

1.1 A bill for an act

1.2 relating to metropolitan government; requiring the Metropolitan Council's budget
1.3 to be approved by law; providing for staggered four-year terms for council
1.4 members; making the metropolitan development guide advisory; modifying the
1.5 metropolitan livable communities program; amending transportation governance
1.6 and finance; establishing a Regional Transportation Governance Board and a
1.7 Metropolitan Transit Commission; providing for transfer of powers and duties
1.8 from the Metropolitan Council and regional railroad authorities; establishing
1.9 various powers and duties; establishing levy and bonding authority; providing
1.10 for allocation of transportation funds; requiring legislative reports; making
1.11 conforming and technical changes; amending Minnesota Statutes 2010, sections
1.12 3.8841, subdivisions 7, 8; 16A.88, subdivision 2; 297A.992, as amended;
1.13 398A.01, by adding subdivisions; 398A.02; 398A.04, subdivision 2, by adding
1.14 a subdivision; 473.123, subdivision 2a; 473.13, subdivision 1; 473.143,
1.15 subdivision 1; 473.145; 473.146, subdivision 1; 473.166; 473.171; 473.175,
1.16 subdivision 1; 473.192, subdivision 2; 473.206; 473.25; 473.252, subdivision 3;
1.17 473.253, subdivision 2; 473.254, subdivision 6; 473.255, subdivision 4; 473.375,
1.18 by adding a subdivision; 473.388, subdivision 2; 473.3994, subdivisions 3, 4,
1.19 5, 7; 473.535; 473.856; Minnesota Statutes 2011 Supplement, section 10A.01,
1.20 subdivision 35; proposing coding for new law as Minnesota Statutes, chapter
1.21 473J; repealing Minnesota Statutes 2010, sections 297A.992, subdivisions 6, 11,
1.22 12; 398A.10; 473.146, subdivision 4; 473.375, subdivisions 11, 14; 473.391,
1.23 subdivision 1; 473.399, subdivision 1a; 473.405, subdivision 4; 473.4051,
1.24 subdivision 1; 473.4057, subdivision 1; 473.851.

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

1.26 **ARTICLE 1**

1.27 **METROPOLITAN GOVERNANCE**

1.28 Section 1. Minnesota Statutes 2010, section 3.8841, subdivision 7, is amended to read:

1.29 Subd. 7. **Meetings; procedures.** The commission meets at the call of the chair.

1.30 The commission shall meet at least once per calendar year. If there is a quorum, the
1.31 commission may take action by a simple majority vote of commission members present.

2.1 Sec. 2. Minnesota Statutes 2010, section 3.8841, subdivision 8, is amended to read:

2.2 Subd. 8. **Powers; duties; Metropolitan Council levy, budget oversight.** The
2.3 commission must monitor, review, and make recommendations to the Metropolitan
2.4 Council and to the legislature by February 1 of each year for the following ~~calendar~~ fiscal
2.5 year. The recommendations shall be on:

2.6 (1) the tax rate and dollar amount of the Metropolitan Council's property tax levies
2.7 and any proposed increases in the rate or dollar amount of tax;

2.8 (2) any request for an increase in the debt of the Metropolitan Council;

2.9 (3) the overall work and role of the Metropolitan Council;

2.10 (4) the Metropolitan Council's proposed operating and capital budgets, work
2.11 program, and capital improvement program; and

2.12 (5) the Metropolitan Council's implementation of the operating and capital budgets,
2.13 work program, and capital improvement program.

2.14 Sec. 3. Minnesota Statutes 2010, section 473.123, subdivision 2a, is amended to read:

2.15 Subd. 2a. **Terms.** Following each apportionment of council districts, as provided
2.16 under subdivision 3a, council members must be appointed from newly drawn districts as
2.17 provided in subdivision 3a. ~~Each council member, other than the chair, must reside in the~~
2.18 ~~council district represented. Each council district must be represented by one member~~
2.19 ~~of the council. The terms of members end with the term of the governor, are as follows:~~

2.20 members representing even-numbered districts for terms ending the first Monday in
2.21 January of the year ending in the numeral "7"; members representing odd-numbered
2.22 districts for terms ending the first Monday in January of the year ending in the numeral
2.23 "5." Thereafter the term of each member is four years, with terms ending the first Monday
2.24 in January, except that all terms expire on the effective date of the next apportionment.

2.25 ~~A member serves at the pleasure of the governor. A member shall continue to serve the~~
2.26 ~~member's district until a successor is appointed and qualified; except that, following each~~
2.27 ~~apportionment, the member shall continue to serve at large until the governor appoints 16~~
2.28 ~~council members, one from each of the newly drawn council districts as provided under~~
2.29 ~~subdivision 3a, to serve terms as provided under this section. The appointment to the~~
2.30 ~~council must be made by the first Monday in March of the year in which the term ends.~~

2.31 **EFFECTIVE DATE.** This section is effective for appointments made from districts
2.32 drawn in 2013 and thereafter.

2.33 Sec. 4. Minnesota Statutes 2010, section 473.13, subdivision 1, is amended to read:

3.1 Subdivision 1. **Budget.** (a) On or before ~~December 20~~ January 15 of each year, the
3.2 council shall ~~adopt a final~~ present a proposed budget covering its to committees in the
3.3 senate and house of representatives with jurisdiction over the Metropolitan Council. The
3.4 proposed budget must cover the council's anticipated receipts and disbursements for the
3.5 ensuing next fiscal year commencing July 1 and shall decide upon the total the proposed
3.6 amount necessary to be raised from ad valorem tax levies to meet its budget. The proposed
3.7 budget shall state in detail the expenditures for each program to be undertaken, including
3.8 the expenses for salaries, consultant services, overhead, travel, printing, and other items.
3.9 The proposed budget shall state in detail the capital expenditures of the council for the
3.10 budget fiscal year, based on a five-year capital program adopted by the council and
3.11 transmitted to the legislature. After adoption of the budget and The council cannot adopt a
3.12 final budget until a law authorizing the council's budget is enacted. In any year in which a
3.13 law is not enacted to authorize the council to adopt its budget for the next fiscal year, the
3.14 council may continue to operate under its previously approved budget for the current year,
3.15 but at no greater level than previously authorized by the legislature.

3.16 (b) No later than five working days after ~~December 20~~ the council's budget is
3.17 enacted, the council shall certify to the auditor of each metropolitan county the share of the
3.18 tax to be levied within that county, which must be an amount bearing the same proportion
3.19 to the total levy agreed on by the council as the net tax capacity of the county bears to the
3.20 net tax capacity of the metropolitan area. The maximum amount of any levy made for the
3.21 purpose of this chapter may not exceed the limits set by the statute authorizing the levy.

3.22 (c) The council may vary from its enacted budget by increased expenditures of up
3.23 to five percent without legislative action. If the council's expenditures will increase by
3.24 more than five percent from the enacted budget, it must submit notice to the Legislative
3.25 Commission on Metropolitan Government, as provided in section 3.8841, subdivision 8.

3.26 ~~(b)~~ (d) In each fiscal year starting in an even-numbered year the council shall prepare
3.27 for its transit programs a financial plan for the succeeding three calendar fiscal years, in
3.28 half-year segments. The financial plan must contain schedules of user charges and any
3.29 changes in user charges planned or anticipated by the council during the period of the
3.30 plan. The financial plan must contain a proposed request for state financial assistance for
3.31 the succeeding biennium.

3.32 ~~(c)~~ (e) In addition, the proposed budget must show for each fiscal year:

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

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

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

4.6 Sec. 5. Minnesota Statutes 2010, section 473.145, is amended to read:

4.7 **473.145 DEVELOPMENT GUIDE.**

4.8 The Metropolitan Council shall prepare and adopt, after appropriate study and
 4.9 such public hearings as may be necessary, a comprehensive development guide for the
 4.10 metropolitan area. It shall consist of a compilation of policy statements, goals, standards,
 4.11 programs, and maps prescribing guides for the orderly and economical development,
 4.12 public and private, of the metropolitan area. The comprehensive development guide shall
 4.13 recognize and encompass physical, social, or economic needs of the metropolitan area and
 4.14 those future developments which will have an impact on the entire area including but not
 4.15 limited to such matters as land use, parks and open space land needs, the necessity for
 4.16 and location of airports, highways, transit facilities, public hospitals, libraries, schools,
 4.17 and other public buildings. The development guide is advisory in nature and no local unit
 4.18 of government shall be required to comply or conform to the guide, unless specifically
 4.19 required by law. A local unit of government may, by a vote of the governing body, decide
 4.20 that all provisions of the development guide are binding on it.

4.21 **EFFECTIVE DATE.** This section is effective August 1, 2012, and apply to all
 4.22 policies, plans, ordinances, applications, or other matters submitted on or after August
 4.23 1, 2012.

4.24 Sec. 6. Minnesota Statutes 2010, section 473.175, subdivision 1, is amended to read:

4.25 Subdivision 1. **For compatibility, conformity.** (a) The council shall review the
 4.26 comprehensive plans of local governmental units, prepared and submitted pursuant
 4.27 to sections 473.851 to 473.871, to determine their ~~compatibility with each other and~~
 4.28 ~~conformity with metropolitan system plans. The council shall review and comment on~~
 4.29 ~~the apparent consistency of the comprehensive plans with adopted plans of the council.~~
 4.30 The council may require a local governmental unit to modify any comprehensive plan or
 4.31 part thereof if, upon the adoption of findings and a resolution, the council concludes that
 4.32 the plan is more likely than not to have a substantial impact on or contain a substantial
 4.33 departure from metropolitan system plans. A local unit of government may challenge a

5.1 council action under this subdivision by following the procedures set forth in section
5.2 473.866.

5.3 (b) The council may comment on the apparent consistency of the comprehensive
5.4 plans with adopted plans of the council and the compatibility of a plan in relation to other
5.5 comprehensive plans in the metropolitan area, but these comments are advisory in nature
5.6 and no change may be required, unless authorized by paragraph (a).

5.7 **EFFECTIVE DATE.** This section is effective August 1, 2012, and apply to all
5.8 policies, plans, ordinances, applications, or other matters submitted on or after August
5.9 1, 2012.

5.10 Sec. 7. Minnesota Statutes 2010, section 473.206, is amended to read:

5.11 **473.206 LOCAL ORDINANCES.**

5.12 Each county, city or town in the metropolitan area shall be provided with standards,
5.13 criteria and suggested model ordinances and may, after review and comment by the
5.14 Metropolitan Council, adopt ordinances which provide for the protection of the resources
5.15 that are the subject of the standards, criteria, and model ordinances. The council shall
5.16 not require any changes or amendments to the ordinances submitted, unless specifically
5.17 authorized by law.

5.18 **EFFECTIVE DATE.** This section is effective August 1, 2012, and apply to all
5.19 policies, plans, ordinances, applications, or other matters submitted on or after August
5.20 1, 2012.

5.21 Sec. 8. Minnesota Statutes 2010, section 473.25, is amended to read:

5.22 **473.25 LIVABLE COMMUNITIES CRITERIA AND GUIDELINES.**

5.23 (a) The council shall establish criteria for uses of the fund provided in section
5.24 473.251 that are consistent with and promote the purposes of this article and the policies of
5.25 the Metropolitan Development Guide adopted by the council including, ~~but not limited to:~~

5.26 ~~(1) helping to change long-term market incentives that adversely impact creation~~
5.27 ~~and preservation of living-wage jobs in the fully developed area~~ assisting communities to
5.28 adapt to changes in long-term market conditions that adversely impact the creation of jobs;

5.29 ~~(2) creating incentives for~~ encouraging developing communities to include a full
5.30 range of housing opportunities;

5.31 ~~(3) creating incentives to preserve and rehabilitate~~ promoting the preservation and
5.32 rehabilitation of affordable housing in the fully developed area; and

6.1 (4) ~~creating incentives for all~~ allowing communities to implement compact and
 6.2 efficient development.

