the highway user tax distribution fund  
 66.6 for employees working at the public  
 66.7 information center or comparable customer  
 66.8 service positions elsewhere in the department.

66.9	<b>(c) Public Safety Officer Survivor Benefits</b>		640,000	640,000
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66.10 This appropriation is from the general fund  
 66.11 for payment of public safety officer survivor  
 66.12 benefits under Minnesota Statutes, section  
 66.13 299A.44.

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

66.17	<b>(d) Public Safety Officer Reimbursements</b>		1,367,000	1,367,000
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66.18 This appropriation is from the general fund to  
 66.19 be deposited in the public safety officer's  
 66.20 benefit account. This money is available for  
 66.21 reimbursements under Minnesota Statutes,  
 66.22 section 299A.465.

66.23	<b>(e) Soft Body Armor Reimbursements</b>		700,000	700,000
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66.24	Appropriations by Fund		
66.25		2018	2019
66.26	General	600,000	600,000
66.27	Trunk Highway	100,000	100,000

66.28 This appropriation is for soft body armor  
 66.29 reimbursements under Minnesota Statutes,  
 66.30 section 299A.38.

66.31	<b>(f) Technology and Support Service</b>		3,777,000	3,814,000
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66.32	Appropriations by Fund		
66.33		2018	2019
66.34	General	1,353,000	1,365,000

67.1	H.U.T.D.	19,000	19,000
67.2	Trunk Highway	2,405,000	2,430,000

67.3 **Sec. 97. EDITING MNLARS TRANSACTIONS.**

67.4 (a) The commissioner of public safety must ensure deputy registrars are able to edit, at  
 67.5 a minimum, the following information as part of a Minnesota Licensing and Registration  
 67.6 System (MNLARS) transaction:

67.7 (1) personal information of the applicant;

67.8 (2) vehicle classification and information about a vehicle or trailer;

67.9 (3) sale price of a vehicle or trailer;

67.10 (4) the amount of taxes and fees; and

67.11 (5) the base value of a vehicle or trailer.

67.12 The ability to edit the transactions in this paragraph must be available until the end of the  
 67.13 business day following the day the transaction was initially completed.

67.14 (b) For each transaction edited, MNLARS must record which individual edited the  
 67.15 record, the date and time the record was edited, what information was edited, and include  
 67.16 a notation that the transaction was edited.

67.17 **Sec. 98. ENGINE BRAKES; REGULATION BY MINNEAPOLIS.**

67.18 Notwithstanding any other law or charter provision, the governing body of the city of  
 67.19 Minneapolis may by ordinance restrict or prohibit the use of an engine brake on motor  
 67.20 vehicles along Legislative Route No. 392, also known as marked Interstate Highway 94, in  
 67.21 the westbound lane beginning at LaSalle Avenue and extending west to the Lowry Tunnel.  
 67.22 Upon notification by the city of Minneapolis to the commissioner of transportation of the  
 67.23 city's adoption of the ordinance, the commissioner of transportation shall erect the appropriate  
 67.24 signs, with the cost of the signs to be paid by the city. For purposes of this section, "engine  
 67.25 brake" means any device that uses the engine and transmission to impede the forward motion  
 67.26 of the motor vehicle by compression of the engine.

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

68.1 Sec. 99. **LEGISLATIVE ROUTE NO. 180 TURNBACK; SPEED LIMIT.**

68.2 If the commissioner of transportation turns back any portion of Legislative Route No.  
68.3 180 to Grant County, the speed limit on that portion of the road after it is turned back must  
68.4 remain 60 miles per hour.

68.5 **EFFECTIVE DATE.** This section is effective June 1, 2018.

68.6 Sec. 100. **LEGISLATIVE ROUTE NO. 222 REMOVED.**

68.7 (a) Minnesota Statutes, section 161.115, subdivision 153, is repealed effective the day  
68.8 after the commissioner of transportation receives a copy of the agreement between the  
68.9 commissioner and the governing body of Red Lake County to transfer jurisdiction of  
68.10 Legislative Route No. 222 and after the commissioner notifies the revisor of statutes under  
68.11 paragraph (b).

