

**SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION**

S.F. No. 583

(SENATE AUTHORS: NEWMAN)

DATE
02/04/2021

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Introduction and first reading
Referred to Transportation Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to transportation; prohibiting use of the highway user tax distribution fund
1.3 or the trunk highway fund for specified purposes; appropriating money; amending
1.4 Minnesota Statutes 2020, sections 16E.15, subdivision 2; 161.11, subdivision 2;
1.5 161.167; 161.19; 161.20, subdivision 3; 161.465; 167.45; 168.381, subdivision 4;
1.6 168.63, subdivision 5; 169.864, subdivision 4; 169.866, subdivision 3; 174.03,
1.7 subdivision 8; 221.83; repealing Minnesota Statutes 2020, section 16A.60.

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

1.9 Section 1. Minnesota Statutes 2020, section 16E.15, subdivision 2, is amended to read:

1.10 Subd. 2. **Software sale fund.** (a) Except as provided in paragraphs (b) and (c), proceeds
1.11 from the sale or licensing of software products or services by the chief information officer
1.12 must be credited to the MN.IT services revolving fund. If a state agency other than the
1.13 Office of MN.IT Services has contributed to the development of software sold or licensed
1.14 under this section, the chief information officer may reimburse the agency by discounting
1.15 computer services provided to that agency.

1.16 (b) Proceeds from the sale or licensing of software products or services developed by
1.17 the Pollution Control Agency, or custom developed by a vendor for the agency, must be
1.18 credited to the environmental fund.

1.19 (c) If the Department of Transportation develops software products or services using
1.20 trunk highway funds, proceeds from the subsequent sale or licensing of the software products
1.21 or services must be credited to the trunk highway fund. This paragraph also applies to
1.22 software products or services custom developed by a vendor for the department using trunk
1.23 highway funds. This paragraph does not authorize the use of trunk highway funds for
1.24 development of software products or services in violation of section 161.20.

2.1 Sec. 2. Minnesota Statutes 2020, section 161.11, subdivision 2, is amended to read:

2.2 Subd. 2. **Payment of premium and reimbursement.** ~~The commissioner may pay the~~
2.3 ~~premiums for any said policy of insurance out of the trunk highway fund.~~ The political
2.4 subdivision or agency of the state for whom work is performed by employees of the
2.5 Department of Transportation pursuant to any agreement therefor made with the
2.6 commissioner shall pay to the trunk highway fund that portion of the premium for said
2.7 policy of insurance directly attributable to the work performed for it. The commissioner
2.8 may pay the premiums of any said policy of insurance out of the trunk highway fund only
2.9 in the amount deposited into the fund by the political subdivision or agency. If any additional
2.10 amount is due on said policy, the remaining amount must not be paid out of the trunk
2.11 highway fund.

2.12 Sec. 3. Minnesota Statutes 2020, section 161.167, is amended to read:

2.13 **161.167 REIMBURSEMENT OF EXPENSES.**

2.14 Members of the appeal board shall submit to the commissioner an itemized list of the
2.15 expenses incurred in disposing of matters presented to them. The appeal board members
2.16 shall be reimbursed for all reasonable expenses incurred by them in the performance of their
2.17 duties. ~~The commissioner shall pay these costs out of the trunk highway fund.~~ An amount
2.18 sufficient to make reimbursements required under this section is appropriated from the
2.19 general fund to the commissioner for this purpose.

2.20 Sec. 4. Minnesota Statutes 2020, section 161.19, is amended to read:

2.21 **161.19 CERTAIN RECORDS OBTAINED AND FILED.**

2.22 Upon the written request of the commissioner the court administrator of any court, the
2.23 auditor of any county, the clerk of any town, or the recorder or clerk of any city shall furnish
2.24 a copy of the proceedings, documents, and plats, if any, relating to the establishment of any
2.25 road or the procuring of the right-of-way of any road which has been or may be taken over
2.26 by the state of Minnesota as a trunk highway. The copy shall be filed in the records of the
2.27 commissioner and shall be prima facie evidence of the existence of the road as described
2.28 therein. The legal fee for the copies ~~shall~~ must not be paid from the trunk highway fund.
2.29 An amount sufficient to pay the legal fee for the copies is appropriated from the general
2.30 fund to the commissioner for these costs.