6.3 (b) The council shall establish guidelines for the livable community demonstration
 6.4 account for projects that the council would consider funding with either grants or loans.
 6.5 The guidelines must provide that the projects will:

6.6 (1) interrelate development or redevelopment and transit;

6.7 (2) interrelate affordable housing and employment growth areas;

6.8 ~~(3) intensify land use that leads to more compact development or redevelopment;~~

6.9 ~~(4)~~ (3) involve development or redevelopment that mixes incomes of residents in
 6.10 housing, including introducing or reintroducing higher value housing in lower income
 6.11 areas to achieve a mix of housing opportunities; or

6.12 ~~(5) encourage~~ (4) assist, when requested, public infrastructure investments
 6.13 which connect urban neighborhoods and suburban communities, attract private sector
 6.14 redevelopment investment in commercial and residential properties adjacent to the public
 6.15 improvement, and provide project area residents with expanded opportunities for private
 6.16 sector employment.

6.17 (c) The council shall establish guidelines governing who may apply for a grant or
 6.18 loan from the fund, providing priority for proposals using innovative partnerships between
 6.19 government, private for-profit, and nonprofit sectors.

6.20 (d) The council shall prepare an annual plan for distribution of the fund based on
 6.21 the criteria for project and applicant selection. The council is not required to distribute
 6.22 all money in an account.

6.23 (e) The council shall prepare and submit to the legislature, as provided in section
 6.24 3.195, an annual report on the metropolitan livable communities fund. The report must
 6.25 include information on the amount of money in the fund, the amount distributed, to whom
 6.26 the funds were distributed and for what purposes, and an evaluation of the effectiveness of
 6.27 the projects funded in meeting the policies and goals of the council. The report may make
 6.28 recommendations to the legislature on changes to Laws 1995, chapter 255.

6.29 Sec. 9. Minnesota Statutes 2010, section 473.252, subdivision 3, is amended to read:

6.30 Subd. 3. **Distribution of funds.** (a) The council ~~must~~ may use the funds in the
 6.31 account to make grants to municipalities or development authorities for the cleanup of
 6.32 polluted land in the metropolitan area. A grant to a metropolitan county or a development
 6.33 authority must be used for a project in a participating municipality. The council shall
 6.34 prescribe and provide the grant application form to municipalities. The council must

7.1 consider the probability of funding from other sources when making grants under this
7.2 section.

7.3 (b)(1) The legislature expects that applications for grants will exceed the available
7.4 funds and the council will be able to provide grants to only some of the applicant
7.5 municipalities. If applications for grants for qualified sites exceed the available funds,
7.6 the council shall make grants that provide the highest return in public benefits for the
7.7 public costs incurred, that encourage development that will lead to the preservation or
7.8 growth of living-wage jobs or the production of affordable housing, and that enhance
7.9 the tax base of the recipient municipality.

7.10 (2) In making grants, the council shall establish regular application deadlines in
7.11 which grants will be awarded from the available money in the account. If the council
7.12 provides for application cycles of less than six-month intervals, the council must reserve
7.13 at least 40 percent of the receipts of the account for a year for application deadlines that
7.14 occur in the second half of the year. If the applications for grants exceed the available
7.15 funds for an application cycle, no more than one-half of the funds may be granted to
7.16 projects in a statutory or home rule charter city and no more than three-quarters of the
7.17 funds may be granted to projects located in cities of the first class.

7.18 (c) A municipality may use the grant to provide a portion of the local match
7.19 requirement for project costs that qualify for a grant under sections 116J.551 to 116J.557.

7.20 Sec. 10. Minnesota Statutes 2010, section 473.253, subdivision 2, is amended to read:

7.21 Subd. 2. **Distribution of funds.** The council ~~shall~~ may use the funds in the livable
7.22 communities demonstration account to make grants or loans to municipalities participating
7.23 in the local housing incentives program under section 473.254 or to metropolitan area
7.24 counties or development authorities to fund the initiatives specified in section 473.25,
7.25 paragraph (b), in participating municipalities. A grant to a metropolitan county or a
7.26 development authority must be used for a project in a participating municipality. For the
7.27 purpose of this section, "development authority" means a statutory or home rule charter
7.28 city, housing and redevelopment authority, economic development authority, or port
7.29 authority.

7.30 Sec. 11. Minnesota Statutes 2010, section 473.254, subdivision 6, is amended to read:

7.31 Subd. 6. **Distribution of funds.** The funds in the account ~~must~~ may be distributed
7.32 annually by the council to municipalities that:

7.33 (1) have not met their affordable and life-cycle housing goals as determined by
7.34 the council; and

8.1 (2) are actively funding projects designed to help meet the goals.

8.2 Funds may also be distributed to a development authority for a project in an eligible
8.3 municipality. The funds distributed by the council must be matched on a dollar-for-dollar
8.4 basis by the municipality or development authority receiving the funds. When distributing
8.5 funds in the account, the council must give priority to projects that (1) are in municipalities
8.6 that have contribution net tax capacities that exceed their distribution net tax capacities by
8.7 more than \$200 per household, (2) demonstrate the proposed project will link employment
8.8 opportunities with affordable and life-cycle housing, and (3) provide matching funds
8.9 from a source other than the required affordable and life-cycle housing opportunities
8.10 amount under subdivision 3 or 3a, as applicable. For the purposes of this subdivision,
8.11 "municipality" means a statutory or home rule charter city or town in the metropolitan area
8.12 and "development authority" means a housing and redevelopment authority, economic
8.13 development authority, or port authority.

8.14 Sec. 12. Minnesota Statutes 2010, section 473.255, subdivision 4, is amended to read:

8.15 Subd. 4. **Inclusionary housing grants.** The council ~~shall~~ may use funds in the
8.16 inclusionary housing account to make grants or loans to municipalities or development
8.17 authorities to fund the production of inclusionary housing developments that are located in
8.18 municipalities that offer incentives to assist in the production of inclusionary housing.
8.19 Such incentives include but are not limited to: density bonuses, reduced setbacks and
8.20 parking requirements, decreased road widths, flexibility in site development standards
8.21 and zoning code requirements, waiver of permit or impact fees, fast-track permitting
8.22 and approvals, or any other regulatory incentives that would result in identifiable cost
8.23 avoidance or reductions that contribute to the economic feasibility of inclusionary housing.

8.24 Sec. 13. Minnesota Statutes 2010, section 473.375, is amended by adding a subdivision
8.25 to read:

8.26 Subd. 19. **Reductions in services or assistance; apportionment.** When a
8.27 metropolitan transit budget, levy, or appropriation is decreased, and when that decrease
8.28 reduces transit services or assistance to local units of government under sections 473.371
8.29 and 473.449, the Metropolitan Council must apportion the reduction among local units
8.30 of government. Each recipient's share of the reduction must be in proportion to that
8.31 recipient's share of total metropolitan transit services and assistance to local units of
8.32 government immediately before the reduction.

8.33 **EFFECTIVE DATE.** This section is effective the day following final enactment
8.34 and expires December 31, 2013.

9.1 Sec. 14. Minnesota Statutes 2010, section 473.388, subdivision 2, is amended to read:

9.2 Subd. 2. **Replacement service; eligibility.** (a) The council may provide assistance
9.3 under the program to a statutory or home rule charter city or town or combination thereof,
9.4 that:

9.5 ~~(a)~~ (1) is located in the metropolitan transit taxing district;

9.6 ~~(b)~~ (2) is not served by the council bus service or is served only with council bus
9.7 routes which begin or end within the applying city or town or combination thereof; and

9.8 ~~(c)~~ (3) has fewer than four scheduled runs of council bus service during off-peak
9.9 hours as defined by the Metropolitan Council.

9.10 (b) Eligible cities or towns or combinations thereof may apply on behalf of a transit
9.11 operator with whom they propose to contract for service.

9.12 The council may not provide assistance under this section to a statutory or home rule
9.13 charter city or town unless the city or town,

9.14 (i) was receiving assistance under ~~Minnesota Statutes 1982, section 174.265, by July~~
9.15 ~~1, 1984, this section as of May 1, 2012, or~~

9.16 (ii) had submitted an application for assistance under ~~that section by July 1, 1984, or~~

9.17 ~~(iii) had submitted a letter of intent to apply for assistance under that section by July~~
9.18 ~~1, 1984, and submits an application for assistance under this section by July 1, 1988. A~~

9.19 ~~statutory or home rule charter city or town has an additional 12-month extension if it~~

9.20 ~~notified the former regional transit board before July 1, 1988, that the city or town is in the~~

9.21 ~~process of completing a transportation evaluation study that includes an assessment of the~~

9.22 ~~local transit needs of the city or town. this section by July 1, 2014.~~

9.23 Sec. 15. Minnesota Statutes 2010, section 473.3994, subdivision 3, is amended to read:

9.24 Subd. 3. **Preliminary design plans; local approval.** At least 30 days before the

9.25 hearing under subdivision 2, the responsible authority shall submit the physical design

9.26 component of the preliminary design plans to the governing body of each statutory and

9.27 home rule charter city, county, and town in which the route is proposed to be located. The

9.28 city, county, or town shall hold a public hearing. Within 45 days after the hearing under

9.29 subdivision 2, the city, county, or town shall review and approve or disapprove the plans

9.30 for the route to be located in the city, county, or town. A local unit of government that

9.31 disapproves the plans shall ~~describe~~ submit to the council a resolution passed by the

9.32 governing body of the local unit of government that includes either specific amendments

9.33 to the plans that, if adopted, would cause the local unit to withdraw its disapproval or a

9.34 statement that no amendment would cause the local unit of government to withdraw its

9.35 disapproval. A disapproving local unit of government may approve the plans at any time

10.1 by submitting to the council a resolution passed by its governing body that states the local
10.2 governing unit withdraws its disapproval. Failure to approve or disapprove the plans in
10.3 writing within 45 days after the hearing is deemed to be approval, unless an extension of
10.4 time is agreed to by the city, county, or town and the responsible authority.

10.5 Sec. 16. Minnesota Statutes 2010, section 473.3994, subdivision 4, is amended to read:

10.6 Subd. 4. **Preliminary design plans; council hearing.** If the governing body of
10.7 one or more cities, counties, or towns disapproves the preliminary design plans within
10.8 the period allowed under subdivision 3, the council shall hold a hearing on the plans,
10.9 giving the commissioner of transportation, if the responsible authority, any disapproving
10.10 local governmental units, and other persons an opportunity to present their views on the
10.11 plans. The council may conduct independent study as it deems desirable and may mediate
10.12 and attempt to resolve disagreements about the plans. Within 60 days after the hearing,
10.13 the council shall review the plans and shall decide what amendments to the plans, if
10.14 any, must be made to accommodate the objections presented by the disapproving local
10.15 governmental units. The council and any disapproving local unit of government may
10.16 negotiate acceptable amendments. The negotiations are not limited to the amendments
10.17 proposed by the local unit of government submitted to the council under subdivision 3. If
10.18 the council decides that it will not make amendments to the plan and the disapproving
10.19 local unit of government has not withdrawn its disapproval, as described in subdivision 3,
10.20 the council shall not proceed with the proposed preliminary design plan. Amendments
10.21 to the plans as decided by the council must be made before continuing the planning and
10.22 designing process.

10.23 Sec. 17. Minnesota Statutes 2010, section 473.3994, subdivision 5, is amended to read:

10.24 Subd. 5. **Final design plans.** (a) If the final design plans incorporate a substantial
10.25 change from the preliminary design plans with respect to location, length, or termini
10.26 of routes; general dimension, elevation, or alignment of routes and crossings; location
10.27 of tracks above ground, below ground, or at ground level; or station locations, before
10.28 beginning construction, the responsible authority shall submit the changed component of
10.29 the final design plans to the governing body of each statutory and home rule city, county,
10.30 and town in which the changed component is proposed to be located. Within 60 days
10.31 after the submission of the plans, the city, county, or town shall review and approve or
10.32 disapprove the changed component located in the city, county, or town. A local unit of
10.33 government that disapproves the change shall ~~describe~~ submit to the council a resolution
10.34 passed by the governing body of the local unit of government that includes either specific

11.1 amendments to the plans that, if adopted, would cause the local unit to withdraw its
11.2 disapproval or a statement that no amendment would cause the local unit of government to
11.3 withdraw its disapproval. A disapproving local unit of government may approve the plans
11.4 at any time by submitting to the council a resolution passed by its governing body that
11.5 states the local governing unit withdraws its disapproval. Failure to approve or disapprove
11.6 the changed plans in writing within the time period is deemed to be approval, unless an
11.7 extension is agreed to by the city, county, or town and the responsible authority.