68.12 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota  
68.13 Statutes when the commissioner of transportation sends notice to the revisor electronically  
68.14 or in writing that the conditions required to transfer the route have been satisfied.

68.15 Sec. 101. **LEGISLATIVE ROUTE NO. 253 REMOVED.**

68.16 (a) Minnesota Statutes, section 161.115, subdivision 184, is repealed effective the day  
68.17 after the commissioner of transportation receives a copy of the agreement between the  
68.18 commissioner and the governing body of Faribault County to transfer jurisdiction of  
68.19 Legislative Route No. 253 and after the commissioner notifies the revisor of statutes under  
68.20 paragraph (b).

68.21 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota  
68.22 Statutes when the commissioner of transportation sends notice to the revisor electronically  
68.23 or in writing that the conditions required to transfer the route have been satisfied.

68.24 Sec. 102. **LEGISLATIVE ROUTE NO. 254 REMOVED.**

68.25 (a) Minnesota Statutes, section 161.115, subdivision 185, is repealed effective the day  
68.26 after the commissioner of transportation receives a copy of the agreement between the  
68.27 commissioner and the governing body of Faribault County to transfer jurisdiction of  
68.28 Legislative Route No. 254 and after the commissioner notifies the revisor of statutes under  
68.29 paragraph (b).

69.1 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota  
69.2 Statutes when the commissioner of transportation sends notice to the revisor electronically  
69.3 or in writing that the conditions required to transfer the route have been satisfied.

69.4 Sec. 103. **LEGISLATIVE ROUTE NO. 277 REMOVED.**

69.5 (a) Minnesota Statutes, section 161.115, subdivision 208, is repealed effective the day  
69.6 after the commissioner of transportation receives a copy of the agreement between the  
69.7 commissioner and the governing body of Chippewa County to transfer jurisdiction of  
69.8 Legislative Route No. 277 and after the commissioner notifies the revisor of statutes under  
69.9 paragraph (b).

69.10 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota  
69.11 Statutes when the commissioner of transportation sends notice to the revisor electronically  
69.12 or in writing that the conditions required to transfer the route have been satisfied.

69.13 Sec. 104. **LEGISLATIVE ROUTE NO. 298 REMOVED.**

69.14 (a) Minnesota Statutes, section 161.115, subdivision 229, is repealed effective the day  
69.15 after the commissioner of transportation receives a copy of the agreement between the  
69.16 commissioner and the governing body of the city of Faribault to transfer jurisdiction of  
69.17 Legislative Route No. 298 and after the commissioner notifies the revisor of statutes under  
69.18 paragraph (b).

69.19 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota  
69.20 Statutes when the commissioner of transportation sends notice to the revisor electronically  
69.21 or in writing that the conditions required to transfer the route have been satisfied.

69.22 Sec. 105. **LEGISLATIVE ROUTE NO. 299 REMOVED.**

69.23 (a) Minnesota Statutes, section 161.115, subdivision 230, is repealed effective the day  
69.24 after the commissioner of transportation receives a copy of the agreement between the  
69.25 commissioner and the governing body of the city of Faribault to transfer jurisdiction of  
69.26 Legislative Route No. 299 and after the commissioner notifies the revisor of statutes under  
69.27 paragraph (b).

69.28 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota  
69.29 Statutes when the commissioner of transportation sends notice to the revisor electronically  
69.30 or in writing that the conditions required to transfer the route have been satisfied.

70.1 **Sec. 106. LEGISLATIVE ROUTE NO. 323 REMOVED.**

70.2 (a) Minnesota Statutes, section 161.115, subdivision 254, is repealed effective the day  
 70.3 after the commissioner of transportation receives a copy of the agreement between the  
 70.4 commissioner and the governing body of the city of Faribault to transfer jurisdiction of  
 70.5 Legislative Route No. 323 and after the commissioner notifies the revisor of statutes under  
 70.6 paragraph (b).

70.7 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota  
 70.8 Statutes when the commissioner of transportation sends notice to the revisor electronically  
 70.9 or in writing that the conditions required to transfer the route have been satisfied.