3.1 Sec. 5. Minnesota Statutes 2020, section 161.20, subdivision 3, is amended to read:

3.2 Subd. 3. **Highway user tax distribution fund appropriations; trunk highway fund**
3.3 **appropriations.** The commissioner may expend highway user tax distribution funds only
3.4 for highway purposes and may expend trunk highway funds only for trunk highway purposes.
3.5 ~~Payment of expenses related to~~ The following must not be funded out of the highway user
3.6 tax distribution fund or the trunk highway fund:

3.7 (1) Bureau of Criminal Apprehension laboratory;

3.8 (2) Explore Minnesota Tourism kiosks;

3.9 (3) tourist information centers;

3.10 (4) Minnesota Safety Council;

3.11 (5) driver education programs;

3.12 (6) Emergency Medical Services Board;

3.13 (7) Mississippi River Parkway Commission;

3.14 (8) payments to MN.IT Services in excess of actual costs incurred for trunk highway
3.15 purposes, and;

3.16 (9) personnel costs incurred on behalf of the Governor's Office ~~do not further a highway~~
3.17 ~~purpose and do not aid in the construction, improvement, or maintenance of the highway~~
3.18 ~~system;~~

3.19 (10) parades, events, or sponsorships of events;

3.20 (11) the creation, construction, expansion, or maintenance of bikeways;

3.21 (12) administration and related services for the Department of Public Safety, the
3.22 commissioner's office, fiscal services, human resources, communications, and technology
3.23 services;

3.24 (13) the statewide notification center for excavation services pursuant to chapter 216D;

3.25 (14) rent and utility expenses for the department's central office building;

3.26 (15) the cost of manufacturing license plates;

3.27 (16) the cost of collecting highway user taxes;

3.28 (17) the installation, construction, expansion, or maintenance of public electric vehicle
3.29 infrastructure; and

4.1 (18) the following entities within the department: site development unit; labor compliance
 4.2 efforts in the Office of Project Management and Technical Support; Environmental
 4.3 Stewardship Office; Office of Transit; Office of Aeronautics; Passenger Rail Office; Modal
 4.4 Planning & Program Management Division; Statewide Radio Communications within the
 4.5 department's state aid division; Corporate Services Division; Office of Financial Management;
 4.6 Human Resources; commissioner's staff offices; Office of Audit; Office of Chief Counsel;
 4.7 Office of Civil Rights; Transportation Ombudsman; Communications Office; Office of
 4.8 Customer Relations; Office of Equity and Diversity; Government Affairs Office; Public
 4.9 Engagement and Constituent Service; and within the department's Office of Freight and
 4.10 Commercial Vehicle Operations, the following programs: motor carrier credentials, safety
 4.11 evaluations, and education; oversize/overweight truck permits; freight planning and
 4.12 development; rail-related trunk highway project coordination; and weight enforcement
 4.13 program support.

4.14 The prohibition on funding includes all expenses for the named entity or program, including
 4.15 but not limited to payroll, purchased services, supplies, repairs, and equipment. This
 4.16 prohibition on spending applies to any successor entities or programs that are substantially
 4.17 similar to the entity or program named here.

4.18 Sec. 6. Minnesota Statutes 2020, section 161.465, is amended to read:

4.19 **161.465 REIMBURSEMENT FOR FIRE SERVICES.**

4.20 (a) Ordinary expenses incurred by a municipal or volunteer fire department in
 4.21 extinguishing a grass fire within the right-of-way of a trunk highway must be reimbursed
 4.22 upon certification to the commissioner of transportation ~~from the trunk highway fund~~. In
 4.23 addition, ordinary expenses incurred by a municipal or volunteer fire department in
 4.24 extinguishing a fire outside the right-of-way of any trunk highway if the fire originated
 4.25 within the right-of-way, upon approval of a police officer or an officer or employee of the
 4.26 Department of Public Safety must, upon certification to the commissioner of transportation
 4.27 by the proper official of the municipality or fire department within 60 days after the
 4.28 completion of the service, be reimbursed to the municipality or fire department ~~from funds~~
 4.29 ~~in the trunk highway fund~~. The commissioner must not make reimbursements authorized
 4.30 by this section from the trunk highway fund. An amount sufficient to pay the reimbursement
 4.31 costs is appropriated from the general fund to the commissioner for this purpose. The
 4.32 commissioner of transportation shall take action practicable to secure reimbursement to the
 4.33 trunk highway general fund of money expended under this section from the person, firm,
 4.34 or corporation responsible for the fire or danger of fire.

5.1 (b) The provisions of this section shall not be construed to admit state liability for damage
 5.2 or destruction to private property or for injury to persons resulting from a fire originating
 5.3 within a trunk highway right-of-way.

5.4 Sec. 7. Minnesota Statutes 2020, section 167.45, is amended to read:

5.5 **167.45 OPERATION COSTS FOR CENTRAL OFFICE BUILDING, PAYMENT.**

5.6 The cost of operation and maintenance of the ~~new~~ central office building for the
 5.7 Department of Transportation, or so much thereof as is properly attributable to the
 5.8 Department of Transportation, ~~shall~~ must not be paid out of the trunk highway fund. An
 5.9 amount sufficient to pay these costs is appropriated from the general fund to the commissioner
 5.10 for this purpose.