11.8 (b) If the governing body of one or more cities, counties, or towns disapproves the
11.9 changed plans within the period allowed under paragraph (a), the council shall review
11.10 the final design plans under the same procedure and with the same effect as provided in
11.11 subdivision 4 for preliminary design plans.

11.12 Sec. 18. Minnesota Statutes 2010, section 473.3994, subdivision 7, is amended to read:

11.13 Subd. 7. **Council review.** If the commissioner is the responsible authority, before
11.14 proceeding with construction of a light rail transit facility, the commissioner must submit
11.15 preliminary and final design plans to the Metropolitan Council. The council must review
11.16 the plans for consistency with the council's development guide and approve the plans.
11.17 This review is in addition to the hearing process described in subdivisions 2 to 5.

11.18 Sec. 19. Minnesota Statutes 2010, section 473.535, is amended to read:

11.19 **473.535 CAPITAL IMPROVEMENT PROGRAM; BUDGET.**

11.20 (a) In addition to the proposed budget bill submitted for legislative action
11.21 under section 473.13, subdivision 1, the council shall ~~prepare and adopt a~~ present to
11.22 the committees in the senate and house of representatives with jurisdiction over the
11.23 Metropolitan Council the council's proposed capital improvement program and a budget
11.24 for the acquisition or betterment of any interceptors or treatment works determined by
11.25 the council to be necessary or desirable for the metropolitan disposal system. When the
11.26 council issues debt under section 473.541, it must be for the projects identified in the
11.27 adopted capital improvement program and budget.

11.28 (b) The council cannot adopt a final capital improvement budget until a law
11.29 authorizing the budget is enacted. In any year in which a law is not enacted to authorize
11.30 the council to adopt its capital improvement budget, the council may continue to operate
11.31 under its previously approved capital improvement budget for the current year, but at no
11.32 greater level than previously authorized by the legislature.

12.1 Sec. 20. Minnesota Statutes 2010, section 473.856, is amended to read:

12.2 **473.856 METROPOLITAN SYSTEM STATEMENTS; AMENDMENTS.**

12.3 The council shall prepare and transmit to each affected local governmental unit a
12.4 metropolitan system statement when the council updates or revises its comprehensive
12.5 development guide for the metropolitan area in conjunction with the decennial review
12.6 required under section 473.864, subdivision 2, and when the council amends or modifies
12.7 a metropolitan system plan. The statement shall contain information relating to the
12.8 unit and appropriate surrounding territory that the council ~~determines necessary for~~
12.9 recommends that the unit to consider in reviewing the unit's comprehensive plan. The
12.10 statement may include:

12.11 (1) the timing, character, function, location, projected capacity, and conditions on use
12.12 for existing or planned metropolitan public facilities, as specified in metropolitan system
12.13 plans, and for state and federal public facilities to the extent known to the council; and

12.14 (2) the population, employment, and household projections which have been used by
12.15 the council as a basis for its metropolitan system plans.

12.16 Within nine months after receiving a system statement for an amendment to a
12.17 metropolitan system plan, and within three years after receiving a system statement issued
12.18 in conjunction with the decennial review required under section 473.864, subdivision 2,
12.19 each affected local governmental unit shall review its comprehensive plan to determine
12.20 if an amendment is necessary to ensure continued conformity with metropolitan system
12.21 plans. If an amendment is necessary, the governmental unit shall prepare the amendment
12.22 and submit it to the council for review pursuant to sections 462.355, 473.175, and 473.851
12.23 to 473.871.

12.24 **EFFECTIVE DATE.** This section is effective August 1, 2012, and apply to all
12.25 policies, plans, ordinances, applications, or other matters submitted on or after August
12.26 1, 2012.

12.27 Sec. 21. **METROPOLITAN COUNCIL; TRANSITIONAL BUDGET.**

12.28 By July 1, 2013, the Metropolitan Council shall prepare a detailed six-month budget
12.29 for the period of January 1, 2014, to June 30, 2014. Thereafter, the council shall prepare
12.30 annual budgets with each fiscal year commencing July 1, and ending June 30. The council
12.31 must submit by January 15, 2014, a detailed budget for the fiscal year beginning July 1,
12.32 2014, to the legislature for approval consistent with Minnesota Statutes, sections 473.13
12.33 and 473.535.

14.1 (2) "commission" means the Metropolitan Transit Commission established under
14.2 Minnesota Statutes, chapter 473J;

14.3 (3) "metropolitan regional railroad authority" has the meaning given in section
14.4 398A.01, subdivision 4b; and

14.5 (4) "responsibilities" includes powers, duties, rights, obligations, and other authority
14.6 imposed by law.

14.7 **Subd. 2. Transfer of powers and duties; Metropolitan Council to board.** (a)
14.8 Notwithstanding Minnesota Statutes, chapter 473 or any other law to the contrary, effective
14.9 January 1, 2014, all powers and duties relating to the following are transferred from the
14.10 Metropolitan Council's transportation division to the board: long-range transportation
14.11 planning and policy development in the metropolitan area; programming of transit-related
14.12 projects; receipt and allocation of state and federal transit funds; transit reporting; general
14.13 coordination and oversight of transit systems in the Twin Cities metropolitan area; and
14.14 coordination of regional aviation system planning.

14.15 (b) The board is a continuation of the Metropolitan Council as to those functions
14.16 under paragraph (a) that are transferred to the board. Following the transfer the board shall
14.17 carry out the assigned responsibilities as though the responsibilities of the Metropolitan
14.18 Council had not been transferred, to the extent that such responsibilities do not conflict
14.19 with the provisions of this act or other law. The transfer is not a new authority for the
14.20 purpose of succession to all responsibilities of the Metropolitan Council as constituted at
14.21 the time of the transfer.

14.22 (c) The transfer under this subdivision includes, but is not limited to, facilities and
14.23 equipment that are reasonably attributable to the functions identified in paragraph (a).

14.24 **Subd. 3. Transfer of powers and duties; Metropolitan Council to commission.**

14.25 (a) Notwithstanding Minnesota Statutes, chapter 473 or any other law to the contrary,
14.26 effective January 1, 2014, all powers and duties relating to the following are transferred
14.27 from the Metropolitan Council's transportation division to the commission: operation of
14.28 transit service, including the units and departments for Metro Transit, Metro Mobility,
14.29 Transit Link, and other paratransit programs; ridesharing programs; private bus service,
14.30 including those portions of the council's metropolitan transportation services department
14.31 that manages contracts for transit service; and transit police.

14.32 (b) The commission is a continuation of the Metropolitan Council as to those
14.33 functions under paragraph (a) that are transferred from the Metropolitan Council to
14.34 the commission. Following the transfer the commission shall carry out the assigned
14.35 responsibilities as though the responsibilities of the Metropolitan Council had not been
14.36 transferred, to the extent that such responsibilities do not conflict with the provisions of

15.1 this act or other law. The transfer is not a new authority for the purpose of succession to
15.2 all responsibilities of the Metropolitan Council as constituted at the time of the transfer.

15.3 (c) The transfer under this subdivision includes but is not limited to buses, light rail
15.4 trains and facilities, commuter rail trains and facilities, and other facilities and equipment,
15.5 that are reasonably attributable the functions identified in paragraph (a).

15.6 Subd. 4. **Transfer of powers and duties; metropolitan regional rail authorities**
15.7 **to board.** (a) Notwithstanding Minnesota Statutes, chapter 398A or any other law to the
15.8 contrary, effective January 1, 2014, all powers and duties of each metropolitan regional
15.9 rail authority are transferred to the board, except as provided in Minnesota Statutes,
15.10 section 398A.012, subdivision 12.

15.11 (b) The board is a continuation of each metropolitan regional railroad authority as
15.12 to those functions under paragraph (a) that are transferred to the board. Following the
15.13 transfer the board shall carry out the assigned responsibilities as though the responsibilities
15.14 of a metropolitan regional railroad authority had not been transferred, to the extent that
15.15 such responsibilities do not conflict with the provisions of this act or other law. The
15.16 transfer is not a new authority for the purpose of succession to all responsibilities of a
15.17 metropolitan regional railroad authority as constituted at the time of the transfer.

15.18 (c) The transfer under this subdivision includes but is not limited to real property,
15.19 facilities, and other equipment, that are reasonably attributable to the functions identified
15.20 in paragraph (a).

15.21 Subd. 5. **Transfer provisions.** Minnesota Statutes, section 15.039, subdivisions
15.22 1, 4, 5, 5a, 6, 7, and 8, apply to each transfer of powers and duties under this section,
15.23 provided that "agency" means the Metropolitan Council, a metropolitan regional railroad
15.24 authority, the Regional Transportation Governance Board, or the Metropolitan Transit
15.25 Commission, as appropriate.

15.26 Subd. 6. **Appointments.** (a) By August 1, 2012, all appointing authorities shall
15.27 make the first appointments to the board as provided under Minnesota Statutes, section
15.28 473J.05.

15.29 (b) By August 1, 2012, all appointing authorities shall make the first appointments to
15.30 the commission as provided under Minnesota Statutes, section 473J.50.

15.31 Subd. 7. **Transition planning.** (a) The board and the commission shall jointly
15.32 develop a transition plan to implement the provisions of this act.

15.33 (b) The commissioner of administration shall provide staffing support to the board
15.34 and to the commission until January 1, 2014, including but not limited to meeting
15.35 space and staff. The commissioner of transportation, the Metropolitan Council, and any

16.1 metropolitan regional rail authority shall provide assistance as requested by the board or
16.2 by the commission.

16.3 Subd. 8. **Legislative report and bill.** By January 15, 2013, the board and the
16.4 commission shall jointly submit a report to the legislative committees having jurisdiction
16.5 over transportation policy and finance and metropolitan government. The report must:

16.6 (1) provide a summary update on the status of transition planning and efforts;

16.7 (2) contain a copy, whether draft or final, of the transition plan required under this
16.8 section; and

16.9 (3) identify in the form of a bill, and following consultation with legislative staff and
16.10 the Office of the Revisor of Statutes, legislative changes to Minnesota Statutes to fully
16.11 implement the provisions of this act, including but not limited to any changes to chapters
16.12 473 and 473J, recodification, and conforming changes.

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

16.14 **ARTICLE 3**

16.15 **REGIONAL TRANSPORTATION GOVERNANCE**

16.16 Section 1. **[473J.01] DEFINITIONS.**

16.17 Subdivision 1. **Terms.** For the purposes of this chapter, the terms defined in section
16.18 473.12, 1 have the same meanings unless otherwise defined, and the terms defined in
16.19 this section have the meanings given them.

16.20 Subd. 2. **Board.** "Board" means the Regional Transportation Governance Board
16.21 established in this chapter.

16.22 Subd. 3. **Commission.** "Commission" means the Metropolitan Transit Commission
16.23 established under this chapter.

16.24 Subd. 4. **Commissioner.** "Commissioner" means the commissioner of
16.25 transportation.

16.26 Subd. 5. **Person.** "Person" means any natural individual, firm, partnership,
16.27 cooperative, company, association, or corporation, or their lessees, trustees, or receivers.

16.28 Subd. 6. **Regional agency.** "Regional agency" means the Regional Transportation
16.29 Governance Board or the Metropolitan Transit Commission.

16.30 Subd. 7. **Transit taxing district.** "Transit taxing district" means the metropolitan
16.31 area.

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

16.33 Sec. 2. **[473J.05] REGIONAL TRANSPORTATION GOVERNANCE BOARD.**

17.1 Subdivision 1. **Board created.** The Regional Transportation Governance Board is
17.2 established as a political subdivision of the state. The board has jurisdiction within the
17.3 metropolitan area.

17.4 Subd. 2. **Membership; chair.** (a) The board is comprised of members,
17.5 appointed as follows:

17.6 (1) two county commissioners from each metropolitan county, appointed by the
17.7 respective county boards;

17.8 (2) one member from each Metropolitan Council district, who is also an elected
17.9 official of a city or town with in the district, appointed by the governor; and

17.10 (3) [*** other members as required for an MPO];

17.11 (b) A member of the board under paragraph (a), clauses (1) and (2), must be an
17.12 elected official at the time of appointment or reappointment.