70.10 **Sec. 107. MARKED INTERSTATE HIGHWAY 35 SIGNS.**

70.11 The commissioner of transportation must erect signs that identify and direct motorists  
 70.12 to the campuses of Minnesota State Academy for the Deaf and Minnesota State Academy  
 70.13 for the Blind under Minnesota Statutes, sections 125A.61 to 125A.73. At least one sign in  
 70.14 each direction of travel must be placed on marked Interstate Highway 35, located as near  
 70.15 as practical to exits that reasonably access the campuses. The commissioner is prohibited  
 70.16 from removing signs for the campuses posted on marked Trunk Highway 60.

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

70.18 **Sec. 108. MNLARS REIMBURSEMENT FROM THE JOINT HOUSE AND SENATE**  
 70.19 **SUBCOMMITTEE ON CLAIMS.**

70.20 Any person may seek reimbursement from the joint house and senate Subcommittee on  
 70.21 Claims for any personal or business costs that would not have been incurred but for an  
 70.22 unreasonable delay caused by the Minnesota Licensing and Registration System (MNLARS)  
 70.23 or improper functioning of MNLARS. The subcommittee must determine whether a delay  
 70.24 is unreasonable compared to the length of time it took to complete a similar transaction  
 70.25 prior to the use of MNLARS.

70.26 **EFFECTIVE DATE.** This section is effective June 1, 2018.

70.27 **Sec. 109. MOTOR VEHICLE TITLE TRANSFER AND REGISTRATION**  
 70.28 **ADVISORY COMMITTEE; FIRST APPOINTMENTS; FIRST MEETING.**

70.29 Subdivision 1. **First appointments.** Appointment authorities must make first  
 70.30 appointments to the Motor Vehicle Title Transfer and Registration Advisory Committee by  
 70.31 September 15, 2018.

71.1 Subd. 2. **First meeting.** The commissioner of public safety or a designee shall convene  
71.2 the first meeting of the advisory committee by November 1, 2018.

71.3 Sec. 110. **PUBLIC AWARENESS CAMPAIGN.**

71.4 The commissioner of public safety shall conduct a public awareness campaign to increase  
71.5 public knowledge about Minnesota Statutes, section 169.18, subdivision 10.

71.6 Sec. 111. **MARKED INTERSTATE HIGHWAY 94 STUDY; APPROPRIATION.**

71.7 \$500,000 in fiscal year 2019 is appropriated from the trunk highway fund to the  
71.8 commissioner of transportation to conduct a study on the feasibility of expanding or  
71.9 reconstructing marked Interstate Highway 94 from the city of St. Michael to the city of St.  
71.10 Cloud. At a minimum, the commissioner's study must include traffic modeling and an  
71.11 environmental analysis. This is a onetime appropriation.

71.12 Sec. 112. **INTERSTATE HIGHWAY 35 AT COUNTY ROAD 9 IN RICE COUNTY**  
71.13 **INTERCHANGE FEASIBILITY STUDY; APPROPRIATION.**

71.14 \$500,000 in fiscal year 2019 is appropriated from the trunk highway fund to the  
71.15 commissioner of transportation to conduct a study on the feasibility of an interchange at  
71.16 marked Interstate Highway 35 and County Road 9 in Rice County. At a minimum, the  
71.17 commissioner's study must include estimated construction costs, traffic modeling, an  
71.18 environmental analysis, and a potential design layout for an interchange. This is a onetime  
71.19 appropriation.

71.20 Sec. 113. **APPROPRIATION; DEPUTY REGISTRAR REIMBURSEMENTS.**

71.21 (a) \$9,000,000 in fiscal year 2018 is appropriated from the special revenue fund to the  
71.22 commissioner of management and budget for grants to deputy registrars under Minnesota  
71.23 Statutes, section 168.33. Of this amount, \$3,000,000 is from the vehicle services operating  
71.24 account and \$6,000,000 is from the driver services operating account. This is a onetime  
71.25 appropriation and is available in fiscal year 2019.