5.11 Sec. 8. Minnesota Statutes 2020, section 168.381, subdivision 4, is amended to read:

5.12 Subd. 4. **Appropriations.** (a) Money appropriated to the Department of Public Safety
 5.13 to procure the plates for any fiscal year or years is available for allotment, encumbrance,
 5.14 and expenditure from and after the date of the enactment of the appropriation. Materials
 5.15 and equipment used in the manufacture of plates are subject only to the approval of the
 5.16 commissioner.

5.17 (b) ~~This section contemplates that money to be appropriated to the Department of Public~~
 5.18 ~~Safety to carry out the terms and provisions of this section will be appropriated by the~~
 5.19 ~~legislature from the highway user tax distribution fund~~ An amount sufficient to carry out
 5.20 the terms and provisions of this section is appropriated to the commissioner from the general
 5.21 fund.

5.22 (c) A sum sufficient is appropriated annually from the vehicle services operating account
 5.23 in the special revenue fund to the commissioner to pay the costs of purchasing, delivering,
 5.24 and mailing plates, registration stickers, and registration notices.

5.25 Sec. 9. Minnesota Statutes 2020, section 168.63, subdivision 5, is amended to read:

5.26 Subd. 5. **Annual recomputation and tax adjustment.** At the close of each calendar
 5.27 year and not later than February 15th of the next succeeding year, beginning with 1959, the
 5.28 registrar of motor vehicles shall recompute and redetermine the number of intercity buses
 5.29 required to have been registered in Minnesota for the prior year and the actual amount of
 5.30 tax liability for such previous year shall likewise be redetermined. Any additional tax which
 5.31 may be due by any owner or operator of intercity buses shall be paid forthwith. If it is
 5.32 determined as a result of such recomputation that there has been an overpayment of tax, the

6.1 amount of such overpayment shall be credited to the amount of tax which may be due by
6.2 the owner or operator of intercity buses in any subsequent year. In the event any owner or
6.3 operator of intercity buses discontinues operations in Minnesota and has a tax credit due as
6.4 a result of overpayment of motor vehicle taxes for any year, the amount of such overpayment
6.5 shall be refunded. Such sums as are necessary to make the refunds herein are hereby
6.6 appropriated annually from the ~~highway user tax distribution~~ general fund.

6.7 Sec. 10. Minnesota Statutes 2020, section 169.864, subdivision 4, is amended to read:

6.8 Subd. 4. **Permit fee; appropriation.** Vehicle permits issued under subdivision 1, clause
6.9 (1), must be annual permits. The fee is \$850 for each vehicle combination and must be
6.10 deposited in the trunk highway fund. The fee for annual permits issued under subdivision
6.11 2 is \$300 for a 90,000-pound vehicle combination or \$500 for a 97,000-pound vehicle
6.12 combination. The fee for annual permits issued under subdivision 2a is \$850. An amount
6.13 sufficient to administer the permit program is appropriated from the ~~trunk highway~~ general
6.14 fund to the commissioner for the costs of administering the permit program.

6.15 Sec. 11. Minnesota Statutes 2020, section 169.866, subdivision 3, is amended to read:

6.16 Subd. 3. **Permit fee; appropriation.** Vehicle permits issued under subdivision 1 must
6.17 be annual permits. The fee is \$850 for each vehicle, or a proportional amount as provided
6.18 in section 169.86, subdivision 5, and must be deposited in the trunk highway fund. An
6.19 amount sufficient to administer the permit program is appropriated from the ~~trunk highway~~
6.20 general fund to the commissioner for the costs of administering the permit program.

6.21 Sec. 12. Minnesota Statutes 2020, section 174.03, subdivision 8, is amended to read:

6.22 Subd. 8. **Salaries and expenses.** Salaries and expenses of the department relating to
6.23 highway purposes shall be paid from moneys available in the trunk highway fund, except
6.24 as provided in section 161.20, subdivision 3. The funds provided in sections 360.011 to
6.25 360.076 and 360.305 to 360.91 shall be expended by the commissioner of transportation in
6.26 accordance with the purposes prescribed by those sections. Funds appropriated pursuant to
6.27 the authority conferred by any constitutional article shall be expended in conformity with
6.28 the purposes and uses authorized thereby.

7.1 Sec. 13. Minnesota Statutes 2020, section 221.83, is amended to read:

7.2 **221.83 COSTS PAID FROM TRUNK HIGHWAY FUND.**

7.3 The costs of administering the provisions of this chapter ~~shall~~ must not be paid from the
7.4 trunk highway fund.

7.5 Sec. 14. **REPEALER.**

7.6 Minnesota Statutes 2020, section 16A.60, is repealed.

7.7 Sec. 15. **EFFECTIVE DATE.**

7.8 This act is effective July 1, 2021.

16A.60 COST TO COLLECT HIGHWAY TAXES TO GENERAL FUND.

The commissioner, when authorized from time to time by law, shall transfer money from the highway user tax distribution fund to the general fund. The transfer is to reimburse the general fund for the cost of collecting the taxes mentioned in the constitution, article XIV.