17.13 (c) The chair shall be selected by and from among the members of the board.

17.14 Subd. 3. **Vacancies.** If any board position becomes vacant, the vacancy must be
17.15 filled in the same manner in which the last regular appointment for that position was
17.16 made. An office shall be deemed vacant under the conditions specified in chapter 351.
17.17 A person appointed to fill a vacancy serves to the end of the term of the person who
17.18 vacated the position.

17.19 Subd. 4. **Terms.** (a) For the initial appointments under subdivision 2, paragraph
17.20 (a), clause (1), each county board shall appoint one county commissioner to serve for a
17.21 two-year term and one to serve a four-year term. Thereafter, each county commissioner
17.22 appointed to serve on the board serves a four-year term and until a successor is appointed
17.23 and takes office.

17.24 (b) For the initial appointments made under subdivision 2, paragraph (a), clause (2),
17.25 members appointed to represent Metropolitan Council districts one to eight shall serve
17.26 two-year terms, and members appointed to represent council districts nine to sixteen shall
17.27 serve four-year terms. Thereafter, each member appointed to serve on the board serves a
17.28 four-year term and until a successor is appointed and takes office.

17.29 (c) The chair serves for a term of two years and may serve as chair for no more than
17.30 four consecutive terms.

17.31 Subd. 5. **Compensation, expenses.** Members of the board may be compensated as
17.32 provided in section 15.0575, subdivision 3.

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

17.34 Sec. 3. **[473J.10] POWERS AND DUTIES; GENERAL OPERATION.**

18.1 Subdivision 1. **Scope of powers.** The board has and shall exercise those powers
18.2 expressly provided by law, or as specifically necessary to enable it to perform and carry
18.3 out the duties and responsibilities imposed upon it by law, including the specific powers
18.4 enumerated in this section.

18.5 Subd. 2. **Roles and responsibilities.** The board is the entity with primary
18.6 responsibility in the metropolitan area for:

18.7 (1) medium and long-range transportation planning, in coordination with the
18.8 commissioner of transportation and the Metropolitan Airports Commission;

18.9 (2) development of regionwide transportation policies and procedures;

18.10 (3) allocation of funds to transit providers, as provided under section 473J.40;

18.11 (4) programming capital transit projects;

18.12 (5) coordination of transit service provided by transit providers;

18.13 (6) operation and maintenance of shared transit and other transportation facilities;

18.14 and

18.15 (7) evaluation of the transit system.

18.16 Subd. 3. **General authority.** The board may:

18.17 (1) adopt policies and procedures governing its operation;

18.18 (2) when specifically authorized by law, make appointments to other governmental
18.19 agencies and districts

18.20 (3) apply to any public agency for permits, consents, authorizations, and approvals
18.21 required for any project and take all actions necessary to comply with their conditions; and

18.22 (4) enter into joint powers agreements under section 471.59, or other agreements
18.23 with a political subdivision or state agency; concerning matters under the purview of
18.24 this chapter.

18.25 Subd. 4. **Advisory committees.** The board may establish and appoint persons to
18.26 advisory committees to assist the board in the performance of its duties. Members of
18.27 the advisory committees serve without compensation but may be reimbursed for their
18.28 reasonable expenses as determined by the board.

18.29 Subd. 5. **Receipt of funds.** The board may accept gifts, apply for and use grants or
18.30 loans of money or other property from the United States, the state, or any person for any
18.31 board purpose and may enter into agreements required in connection therewith and may
18.32 hold, use, and dispose of such moneys or property in accordance with the terms of the gift,
18.33 grant, loan, or agreement relating thereto.

18.34 Subd. 6. **Contracting.** (a) The board may contract for the services of consultants
18.35 who perform engineering, legal, or services of a professional nature.

19.1 (b) The board may enter into contracts including leases with any person, under
19.2 terms the board may determine.

19.3 Subd. 7. **Property.** The board may acquire, own, hold, use, improve, operate,
19.4 manage, maintain, lease, exchange, transfer, sell, or otherwise dispose of:

19.5 (1) personal or real property;

19.6 (2) franchises;

19.7 (3) easements; and

19.8 (4) property rights or interests.

19.9 Subd. 8. **Eminent domain.** (a) The board has all powers granted to a political
19.10 subdivision in chapter 117 for the acquisition of property for a public purpose, except that
19.11 it has no power of eminent domain with respect to property owned by another authority or
19.12 political subdivision of Minnesota or any other state, or with respect to property owned
19.13 or used by a railroad corporation unless the Surface Transportation Board or a successor
19.14 agency, if any, or another authority with power to make the finding, has found that the
19.15 public convenience and necessity permit discontinuance of rail service on the property.

19.16 (b) All property taken for the exercise of the powers granted under this chapter is
19.17 declared to be taken for a public governmental purpose and as a matter of public necessity.

19.18 Subd. 9. **Transfer of public property.** Any state department or other agency of
19.19 the state government or any county, municipality, or other public agency may sell, lease,
19.20 grant, transfer, or convey to the board, with or without consideration, any facilities or any
19.21 real or personal property, which may be useful to the council for any authorized purpose.
19.22 In any case where the construction of a facility has not been completed, the public agency
19.23 concerned may also transfer, sell, assign, and set over to the board, with or without
19.24 consideration, any existing contract for the construction of the facilities.

19.25 Subd. 10. **Insurance, actions, liability, indemnity.** (a) The board may provide for
19.26 self-insurance or otherwise provide for insurance relating to any of its property, rights, or
19.27 revenue, workers' compensation, public liability, or any other risk or hazard arising from
19.28 its activities. The board may indemnify and purchase and maintain insurance on behalf of
19.29 any of its officers or employees against the risk or hazard at the expense of the board. The
19.30 board may procure insurance against loss of or damage to property in the amounts, by
19.31 reason of the risks, and from the insurers as it deems prudent.

19.32 (b) The board may sue and be sued. The board is subject to tort liability to the extent
19.33 provided in chapter 466 and may procure insurance against the liability.

19.34 Subd. 11. **Data practices; open meetings.** Except as otherwise provided in this
19.35 chapter, the board is subject to chapters 13 and 13D.

20.1 Subd. 12. **Public information.** (a) The board shall make publicly available all
20.2 policies and procedures, policy and financial plans, and transportation programming
20.3 documents it adopts or maintains.

20.4 (b) The board shall establish a website for purposes of providing information to the
20.5 public concerning all actions taken by the board. At a minimum, the website must contain
20.6 the information required under paragraph (a), notices of upcoming meetings, minutes of
20.7 the board's meetings, and contact information for public comments.

20.8 Subd. 13. **Electronic reports.** For any legislative report required to be submitted by
20.9 the board by law, in which the report may or must be submitted electronically, the board
20.10 shall meet the requirements under section 3.195, subdivision 1.

20.11 **Sec. 4. [473J.12] POWERS AND DUTIES; TRANSIT.**

20.12 Subdivision 1. **Service and system coordination.** (a) The board shall coordinate
20.13 all transit operations within the metropolitan area, and shall coordinate operation of the
20.14 light rail transit system with bus service to avoid duplication of service on a route served
20.15 by light rail transit, and to ensure the widest possible access to light rail transit lines in
20.16 both suburban and urban areas.

20.17 (b) The board and the commissioner of transportation shall ensure that light rail
20.18 transit and commuter rail facilities are planned, designed, and implemented: (1) to move
20.19 commuters and transit users into and out of, as well as within, the metropolitan area, and
20.20 (2) to ensure that rail transit lines will interface with each other and other transportation
20.21 facilities and services so as to provide a unified, integrated, and efficient multimodal
20.22 transportation system.

20.23 Subd. 2. **Transit system development.** (a) The board may engineer, construct, and
20.24 equip (1) transit systems, (2) paratransit systems, and (3) transportation projects. This
20.25 authority includes, but is not limited to, road lanes or rights-of-way in coordination with a
20.26 road authority, terminal facilities, maintenance and garage facilities, ramps, parking areas,
20.27 and any other useful or related facilities.

20.28 (b) The board may plan, establish, acquire, develop, construct, purchase, enlarge,
20.29 extend, improve, maintain, equip, regulate, and protect railroads and railroad facilities,
20.30 including but not limited to terminal buildings, roadways, crossings, bridges, causeways,
20.31 tunnels, equipment, and rolling stock.

20.32 Subd. 3. **Transit information.** The board shall establish a transit information
20.33 program to provide transit users with comprehensive, accurate information on transit
20.34 schedules and service.

21.1 **Sec. 5. [473J.15] STAFFING AND EMPLOYEES.**

21.2 **Subdivision 1. Executive director.** (a) The board shall appoint an executive director
21.3 as its principal administrative officer, who serves at the pleasure of the board.

21.4 (b) The executive director has the following powers and duties:

21.5 (1) take part in board discussions, but without a vote on formal board actions;

21.6 (2) keep the board fully apprised of its financial condition, including preparation and
21.7 submission of an annual budget and other financial information as the board requests;

21.8 (3) prepare and submit for approval by the board an administrative code organizing
21.9 and codifying the policies of the board;

21.10 (4) recommend to the board for adoption measures deemed necessary for efficient
21.11 administration of the board;

21.12 (5) appoint on the basis of merit and fitness, and discipline and discharge all
21.13 employees in accordance with the board's personnel policy, except (i) the general counsel,
21.14 and (ii) metropolitan transit police officers;

21.15 (6) organize the work of board staff; and

21.16 (7) other duties as prescribed by the board.

21.17 (c) The executive director may be chosen from among the citizens of the nation at
21.18 large, and shall be selected on the basis of training and experience in public administration.

21.19 **Subd. 2. General counsel.** The board may appoint a general counsel, who serves at
21.20 the pleasure of the board.

21.21 **Subd. 3. Employees.** The board shall prescribe all terms and conditions for the
21.22 employment of its employees including, but not limited to, adopting a compensation and
21.23 classification plan for its employees. Employees of the board are public employees and are
21.24 members of the Minnesota State Retirement System. Those employed by a predecessor of
21.25 the board and transferred to it may at their option become members of the Minnesota State
21.26 Retirement System or may continue as members of the public retirement association to
21.27 which they belonged as employees of the predecessor of the board. The board shall make
21.28 the employer's contributions to pension funds of its employees.

21.29 **Subd. 4. Shared services.** The board may enter into agreements with a political
21.30 subdivision or the state relating to performance of administrative functions of the board,
21.31 including payroll and accounting, human resources, information technology services.

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

21.33 **Sec. 6. [473J.20] PLANNING AND PROGRAMMING.**

21.34 **Subdivision 1. Metropolitan planning organization.** The board is the designated
21.35 planning agency for any long-range comprehensive transportation planning required by

22.1 section 134 of the Federal Highway Act of 1962, section 4 of Urban Mass Transportation
22.2 Act of 1964, and section 112 of Federal Aid Highway Act of 1973 and other federal
22.3 transportation laws. The board shall assure administration and coordination of
22.4 transportation planning with appropriate state, regional and other agencies, counties,
22.5 and municipalities.

22.6 Subd. 2. **Long-range planning.** The board shall undertake long-range
22.7 transportation planning and adopt plans as required under sections 473.145 and 473.146.

22.8 Subd. 3. **Transit capital improvement program.** The board shall adopt and
22.9 regularly update a three-year transit capital improvement program. The program must
22.10 include a capital investment component that sets forth a capital investment strategy and
22.11 estimates the fiscal and other effects of the strategy. The component must specify, to the
22.12 extent practicable, the capital improvements to be undertaken. For each improvement
22.13 specified, the program must describe:

22.14 (1) need, function, objective, and relative priority;

22.15 (2) alternatives, including alternatives not involving capital expenditures;

22.16 (3) ownership and operating entity;

22.17 (4) location and schedule of development;

22.18 (5) environmental, social, and economic effects;

22.19 (6) cost;

22.20 (7) manner of finance and revenue sources, including federal and state funds, private
22.21 funds, taxes, and user charges; and

22.22 (8) fiscal effects, including an estimate of annual operating costs and sources of
22.23 revenue to pay the costs.