71.26 (b) The reimbursement to each deputy registrar is calculated as follows:

71.27 (1) 50 percent of available funds allocated proportionally based on (i) the number of  
71.28 transactions where a filing fee under Minnesota Statutes, section 168.33, subdivision 7, is  
71.29 retained by each deputy registrar from August 1, 2017, through January 31, 2018, compared  
71.30 to (ii) the total number of transactions where a filing fee is retained by all deputy registrars  
71.31 during that time period; and

72.1 (2) 50 percent of available funds, or 100 percent of available funds if there is insufficient  
 72.2 data to perform the calculation under clause (1), allocated proportionally based on (i) the  
 72.3 number of transactions where a filing fee is retained by each deputy registrar from July 1,  
 72.4 2014, through June 30, 2017, compared to (ii) the total number of transactions where a filing  
 72.5 fee is retained by all deputy registrars during that time period.

72.6 (c) For a deputy registrar appointed after July 1, 2014, the commissioner of management  
 72.7 and budget must identify whether a corresponding discontinued deputy registrar appointment  
 72.8 exists. If a corresponding discontinued deputy registrar is identified, the commissioner must  
 72.9 include the transactions of the discontinued deputy registrar in the calculations under  
 72.10 paragraph (b) for the deputy registrar appointed after July 1, 2014.

72.11 (d) For a deputy registrar appointed after July 1, 2014, for which paragraph (c) does not  
 72.12 apply, the commissioner of management and budget must calculate that deputy registrar's  
 72.13 proportional share under paragraph (b), clause (1), based on the average number of  
 72.14 transactions where a filing fee is retained among the deputy registrars, as calculated excluding  
 72.15 any deputy registrars for which this paragraph applies.

72.16 (e) Except as provided in paragraph (c), in the calculations under paragraph (b) the  
 72.17 commissioner of management and budget must exclude transactions for (1) a deputy registrar  
 72.18 that is no longer operating as of the effective date of this section, and (2) a deputy registrar  
 72.19 office operated by the state.

72.20 (f) A deputy registrar office operated by the state is not eligible to receive funds under  
 72.21 this section.

72.22 (g) The commissioner of management and budget must make efforts to reimburse deputy  
 72.23 registrars within 30 days of the effective date of this section. The commissioner must use  
 72.24 existing resources to administer the reimbursements.

72.25 **EFFECTIVE DATE.** This section is effective June 1, 2018.

72.26 Sec. 114. **APPROPRIATION; MNLARS FUNDING.**

72.27 Subdivision 1. **Appropriations.** \$15,100,000 in fiscal year 2019 is appropriated from  
 72.28 the general fund to the commissioner of public safety for contracted technical staff and  
 72.29 technical costs related to continued development, improvement, operations, and deployment  
 72.30 of MNLARS. The base for this appropriation is \$5,500,000 in fiscal year 2020 and \$0 in  
 72.31 fiscal year 2021. The planning estimate in fiscal year 2020 may only be used for a FAST  
 72.32 enterprise contract payment relating to the driver licensing system.

73.1 Subd. 2. Quarterly funding review. The appropriations in this section are subject to  
 73.2 the quarterly review process established in Laws 2018, chapter 101, section 5, subdivision  
 73.3 5.

73.4 Subd. 3. Use of funds. The appropriation in subdivision 1 for fiscal year 2019 may be  
 73.5 expended only for:

73.6 (1) contracting to perform software development on the vehicle services component of  
 73.7 MNLARS; and

73.8 (2) technology costs.

73.9 The appropriation in this paragraph must not be expended on additional full or part-time  
 73.10 employees employed by the Department of Public Safety.

73.11 **Sec. 115. APPROPRIATION; CAT II APPROACH SYSTEM; ROCHESTER.**

73.12 (a) \$900,000 in fiscal year 2019 is appropriated from the state airport fund to the  
 73.13 commissioner of transportation for a grant to the city of Rochester to acquire and install a  
 73.14 CAT II approach system at the Rochester International Airport. This is a onetime  
 73.15 appropriation.

73.16 (b) This appropriation is available when the commissioner of management and budget  
 73.17 determines that sufficient resources have been committed to complete the project, as required  
 73.18 by Minnesota Statutes, section 16A.502, and is available until the project is completed or  
 73.19 abandoned, subject to Minnesota Statutes, section 16A.642.