22.24 Subd. 4. **Transit service financial plan.** In each even-numbered year, the board
22.25 shall adopt a financial plan for transit service for the succeeding three calendar years, in
22.26 half-year segments. The financial plan must contain schedules of user charges and any
22.27 changes in user charges planned or anticipated by the board during the period of the
22.28 plan. The financial plan must contain a proposed request for state financial assistance for
22.29 the succeeding biennium.

22.30 Subd. 5. **Transportation improvement program.** (a) The board shall adopt and
22.31 annually update, jointly with the commissioner shall, a transportation improvement
22.32 program for the Department of Transportation's metropolitan district, as a component of
22.33 the statewide transportation improvement program adopted by the commissioner.

22.34 (b) The transportation improvement program must be in conformance with federal
22.35 law. Unless otherwise prohibited by federal law, the transportation improvement program

23.1 must identify all projects and uses of funds by the board, including grants and loans to
 23.2 local units of government.

23.3 **ARTICLE 4**

23.4 **TRANSPORTATION FINANCE**

23.5 Section 1. **[473J.30] TAX LEVIES.**

23.6 Subdivision 1. **Levy authority; transportation capital and operations.** (a) The
 23.7 board may levy a tax for transportation capital and operations within the metropolitan area,
 23.8 as provided in this section. The levy may not exceed the sum of (1) the base levy amount
 23.9 calculated under paragraph (b), plus (2) the transit shortfall levy amount calculated under
 23.10 paragraph (c), plus (3) the regional rail levy amount calculated under paragraph (d) or (e).

23.11 (b) For taxes payable in 2014, the base levy amount is equal to the average
 23.12 appropriation, in fiscal years 2010 through 2014, from the general fund to the Metropolitan
 23.13 Council for transit system operations. For taxes payable in 2015 and subsequent years,
 23.14 the base levy amount is increased each year by multiplying the base levy amount for
 23.15 the prior year by the sum of one plus the rate of increase, if any, in the implicit price
 23.16 deflator for government consumption expenditures and gross investment for state and
 23.17 local governments prepared by the Bureau of Economic Analysis of the United States
 23.18 Department of Commerce for the 12-month period ending March 31 of the calendar year
 23.19 prior to the calendar year the taxes are payable.

23.20 (c) The transit shortfall levy amount is equal to the greater of zero, or:

23.21 (1) the amount of (i) the actual total revenues credited to the metropolitan area transit
 23.22 account in the transit assistance fund for the fiscal year prior to the current fiscal year, less
 23.23 (ii) the total revenues projected by the commissioner of management and budget, in the
 23.24 latest February forecast under section 16A.103, to be credited to the metropolitan area
 23.25 transit account for the current fiscal year; plus

23.26 (2) the amount of (i) the actual total revenues credited to the metropolitan area
 23.27 transit account in the transit assistance fund for the fiscal year prior to the current fiscal
 23.28 year, less (ii) the total revenues projected by the commissioner of management and
 23.29 budget, in the February forecast under section 16A.103 created in the fiscal year prior
 23.30 to the current fiscal year, to be credited to the metropolitan area transit account for the
 23.31 fiscal year prior to the current fiscal year.

23.32 (d) For taxes payable in 2014, the regional rail levy amount is equal to the sum of
 23.33 results from the following calculation performed for each metropolitan regional railroad
 23.34 authority, as defined in section 398A.01, subdivision 4b: (1) 0.04835 percent of the total
 23.35 market value as provided to the board by the metropolitan regional railroad authority

24.1 under section 398A.04, subdivision 12; less (2) a debt service levy, if any, for taxes
24.2 payable in the next upcoming calendar year, as provided to the board by the metropolitan
24.3 regional railroad authority under section 398A.04, subdivision 12.

24.4 (e) For taxes payable in 2015 and subsequent years, the regional rail levy amount in
24.5 each year is equal to (1) the regional rail levy amount for the prior year, times the sum of
24.6 (i) one plus (ii) the rate of increase, if any, in the implicit price deflator for government
24.7 consumption expenditures and gross investment for state and local governments prepared
24.8 by the Bureau of Economic Analysis of the United States Department of Commerce for
24.9 the 12-month period ending March 31 of the calendar year prior to the calendar year the
24.10 taxes are payable; less (2) the sum of debt service levies, if any, for taxes payable in the
24.11 next upcoming calendar year, as provided to the board by each metropolitan regional
24.12 railroad authority under section 398A.04, subdivision 12.

24.13 Subd. 2. **Levy authority; debt.** The board may levy the amount necessary to
24.14 provide full and timely payment of certificates of indebtedness, bonds, including refunding
24.15 bonds or other obligations issued or to be issued under section 473J.35 for purposes of
24.16 acquisition and betterment of property and other improvements of a capital nature and to
24.17 which the board has specifically pledged tax levies under this section.

24.18 Subd. 3. **Levy certification.** After adoption of the budget under section 473J.70,
24.19 and no later than five working days following the date required under that section for final
24.20 adoption, the board shall certify to the auditor of each metropolitan county the share of the
24.21 tax to be levied within that county, which must be an amount bearing the same proportion
24.22 to the total levy agreed on by the board as the net tax capacity of the county bears to the
24.23 net tax capacity of the metropolitan area. The maximum amount of any levy made for the
24.24 purpose of this chapter may not exceed the limits set under this section.

24.25 **EFFECTIVE DATE.** This section is effective for taxes payable in 2014 and
24.26 thereafter.

24.27 **Sec. 2. [473J.35] BONDING.**

24.28 Subdivision 1. **General authority.** The board may issue general obligation bonds
24.29 subject to the volume limitations in this section to provide funds to implement the board's
24.30 transit capital improvement program and may issue general obligation bonds not subject
24.31 to the limitations for the refunding of outstanding bonds or certificates of indebtedness of
24.32 the board and judgments against the board. The board may not issue obligations pursuant
24.33 to this subdivision, other than refunding bonds, in excess of the amount specifically
24.34 authorized by law. The board shall provide for the issuance, sale, and security of the
24.35 bonds in the manner provided in chapter 475, and has the same powers and duties as a

25.1 municipality issuing bonds under that law, except that no election is required and the
25.2 net debt limitations in chapter 475 do not apply to the bonds. The obligations are not
25.3 a debt of the state or any municipality or political subdivision within the meaning of
25.4 any debt limitation or requirement pertaining to those entities. Neither the state, nor
25.5 any municipality or political subdivision except the board, nor any member or officer or
25.6 employee of the board, is liable on the obligations. The obligations may be secured by
25.7 taxes levied without limitation of rate or amount upon all taxable property in the transit
25.8 taxing district and transit area as provided in section 473J.30, subdivision 2. As part of
25.9 its levy made under section 473J.30, subdivision 2, the board shall levy the amounts
25.10 necessary to provide full and timely payment of the obligations and transfer the proceeds
25.11 to the appropriate board account for payment of the obligations. The taxes must be levied,
25.12 certified, and collected in accordance with the terms and conditions of the indebtedness.

25.13 Subd. 2. **Legal investments.** Certificates of indebtedness, bonds, or other
25.14 obligations issued by the board to which tax levies have been pledged pursuant to
25.15 section 473J.30, subdivision 2, are proper for investment of any funds by a bank, savings
25.16 bank, savings association, credit union, trust company, insurance company, or public
25.17 or municipal corporation, and may be pledged by any bank, savings bank, savings
25.18 association, credit union, or trust company as security for the deposit of public money.

25.19 Subd. 3. **Uses of investment income.** Interest or other investment earnings on the
25.20 proceeds of bonds issued under this section and on a debt service account for bonds issued
25.21 under this section must be used only to:

25.22 (1) pay capital expenditures and related expenses for which the obligations were
25.23 authorized by this section;

25.24 (2) to pay debt service on the obligations or to reduce the board's property tax levy
25.25 imposed to pay debt service on obligations issued under this section;

25.26 (3) pay rebate or yield reduction payments for the bonds to the United States;

25.27 (4) redeem or purchase the bonds; or

25.28 (5) make other payments with respect to the bonds that are necessary or desirable
25.29 to comply with federal tax rules applicable to the bonds or to comply with covenants
25.30 made with respect to the bonds.

25.31 Subd. 4. **Transit capital improvement program.** The board may not issue
25.32 obligations pursuant to this section until the board adopts a three-year transit capital
25.33 improvement program, as required under section 473J.20, subdivision 3.

25.34 Subd. 5. **Anticipation of grants.** In addition to other authority granted in this
25.35 section, the board may exercise the authority granted to an issuing political subdivision
25.36 by section 475.522.

26.1 Subd. 6. **Obligations.** After July 1, 2014, in addition to other authority in this
 26.2 section, the board may issue certificates of indebtedness, bonds, or other obligations under
 26.3 this section in an amount not exceeding \$..... for capital expenditures as prescribed in the
 26.4 board's transit capital improvement program and for related costs, including the costs of
 26.5 issuance and sale of the obligations.

26.6 **Sec. 3. [473J.40] ALLOCATION OF TRANSPORTATION FUNDS.**

26.7 Subdivision 1. **Transportation funding allocation manual.** (a) Subject to
 26.8 the requirements of this chapter, the board shall adopt and regularly revise a unified
 26.9 transportation funding allocation manual.

26.10 (b) The manual must identify all substantive policies, procedures, processes,
 26.11 standards, and guidelines used (1) by the board in allocating transportation funds, (2)
 26.12 by applicants for and recipients of financial assistance from the board. It must include
 26.13 but is not limited to:

26.14 (1) eligibility criteria for receipt of transportation funding;

26.15 (2) evaluation criteria for selection of transportation projects;

26.16 (3) a solicitation process and application requirements;

26.17 (4) minimum funding apportionments to transit providers; and

26.18 (5) policies and procedures for disbursement, audit, financial management, and
 26.19 general oversight of funding.

26.20 Subd. 2. **Board operations.** (a) The board shall retain and expend funds for board
 26.21 operations, including administration, debt service, and planning and programming under
 26.22 section 473J.20, as provided in this subdivision.

26.23 (b)

26.24 Subd. 3. **Financial assistance; general requirements, powers and duties.** (a) The
 26.25 board may only allocate funds under this section consistent with the transportation plans
 26.26 and programs required under section 473J.20 and the manual under subdivision 1.

26.27 (b) The board may make grants or loans of funds, and may establish requirements
 26.28 under contracts or agreements for allocation of funds.

26.29 Subd. 4. **Financial assistance; minimum apportionments to transit providers.**

26.30 (a) The board shall provide minimum apportionments of funds to transit providers, without
 26.31 application, as provided in this subdivision.

26.32 (b)

26.33 Subd. 5. **Financial assistance; aid for transportation projects.** (a) The board
 26.34 shall award funds following the requirements of the manual under subdivision 1, and
 26.35 as provided in this subdivision.

27.1 (b)

27.2 Subd. 6. **Financial assistance; allocation of federal aid.** (a) The board shall
 27.3 allocate federal assistance following the requirements of the manual under subdivision 1,
 27.4 and as provided in this subdivision.

27.5 (b)

27.6 Subd. 7. **Metropolitan transportation sales tax.** The board shall oversee
 27.7 implementation of the metropolitan transportation sales tax as provided in section
 27.8 297A.992.

27.9 Subd. 8. **Legislative report.** (a) By January 15 annually, the board shall
 27.10 electronically submit a report to the legislative committees with jurisdiction over
 27.11 transportation finance and policy concerning fiscal operation of the board.

27.12 (b) The report must include, but is not limited, to:

27.13 (1) a review of the funding allocation manual required under subdivision 1; and

27.14 (2) funds received and allocations made for transit service and other transportation
 27.15 projects, with a breakdown for funds from:

27.16 (i) the metropolitan transit account in the transit assistance fund;

27.17 (ii) general obligation bonds of the state provided to the board, including for grants
 27.18 to another political subdivision;

27.19 (iii) board levies under section 473J.30;

27.20 (iv) bonds issued by the board under section 473J.35;

27.21 (v) the metropolitan transportation sales tax imposed under section 297A.992; and

27.22 (vi) each source of federal funds.

27.23 Sec. 4. **[473J.70] FINANCIAL MANAGEMENT.**

27.24 Subdivision 1. **Annual budget.** (a) On or before December 20 of each year,
 27.25 each regional agency shall adopt a final budget covering its anticipated receipts and
 27.26 disbursements for the ensuing year, and shall if so authorized decide upon the total amount
 27.27 necessary to be raised from ad valorem tax levies to meet its budget.

27.28 (b) The budget must provide:

27.29 (1) operating revenues from each source, including funds on hand at the beginning
 27.30 of the year;

27.31 (2) expenditures for:

27.32 (i) operation, maintenance, administration, and debt service;

27.33 (ii) each major category, including salaries and benefits, consultant services,
 27.34 materials and supplies, rent and utilities, overhead, and travel; and

27.35 (iii) each program to be undertaken;

- 28.1 (3) capital expenditures for the budget year;
- 28.2 (4) capital improvement funds estimated to be on hand at the beginning of the year
- 28.3 and estimated to be received during the year from all sources and estimated cost of capital
- 28.4 improvements to be paid out or expended during the year;
- 28.5 (5) estimated sources and uses of pass-through funds; and
- 28.6 (6) a listing, by contract or project, of expenditures for consultants and professional,
- 28.7 technical, and other similar services for both the preceding fiscal year and those proposed
- 28.8 or anticipated in the next year.
- 28.9 (c) In addition to the requirements under paragraph (b), in its annual budget the
- 28.10 board must include:
- 28.11 (1) an overview of the transit capital improvement program required under section
- 28.12 473J.20, subdivision 3; and
- 28.13 (2) the transit service financial plan required under section 473J.20, subdivision 4.
- 28.14 (d) Each regional agency shall consult with the state auditor and the legislative
- 28.15 auditor on how to coherently and effectively communicate the budget information
- 28.16 required under this subdivision.
- 28.17 (e) Each regional agency shall submit electronic copies of the budget to the
- 28.18 legislative committees having jurisdiction over transportation policy and finance and
- 28.19 metropolitan government. A submission under this paragraph is subject to section 3.195.
- 28.20 Subd. 2. **Financial aid.** A regional agency may accept financial aid from
- 28.21 governmental units within the metropolitan area, from the state or federal government,
- 28.22 and from private donors, if the conditions under which it is offered are not incompatible
- 28.23 with the provisions of this chapter.
- 28.24 Subd. 3. **Accounts.** Each regional agency shall keep an accurate account of
- 28.25 its receipts and disbursements. The board shall establish procedures for approval,
- 28.26 disbursement, and audit of expenditures.
- 28.27 Subd. 4. **Audit.** The state auditor shall audit the books and accounts of each
- 28.28 regional agency once each year, or as often as funds and personnel of the state auditor
- 28.29 permit. The regional agency shall pay to the state the total cost and expenses of the
- 28.30 examination, including the salaries paid to the auditors while actually engaged in making
- 28.31 the examination. The general fund must be credited with all collections made for any
- 28.32 examination.

ARTICLE 5

METROPOLITAN TRANSIT COMMISSION

28.35 Section 1. [473J.50] METROPOLITAN TRANSIT COMMISSION.

29.1 Subdivision 1. **Commission created.** A metropolitan transit commission is
29.2 established as a political subdivision of the state.

29.3 Subd. 2. **Membership; chair.** (a) The commission consists of five members,
29.4 appointed as follows:

29.5 (1) one member from each county located in the metropolitan area having one or
29.6 more cities of the first class, appointed by the respective county boards;

29.7 (2) one member from a county located in the metropolitan area outside of those
29.8 counties appointing members under clause (1), appointed by mutual consent of the county
29.9 boards in the metropolitan area, excluding those counties appointing members under
29.10 clause (1); and

29.11 (3) one member from each city of the first class located in the metropolitan area,
29.12 appointed by the respective city councils.

29.13 (b) The chair shall be selected by and from among the members of the commission.

29.14 Subd. 3. **Vacancies.** If any commission position becomes vacant, the vacancy
29.15 must be filled in the same manner in which the last regular appointment for that position
29.16 was made. An office shall be deemed vacant under the conditions specified in chapter
29.17 351. A person appointed to fill a vacancy serves to the end of the term of the person
29.18 who vacated the position.

29.19 Subd. 4. **Terms.** (a) Each member appointed to serve on the commission serves a
29.20 four-year term and until a successor is appointed and takes office.

29.21 (b) The chair serves for a term of two years and may serve as chair for no more than
29.22 four consecutive terms.

29.23 Subd. 5. **Qualifications.** Each member of the commission must have transit,
29.24 governmental, or management experience. A member may not during a term of office
29.25 on the commission be a member of the Regional Transportation Governance Board,
29.26 the Metropolitan Council, a metropolitan agency, or any other independent regional
29.27 commission, board, or agency, or hold any judicial office.

29.28 Subd. 6. **Compensation.** Members of the commission may be compensated as
29.29 provided in section 15.0575, subdivision 3.

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

29.31 Sec. 2. **[473J.52] METROPOLITAN TRANSIT COMMISSION; POWERS AND**
29.32 **DUTIES.**

29.33 Subdivision 1. **General responsibilities.** The commission is responsible for:

29.34 (1) management and operation of:

29.35 (i) Metro Transit, including bus, light rail transit, and commuter rail;

30.1 (ii) Metro Mobility;
30.2 (iii) Transit Link and other paratransit services and programs; and
30.3 (iv) ridesharing programs; and
30.4 (2) administration of contracts for transit service within the commission's service
30.5 area.

30.6 Subd. 2. **Contracting.** The commission may contract with other operators or local
30.7 governments for route planning and scheduling services in any configuration of new, or
30.8 reconfiguration of existing, transit services and routes.

30.9 Subd. 3. **Transfer of public property.** Any state department or other agency of the
30.10 state government or any county, municipality, or other public agency may sell, lease, grant,
30.11 transfer, or convey to the commission, with or without consideration, any facilities or any
30.12 real or personal property, which may be useful to the commission for any authorized
30.13 purpose. In any case where the construction of a facility has not been completed, the
30.14 public agency concerned may also transfer, sell, assign, and set over to the commission,
30.15 with or without consideration, any existing contract for the construction of the facilities.

30.16 Subd. 4. **Actions.** The commission may sue and be sued.

30.17 Subd. 5. **Data practices; open meetings.** Except as otherwise provided in this
30.18 chapter, the commission is subject to chapters 13 and 13D.

30.19 Subd. 6. **Electronic reports.** For any legislative report required to be submitted by
30.20 the committee by law, in which the report may or must be submitted electronically, the
30.21 committee shall meet the requirements under section 3.195, subdivision 1.

30.22 Subd. 7. **Ride-sharing program.** The commission shall administer a ride-sharing
30.23 program in the metropolitan area, except for the statewide vanpool leasing program
30.24 conducted by the commissioner of transportation, and shall cooperate with the
30.25 commissioner in the conduct of ride-sharing activities in areas where the commissioner's
30.26 programs and the commission's program overlap. The commission shall establish a
30.27 rideshare advisory committee to advise it in carrying out the program. The commission
30.28 may contract for services in operating the program.

30.29 Subd. 8. **Light rail transit.** The commission shall operate all light rail transit
30.30 facilities and services located in the metropolitan area, upon completion of construction
30.31 of the facilities and the commencement of revenue service using the facilities. The
30.32 commission may not allow the commencement of revenue service until after an
30.33 appropriate period of acceptance testing to ensure safe and satisfactory performance.

30.34 Subd. 9. **Commuter rail.** Notwithstanding the provisions of sections 174.82 and
30.35 174.90, the commission shall operate and maintain commuter rail facilities and services in
30.36 any corridor that is located in whole or in part in the metropolitan area. The commission's

31.1 operation and maintenance of the facilities and services must commence upon completion
 31.2 of the planning, development, and construction of the commuter rail facilities and the
 31.3 commencement of pre-revenue service.

31.4 Sec. 3. **[473J.55] METROPOLITAN TRANSIT COMMISSION; STAFFING**
 31.5 **AND EMPLOYEES.**

31.6 Subdivision 1. **General manager.** The commission shall appoint a general manager
 31.7 as its principal administrative officer, who serves at the pleasure of the commission.

31.8 Subd. 2. **General counsel.** The commission may appoint a general counsel, who
 31.9 serves at the pleasure of the commission.

31.10 Subd. 3. **Employees.** The commission shall prescribe all terms and conditions for
 31.11 the employment of its employees including, but not limited to, adopting a compensation
 31.12 and classification plan for its employees. Employees of the commission are public
 31.13 employees and are members of the Minnesota State Retirement System. Those employed
 31.14 by a predecessor of the commission and transferred to it may at their option become
 31.15 members of the Minnesota State Retirement System or may continue as members of the
 31.16 public retirement association to which they belonged as employees of the predecessor of
 31.17 the commission. The commission shall make the employer's contributions to pension
 31.18 funds of its employees.

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

31.20 **ARTICLE 6**

31.21 **SALES TAXES**

31.22 Section 1. Minnesota Statutes 2010, section 16A.88, subdivision 2, is amended to read:

31.23 Subd. 2. **Metropolitan area transit account.** The metropolitan area transit account
 31.24 is established within the transit assistance fund in the state treasury. All money in the
 31.25 account is annually appropriated to the ~~Metropolitan Council~~ Regional Transportation
 31.26 Governance Board for the funding of transit systems within the metropolitan area under
 31.27 ~~sections 473.384, 473.386, 473.387, 473.388, and 473.405 to 473.449~~ chapter 473J.

31.28 Sec. 2. Minnesota Statutes 2010, section 297A.992, as amended by Laws 2011 ... ,
 31.29 is amended to read:

31.30 **297A.992 METROPOLITAN TRANSPORTATION AREA SALES TAX.**

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

32.1 (1) "board" means the Regional Transportation Governance Board established under
 32.2 chapter 473J;

32.3 (2) "metropolitan transportation area" means the counties participating in the joint
 32.4 powers agreement under subdivision 3;

32.5 ~~(2)~~ (3) "eligible county" means the county of Anoka, Carver, Dakota, Hennepin,
 32.6 Ramsey, Scott, or Washington;

32.7 ~~(3)~~ (4) "committee" means the Grant Evaluation and Ranking System (GEARS)
 32.8 Committee on Transportation Investment Budgeting (CTIB);

32.9 ~~(4)~~ (5) "minimum guarantee county" means any metropolitan county or eligible
 32.10 county that is participating in the joint powers agreement under subdivision 3, whose
 32.11 proportion of the annual sales tax revenue under this section collected within that county
 32.12 is less than or equal to three percent; and

32.13 ~~(5)~~ (6) "population" means the population, as defined in section 477A.011,
 32.14 subdivision 3, estimated or established by July 15 of the year prior to the calendar year
 32.15 in which the representatives will serve on the Grant Evaluation and Ranking System
 32.16 Committee established under subdivision 5.

32.17 Subd. 2. **Authorization; rates.** (a) Notwithstanding section 297A.99, subdivisions
 32.18 1, 2, and 3, or 477A.016, or any other law, the board of a county participating in a
 32.19 joint powers agreement as specified in this section shall impose by resolution (1) a
 32.20 transportation sales and use tax at a rate of one-quarter of one percent on retail sales and
 32.21 uses taxable under this chapter, and (2) an excise tax of \$20 per motor vehicle, as defined
 32.22 in section 297B.01, subdivision 11, purchased or acquired from any person engaged in the
 32.23 business of selling motor vehicles at retail, occurring within the jurisdiction of the taxing
 32.24 authority. The taxes authorized are to fund transportation improvements as specified in
 32.25 this section, including debt service on obligations issued to finance such improvements
 32.26 pursuant to subdivision 7.

32.27 (b) The tax imposed under this section is not included in determining if the total tax
 32.28 on lodging in the city of Minneapolis exceeds the maximum allowed tax under Laws 1986,
 32.29 chapter 396, section 5, as amended by Laws 2001, First Special Session chapter 5, article
 32.30 12, section 87, or in determining a tax that may be imposed under any other limitations.