73.20 **Sec. 116. REVISOR'S INSTRUCTION.**

73.21 The revisor of statutes shall change the term "special revenue fund" to "driver and vehicle  
 73.22 services fund" wherever the term appears in Minnesota Statutes when referring to the  
 73.23 accounts under Minnesota Statutes, section 299A.705.

73.24 **Sec. 117. REPEALER.**

73.25 (a) Minnesota Statutes 2016, sections 168.013, subdivision 21; and 221.161, subdivisions  
 73.26 2, 3, and 4, are repealed.

73.27 (b) Minnesota Statutes 2016, sections 360.063, subdivision 4; 360.065, subdivision 2;  
 73.28 and 360.066, subdivisions 1a and 1b, are repealed.

74.1 Sec. 118. **APPLICATION.**

74.2 (a) Sections 63 to 84 and section 117, paragraph (b), are effective August 1, 2018, and  
74.3 apply to airport sponsors that make or plan to make changes to runway lengths or  
74.4 configurations on or after that date.

74.5 (b) Sections 63 to 84 and section 117, paragraph (b), do not apply to airports that (1)  
74.6 have airport safety zoning ordinances approved by this commissioner in effect on August  
74.7 1, 2018; (2) have not made and are not planning to make changes to runway lengths or  
74.8 configurations; and (3) are not required to update airport safety zoning ordinances.

### **168.013 VEHICLE REGISTRATION TAXES.**

Subd. 21. **Technology surcharge.** For every vehicle registration renewal required under this chapter, the commissioner shall collect a surcharge of: (1) \$1.75 until June 30, 2012; and (2) \$1 from July 1, 2012, to June 30, 2016. Surcharges collected under this subdivision must be credited to the driver and vehicle services technology account in the special revenue fund under section 299A.705.

### **221.161 SCHEDULE OF RATES AND CHARGES.**

Subd. 2. **Hearing upon complaint.** Tariffs, supplements, and reissues must be prepared and filed in accordance with rules of the commissioner. Rates or charges, including pickup charges named therein, are subject to complaint to the commissioner by an interested party. The commissioner, after investigation by the department, by order on not less than ten days' notice, may assign the complaint for hearing, and if at the hearing, the complainant submits facts and evidence sufficient to establish proof that the rates or charges complained of are excessive or noncompensatory, the commissioner may order the rates or charges canceled, and require the filing of alternative and reasonable rates and charges, the reasonable level of which at that time must be indicated by the commissioner in the order.

Subd. 3. **Hearing upon petition by another carrier.** Upon the filing of a tariff or subsequent supplement or reissue, any other carrier has the right to petition the commissioner to suspend it from taking effect until opportunity is had for a hearing on the reasonableness of the rates or charges, and the commissioner may suspend the rates or charges if in its judgment the rates or charges complained of are so unreasonably low as to create destructive competitive practices among or jeopardize the economic position of competing carriers. In determining whether the rates or charges are excessive or noncompensatory, the commissioner shall include in consideration, among other things, the reasonable cost of the services rendered for the transportation, including a reasonable return on the money invested in the business and an adequate sum for maintenance and depreciation of the property used.

Subd. 4. **Hearing on merits of rates and charges.** The commissioner, (1) after a suspension and hearing upon a schedule of rates and charges, or upon complaint, or upon the commissioner's own initiative, either in extension of an existing complaint or without a complaint whatever, (2) after department investigation and petition, (3) upon notice to the permit carrier or tariff agent proposing, maintaining, or charging a schedule of rates and charges on a single group of related commodities, and (4) upon notice to the users of the service and competitive carriers by motor vehicle and rail, may assign for hearing the schedule of rates and charges proposed, maintained, or charged by any or all permit carriers. Upon a finding, after a hearing, that the schedule of rates and charges are unjust or unreasonable or unjustly discriminatory or unduly preferential or prejudicial or otherwise in violation of this section, the commissioner may prescribe minimum rates and charges and the rates, rules, and practices thereafter to be maintained and applied by the permit carrier or tariff agent. In the hearing the burden of proof is upon the permit carrier or tariff agent whose schedules of rates and charges are under investigation to show that the schedules are not below a minimum reasonable level or are not noncompensatory.