32.31 Subd. 3. **Joint powers agreement.** Before imposing the taxes authorized in
 32.32 subdivision 2, an eligible county must declare by resolution of its county board to be part
 32.33 of the metropolitan transportation area and must enter into a joint powers agreement. The
 32.34 joint powers agreement:

32.35 (1) must form a joint powers board committee, as specified in subdivision 4;

33.1 (2) must provide a process that allows any eligible county, by resolution of its
 33.2 county board, to join the ~~joint powers board~~ committee and impose the taxes authorized in
 33.3 subdivision 2;

33.4 (3) may provide for withdrawal of a participating county before final termination of
 33.5 the agreement; and

33.6 (4) may provide for a weighted voting system for ~~joint powers board decisions~~
 33.7 committee recommendations.

33.8 Subd. 4. **Joint powers board Committee on Transportation Investment**

33.9 **Budgeting (CTIB)**. (a) The ~~joint powers board~~ committee must consist of one or more
 33.10 commissioners of each county that is in the metropolitan transportation area, appointed by
 33.11 its county board, ~~and the chair of the Metropolitan Council, who must have voting rights,~~
 33.12 ~~subject to subdivision 3, clause (4). The joint powers board has the powers and duties~~
 33.13 ~~provided in this section and section 471.59.~~ The committee is an advisory body of the
 33.14 Regional Transportation Governance Board, as provided under this section.

33.15 (b) The committee shall appoint a chair from among its members. The chair may not
 33.16 be the same person who is chair of the board.

33.17 ~~The joint powers board~~ (c) Subject to authorization by the board, the committee
 33.18 may utilize no more than up to three-fourths of one percent of the proceeds of the taxes
 33.19 imposed under this section for ordinary administrative expenses incurred in carrying out
 33.20 the provisions of this section. Any additional administrative expenses must be paid by
 33.21 the participating counties.

33.22 ~~(c) The joint powers board may establish a technical advisory group that is separate~~
 33.23 ~~from the GEARS Committee. The group must consist of representatives of cities, counties,~~
 33.24 ~~or public agencies, including the Metropolitan Council. The technical advisory group~~
 33.25 ~~must be used solely for technical consultation purposes.~~

33.26 Subd. 4a. **Timeline; procedures; criteria.** The board shall establish a timeline and
 33.27 procedures for the award of grants under this section, and may award grants only to the
 33.28 state and political subdivisions. The board shall define objective criteria for the evaluation
 33.29 and award of grants, which must include, but not be limited to, consistency with (1) other
 33.30 transportation funding allocations made by the board, and (2) the most recent version of
 33.31 the transportation policy plan adopted by the board under section 473.146. The board shall
 33.32 maximize the availability and use of federal funds in projects funded.

33.33 Subd. 4b. **Grant awards and allocation.** (a) Upon receipt from the committee
 33.34 of the funding recommendation under subdivision 5, the board shall either (1) adopt
 33.35 the recommendation and fund projects at the amounts specifically provided in the
 33.36 recommendation; or (2) reject the recommendation and return it to the committee for

34.1 further evaluation, with comments as appropriate. The board may not award grants under
 34.2 this section except following an adopted recommendation from the committee.

34.3 (b) The board may allocate grants for any transportation purpose, including but
 34.4 not limited to:

34.5 (1) assistance for highway and bridge projects;

34.6 (2) capital and operating assistance for regular route bus service;

34.7 (3) capital and operating assistance for transit ways, including bus rapid transit;

34.8 (4) capital costs for park-and-ride facilities; and

34.9 (5) feasibility studies, planning, alternatives analyses, environmental studies,

34.10 engineering, and property acquisition for transportation projects.

34.11 (c) Grants must be funded by the proceeds of the taxes imposed under this section,
 34.12 bonds, notes, or other obligations issued under subdivision 7.

34.13 (d) The board must annually award grants to each minimum guarantee county in an
 34.14 amount no less than the amount of sales tax revenue collected within that county.

34.15 (e) No more than 1.25 percent of the total awards may be annually allocated for
 34.16 planning, studies, design, construction, maintenance, and operation of pedestrian programs
 34.17 and bicycle programs and pathways.

34.18 **Subd. 5. Grant application and awards; ~~Grant Evaluation and Ranking System~~**
 34.19 **~~(GEARS) Committee evaluation.~~** (a) The ~~joint powers board~~ committee shall establish a

34.20 grant application process and identify the amount of available funding for grant awards.

34.21 Grant applications must be submitted in a form prescribed by the ~~joint powers board~~

34.22 committee. An applicant must provide, in addition to all other information required by the

34.23 ~~joint powers board~~ committee, the estimated cost of the project, the amount of the grant

34.24 sought, possible sources of funding in addition to the grant sought, and identification

34.25 of any federal funds that will be utilized if the grant is awarded. A grant application

34.26 seeking transit capital funding must identify the source of money necessary to operate

34.27 the transit improvement.

34.28 ~~(b) The joint powers board shall establish a timeline and procedures for the award of~~

34.29 ~~grants, and may award grants only to the state and political subdivisions. The board shall~~

34.30 ~~define objective criteria for the award of grants, which must include, but not be limited to,~~

34.31 ~~consistency with the most recent version of the transportation policy plan adopted by the~~

34.32 ~~Metropolitan Council under section 473.146. The joint powers board shall maximize the~~

34.33 ~~availability and use of federal funds in projects funded under this section.~~

34.34 ~~(c) (b) The joint powers board shall~~ committee may establish a ~~GEARS Committee~~

34.35 grant evaluation and ranking subcommittee (GEARS) to advise on evaluation of grant

34.36 applications, which if established must consist of:

35.1 (1) one county commissioner from each county that is in the metropolitan
35.2 transportation area, appointed by its county board;

35.3 (2) one elected city representative from each county that is in the metropolitan
35.4 transportation area; and

35.5 (3) one additional elected city representative from each county for every additional
35.6 400,000 in population, or fraction of 400,000, in the county that is above 400,000 in
35.7 population; and

35.8 ~~(4) the chair of the Metropolitan Council Transportation Committee.~~

35.9 ~~(d)~~ (c) Each city representative under paragraph (b) must be elected at a meeting of
35.10 cities in the metropolitan transportation area, which must be convened for that purpose by
35.11 the Association of Metropolitan Municipalities.

35.12 ~~(e)~~ (d) The committee shall evaluate grant applications following objective criteria
35.13 established by the ~~joint powers~~ board, and must provide to the ~~joint powers~~ board a
35.14 ~~selection list of~~ recommendation for funding transportation projects that includes funding
35.15 amounts and a priority ranking.

35.16 ~~(f) A grant award for a transit project located within the metropolitan area, as defined~~
35.17 ~~in section 473.121, subdivision 2, may be funded only after the Metropolitan Council~~
35.18 ~~reviews the project for consistency with the transit portion of the Metropolitan Council~~
35.19 ~~policy plan and one of the following occurs:~~

35.20 ~~(1) the Metropolitan Council finds the project to be consistent;~~

35.21 ~~(2) the Metropolitan Council initially finds the project to be inconsistent, but after a~~
35.22 ~~good faith effort to resolve the inconsistency through negotiations with the joint powers~~
35.23 ~~board, agrees that the grant award may be funded; or~~

35.24 ~~(3) the Metropolitan Council finds the project to be inconsistent, and submits the~~
35.25 ~~consistency issue for final determination to a panel, which determines the project to be~~
35.26 ~~consistent. The panel is composed of a member appointed by the chair of the Metropolitan~~
35.27 ~~Council, a member appointed by the joint powers board, and a member agreed upon by~~
35.28 ~~both the chair and the joint powers board.~~

35.29 ~~(g) Grants must be funded by the proceeds of the taxes imposed under this section,~~
35.30 ~~bonds, notes, or other obligations issued by the joint powers board under subdivision 7.~~

35.31 ~~(h) Notwithstanding the provisions of this section except subdivision 6a, of~~
35.32 ~~the revenue collected under this section, the joint powers board shall allocate to the~~
35.33 ~~Metropolitan Council, in fiscal years 2012 and 2013, an amount not less than 75 percent of~~
35.34 ~~the net cost of operations for those transit ways that were receiving metropolitan sales tax~~
35.35 ~~funds through an operating grant agreement on June 30, 2011.~~

36.1 ~~(i) The Metropolitan Council shall expend any funds allocated under paragraph (h)~~
 36.2 ~~for the operations of the specified transit ways solely within those counties that are in the~~
 36.3 ~~metropolitan transportation area.~~

36.4 ~~(j) Nothing in paragraph (h) or (i) prevents grant awards to the Metropolitan Council~~
 36.5 ~~for capital and operating assistance for transit ways and park-and-ride facilities.~~

36.6 ~~Subd. 6. **Allocation of grant awards.** (a) The board must allocate grant awards~~
 36.7 ~~only for the following transit purposes:~~

36.8 ~~(i) capital improvements to transit ways, including, but not limited to, commuter~~
 36.9 ~~rail rolling stock, light rail vehicles, and transit way buses;~~

36.10 ~~(ii) capital costs for park-and-ride facilities, as defined in section 174.256,~~
 36.11 ~~subdivision 2;~~

36.12 ~~(iii) feasibility studies, planning, alternatives analyses, environmental studies,~~
 36.13 ~~engineering, property acquisition for transit way purposes, and construction of transit~~
 36.14 ~~ways; and~~

36.15 ~~(iv) operating assistance for transit ways.~~

36.16 ~~(b) The joint powers board must annually award grants to each minimum guarantee~~
 36.17 ~~county in an amount no less than the amount of sales tax revenue collected within that~~
 36.18 ~~county.~~

36.19 ~~(c) No more than 1.25 percent of the total awards may be annually allocated for~~
 36.20 ~~planning, studies, design, construction, maintenance, and operation of pedestrian programs~~
 36.21 ~~and bicycle programs and pathways.~~

36.22 ~~Subd. 6a. **Priority of fund uses.** The joint powers board shall allocate all revenues~~
 36.23 ~~from the taxes imposed under this section in conformance with the following priority order:~~

36.24 ~~(1) payment of debt service necessary for the fiscal year on bonds or other~~
 36.25 ~~obligations issued prior to January 1, 2011, under subdivision 7; and~~

36.26 ~~(2) as otherwise authorized under this section.~~

36.27 ~~Subd. 7. **Bonds.** (a) The joint powers board or any Subject to authorization by~~
 36.28 ~~the board, a county, acting under a joint powers agreement as specified in this section;~~
 36.29 ~~may, by resolution;~~

36.30 ~~(1) authorize, issue, and sell its bonds, notes, or other obligations for the purpose of~~
 36.31 ~~funding grants under subdivision 6; and~~

36.32 ~~(2) The joint powers board or county may also, by resolution, issue bonds to refund~~
 36.33 ~~the bonds issued pursuant to this subdivision.~~

36.34 ~~(b) The bonds of the joint powers board must be limited obligations, payable solely~~
 36.35 ~~from or secured by taxes levied under this section.~~

37.1 ~~(e)~~ The bonds of any county may be limited obligations, payable solely from or
 37.2 secured by taxes levied under this section. A county may also pledge its full faith, credit,
 37.3 and taxing power as additional security for the bonds.

37.4 ~~(d)~~ (c) Bonds may be issued in one or more series and sold without an election. The
 37.5 bonds shall be secured, bear the interest rate or rates or a variable rate, have the rank or
 37.6 priority, be executed in the manner, be payable in the manner, mature, and be subject to
 37.7 the defaults, redemptions, repurchases, tender options, or other terms, and shall be sold
 37.8 in such manner as ~~the joint powers board, the regional railroad authority, or the county~~
 37.9 may determine.

37.10 ~~(e) The joint powers board or any regional railroad authority or~~ (d) Any county may
 37.11 enter into and perform all contracts deemed necessary or desirable by it to issue and secure
 37.12 the bonds, including an indenture of trust with a trustee within or without the state.

37.13 ~~(f)~~ (d) Except as otherwise provided in this subdivision, the bonds must be issued
 37.14 and sold in the manner provided under chapter 475.