### **360.063 AIRPORT ZONING; AUTHORITY, PROCEDURE.**

Subd. 4. **Airport approach.** The commissioner may recommend an airport approach plan for each publicly owned airport in the state and for each privately owned airport of the publicly owned class and from time to time recommend revisions of the plan. A plan shall indicate the circumstances in which structures or trees are or would be airport hazards, the airport hazard area, and what measures should be taken to eliminate airport hazards. The commissioner shall prescribe airport approach and turning standards for airports of various classes, and airport zoning regulations adopted by a municipality, county, or joint airport zoning board shall conform to the standards, except as provided in sections 360.065 and 360.066.

### **360.065 AIRPORT ZONING; ADOPTION AND APPROVAL OF PROPOSED REGULATIONS.**

Subd. 2. **Regulations submitted to commissioner.** Prior to adopting zoning regulations for an airport hazard area under sections 360.011 to 360.076, the municipality, county, or joint airport zoning board which is to adopt the regulations shall submit its proposed regulations to the commissioner in order that the commissioner may determine whether it conforms to the standards

APPENDIX  
Repealed Minnesota Statutes: SF3806-1

prescribed by the commissioner. The commissioner shall immediately examine the proposed regulations and report to the municipality, county, or joint airport zoning board the commissioner's approval, or objections, if any. If objections are made by the commissioner on the ground that the regulations do not conform to the standards prescribed by the commissioner for the class of airport involved, the municipality, county, or joint zoning board shall make amendments as are necessary to meet the objections unless it demonstrates that the social and economic costs of restricting land uses in accordance with the standards outweigh the benefits of a strict application of the standards. The governing body of the municipality or county or the joint airport zoning board shall not adopt the regulations or take other action until the proposed regulations are approved by the commissioner. The commissioner may approve local zoning ordinances that are more stringent than the standards. A copy of the regulations as adopted shall be filed with the county recorder in each county in which the zoned area is located.

Substantive rights existing prior to the passage of this subdivision and previously exercised are not affected by the filing of the regulations.

**360.066 AIRPORT ZONING; MINIMUM STANDARDS, LAND USES.**

Subd. 1a. **Protection of existing neighborhood.** (a) In order to ensure the minimum disruption of existing land uses, particularly established residential neighborhoods in built-up urban areas, the airport zoning standards of the commissioner and the local airport zoning ordinances or regulations adopted under sections 360.061 to 360.074 shall distinguish between the creation or establishment of a use and the elimination of an existing use, and shall avoid the elimination, removal, or reclassification of existing uses to the extent consistent with reasonable standards of safety. The standards of the commissioner shall include criteria for determining when an existing land use may constitute an airport hazard so severe that considerations of public safety outweigh the public interest in preventing disruption to that land use.

(b) No airport zoning standards or local airport zoning ordinances or regulations shall be adopted pursuant to sections 360.061 to 360.074 that classify as a nonconforming use or require such classification with respect to any low-density residential structure or isolated low-density residential building lots existing on January 1, 1978 in an established residential neighborhood.

(c) A local airport zoning authority may classify a land use described in paragraph (b) as an airport hazard if that authority finds that this classification is justified by considerations of public safety and is consistent with the airport zoning standards of the commissioner. Any land use described in paragraph (b) which is classified as an airport hazard shall be acquired, altered, or removed at public expense.

(d) The provisions of this subdivision shall not be construed to affect the classification of any land use under any zoning ordinances or regulations not adopted pursuant to sections 360.061 to 360.074.

Subd. 1b. **Amendment of standards.** Within nine months after March 29, 1978, the commissioner shall amend the standards defining airport hazard areas and categories of uses permitted therein to conform with the requirements of Laws 1978, chapter 654. Until the commissioner adopts amended standards as required by this subdivision the unamended standards, insofar as they require classification of any residential property as a nonconforming use contrary to the provisions of subdivision 1a, paragraph (b), shall be without force or effect.