37.15 ~~(g) The joint powers board or any regional railroad authority wholly within the~~
 37.16 ~~metropolitan transportation area also may authorize, issue, and sell its bonds, notes, or~~
 37.17 ~~other obligations for the purposes, and in accordance with the procedures, set forth in~~
 37.18 ~~section 398A.07 to fund grants as provided in subdivision 6. The bonds of any regional~~
 37.19 ~~railroad authority may be limited obligations, payable solely from or secured by taxes~~
 37.20 ~~levied under this section. A regional railroad authority may also pledge its taxing powers~~
 37.21 ~~as additional security for the bonds.~~

37.22 Subd. 8. **Allocation of revenues.** After the deductions allowed in section 297A.99,
 37.23 subdivision 11, the commissioner of revenue shall remit the proceeds of the taxes imposed
 37.24 under this section on a monthly basis, as directed by the ~~joint powers~~ board under this
 37.25 section.

37.26 Subd. 9. **Administration, collection, enforcement.** Except as otherwise provided
 37.27 in this section, the provisions of section 297A.99, subdivisions 4 and 6 to 12a, govern the
 37.28 administration, collection, and enforcement of the tax authorized under this section.

37.29 Subd. 10. **Termination of taxes.** (a) The taxes imposed under section 297A.99,
 37.30 subdivision 1, by a county that withdraws from the joint powers agreement pursuant to
 37.31 subdivision 3, clause (3), shall terminate when the county has satisfied its portion, as
 37.32 defined in the joint powers agreement, of all outstanding bonds or obligations entered into
 37.33 while the county was a member of the agreement.

37.34 (b) If the joint powers agreement under subdivision 3 is terminated, the taxes
 37.35 imposed under section 297A.99, subdivision 1, at the time of the agreement termination

38.1 will terminate when all outstanding bonds or obligations are satisfied. The auditors of the
 38.2 counties in which the taxes are imposed shall see to the administration of this paragraph.

38.3 ~~Subd. 11. **Report.** The joint powers board shall report annually by February 1 to the~~
 38.4 ~~house of representatives and senate committees having jurisdiction over transportation~~
 38.5 ~~policy and finance concerning the revenues received and grants awarded.~~

38.6 ~~Subd. 12. **Grant awards to Metropolitan Council.** Any grant award under this~~
 38.7 ~~section made to the Metropolitan Council must supplement, and must not supplant,~~
 38.8 ~~operating and capital assistance provided by the state.~~

38.9 Sec. 3. **REPEALER.**

38.10 Minnesota Statutes 2010, section 297A.992, subdivisions 6, 11, and 12, are repealed.

38.11 ARTICLE 7

38.12 CONFORMING CHANGES

38.13 Section 1. Minnesota Statutes 2011 Supplement, section 10A.01, subdivision 35,
 38.14 is amended to read:

38.15 Subd. 35. **Public official.** "Public official" means any:

38.16 (1) member of the legislature;

38.17 (2) individual employed by the legislature as secretary of the senate, legislative
 38.18 auditor, chief clerk of the house of representatives, revisor of statutes, or researcher,
 38.19 legislative analyst, or attorney in the Office of Senate Counsel and Research or House
 38.20 Research;

38.21 (3) constitutional officer in the executive branch and the officer's chief administrative
 38.22 deputy;

38.23 (4) solicitor general or deputy, assistant, or special assistant attorney general;

38.24 (5) commissioner, deputy commissioner, or assistant commissioner of any state
 38.25 department or agency as listed in section 15.01 or 15.06, or the state chief information
 38.26 officer;

38.27 (6) member, chief administrative officer, or deputy chief administrative officer of a
 38.28 state board or commission that has either the power to adopt, amend, or repeal rules under
 38.29 chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

38.30 (7) individual employed in the executive branch who is authorized to adopt, amend,
 38.31 or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

38.32 (8) executive director of the State Board of Investment;

38.33 (9) deputy of any official listed in clauses (7) and (8);

38.34 (10) judge of the Workers' Compensation Court of Appeals;

39.1 (11) administrative law judge or compensation judge in the State Office of
 39.2 Administrative Hearings or unemployment law judge in the Department of Employment
 39.3 and Economic Development;

39.4 (12) member, regional administrator, division director, general counsel, or operations
 39.5 manager of the Metropolitan Council;

39.6 (13) member or chief administrator of a metropolitan agency;

39.7 (14) director of the Division of Alcohol and Gambling Enforcement in the
 39.8 Department of Public Safety;

39.9 (15) member or executive director of the Higher Education Facilities Authority;

39.10 (16) member of the board of directors or president of Enterprise Minnesota, Inc.;

39.11 (17) member of the board of directors or executive director of the Minnesota State
 39.12 High School League;

39.13 (18) member of the Minnesota Ballpark Authority established in section 473.755;

39.14 (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;

39.15 (20) manager of a watershed district, or member of a watershed management
 39.16 organization as defined under section 103B.205, subdivision 13;

39.17 (21) supervisor of a soil and water conservation district;

39.18 (22) director of Explore Minnesota Tourism;

39.19 (23) citizen member of the Lessard-Sams Outdoor Heritage Council established in
 39.20 section 97A.056; ~~or~~

39.21 (24) a citizen member of the Clean Water Council established in section 114D.30₂;

39.22 (25) member, executive director, or general counsel of the Regional Transportation
 39.23 Governance Board; or

39.24 (26) member, general manager, or general counsel of the Metropolitan Transit
 39.25 Commission.

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

39.27 Sec. 2. Minnesota Statutes 2010, section 398A.01, is amended by adding a subdivision
 39.28 to read:

39.29 Subd. 4a. **Metropolitan area.** "Metropolitan area" has the meaning given in section
 39.30 473.121, subdivision 2.

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

39.32 Sec. 3. Minnesota Statutes 2010, section 398A.01, is amended by adding a subdivision
 39.33 to read:

40.1 Subd. 4b. **Metropolitan regional railroad authority.** "Metropolitan regional
 40.2 railroad authority" means any regional railroad authority that is organized as provided
 40.3 under section 398A.03, before the effective date of this subdivision, by one or more
 40.4 political subdivisions located whether wholly or in part within the metropolitan area.

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

40.6 Sec. 4. Minnesota Statutes 2010, section 398A.02, is amended to read:

40.7 **398A.02 PURPOSE.**

40.8 The purpose of ~~the Regional Railroad Authorities Act~~ this chapter is to provide a
 40.9 means whereby one or more municipalities located outside of the metropolitan area,
 40.10 with state and federal aids as may be available, may provide for the preservation and
 40.11 improvement of local rail service for agriculture, industry, or passenger traffic and provide
 40.12 for the preservation of abandoned rail right-of-way for future transportation uses, when
 40.13 determined to be practicable and necessary for the public welfare, particularly in the case
 40.14 of abandonment of local rail lines.

40.15 Sec. 5. Minnesota Statutes 2010, section 398A.04, subdivision 2, is amended to read:

40.16 **Subd. 2. Railroad acquisition and operation.** The authority may plan, establish,
 40.17 acquire, develop, construct, purchase, enlarge, extend, improve, maintain, equip, operate,
 40.18 regulate, and protect railroads and railroad facilities, including but not limited to terminal
 40.19 buildings, roadways, crossings, bridges, causeways, tunnels, equipment, and rolling
 40.20 stock. The authority may not expend state or federal funds to engage in planning for
 40.21 or development of light rail transit or commuter rail transit, unless (1) this activity is
 40.22 consistent with ~~a plan~~ plans adopted by the department of transportation under ~~section~~
 40.23 sections 174.03 and 174.84, by the Regional Transportation Governance Board ~~and a plan~~
 40.24 ~~adopted by the metropolitan council~~ under section 473.399, and (2) is carried out pursuant
 40.25 to a memorandum of understanding executed by the authority and the commissioner
 40.26 after appropriate consultation with the ~~metropolitan council~~ Regional Transportation
 40.27 Governance Board.

40.28 Sec. 6. Minnesota Statutes 2010, section 398A.04, is amended by adding a subdivision
 40.29 to read:

40.30 Subd. 12. **Limitations; metropolitan area.** (a) No municipality located whether
 40.31 wholly or in part within the metropolitan area, may on or after the effective date of

41.1 this subdivision, adopt an organization resolution, as provided under section 398A.03,
41.2 subdivision 1, to establish a regional railroad authority under this chapter.

41.3 (b) Notwithstanding any provisions of this chapter to the contrary, a metropolitan
41.4 regional railroad authority does not have the powers and duties of a regional railroad
41.5 authority otherwise provided under this chapter, except:

41.6 (1) as specifically necessary to levy a tax under subdivision 8, solely in an amount
41.7 necessary to pay the principal and interest on obligations issued under section 398A.07
41.8 prior to the effective date of this subdivision;

41.9 (2) to perform the notification required under paragraph (c); and

41.10 (3) as provided under section 398A.03, subdivisions 5, 6, and 7, only as necessary to
41.11 carry out those powers and duties retained under this subdivision.

41.12 (c) Annually by March 31, a metropolitan regional railroad authority shall notify the
41.13 Regional Transportation Governance Board of a debt service levy, if any, which is equal
41.14 to the amount to be levied under paragraph (b), clause (1), for taxes payable in the next
41.15 upcoming calendar year. By March 31, 2013, a metropolitan regional railroad authority
41.16 shall notify the Regional Transportation Governance Board of the total market value,
41.17 which is equal to the market value of all taxable property situated within the municipality
41.18 or municipalities named in the organization resolution of the regional railroad authority, as
41.19 identified for the levy limit under subdivision 8.

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

41.21 Sec. 7. Minnesota Statutes 2010, section 473.143, subdivision 1, is amended to read:

41.22 Subdivision 1. **Application.** For purposes of this section, "agency" means a
41.23 metropolitan agency as defined in section 473.121, except the Metropolitan Parks and
41.24 Open Space Commission. Agency also means (1) the Metropolitan Mosquito Control
41.25 Commission, (2) the Regional Transportation Governance Board under section 473J.05,
41.26 and the Metropolitan Transit Commission under section 473.50. For purposes of this
41.27 section, "commissioner" means the commissioner of the state Department of Management
41.28 and Budget.

41.29 Sec. 8. Minnesota Statutes 2010, section 473.145, is amended to read:

41.30 **473.145 REGIONAL DEVELOPMENT ~~GUIDE~~ FRAMEWORK.**

41.31 (a) The Metropolitan Council and the Regional Transportation Governance
41.32 Board under chapter 473J shall in coordination prepare and respectively adopt, after
41.33 appropriate study and such public hearings as may be necessary, a comprehensive regional

42.1 development ~~guide~~ framework for the metropolitan area. It ~~shall~~ must consist of a
 42.2 compilation of policy statements, goals, standards, programs, and maps prescribing guides
 42.3 for the orderly and economical development, public and private, of the metropolitan
 42.4 area. The ~~comprehensive regional development guide~~ shall framework must recognize
 42.5 and encompass physical, social, or economic needs of the metropolitan area and those
 42.6 future developments which will have an impact on the entire area, including but not
 42.7 limited to such matters as: land use, parks and open space land needs, the necessity for
 42.8 and location of airports, highways, transit facilities, public hospitals, libraries, schools,
 42.9 and other public buildings.

42.10 (b) The Regional Transportation Governance Board is responsible for the
 42.11 transportation portion of the regional development framework, and the Metropolitan
 42.12 Council is responsible for the remaining portions of the framework.

42.13 Sec. 9. Minnesota Statutes 2010, section 473.146, subdivision 1, is amended to read:

42.14 Subdivision 1. **Requirement.** (a) The council shall adopt a long-range
 42.15 comprehensive policy plan for ~~transportation and~~ wastewater treatment. The Regional
 42.16 Transportation Governance Board under chapter 473J shall adopt a long-range
 42.17 comprehensive transportation policy plan.

42.18 (b) ~~The plans~~ Each policy plan required under paragraph (a) must substantially
 42.19 conform to all policy statements, purposes, goals, standards, and maps in the regional
 42.20 development ~~guide developed and adopted by the council under this chapter~~ framework
 42.21 under section 473.145. Each policy plan must include, to the extent appropriate to the
 42.22 functions, services, and systems covered, the following:

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

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

42.28 (3) a statement of the ~~council's~~ goals, objectives, and priorities with respect to the
 42.29 functions, services, and systems covered, addressing areas and populations to be served,
 42.30 the levels, distribution, and staging of services; a general description of the facility
 42.31 systems required to support the services; the estimated cost of improvements required to
 42.32 achieve ~~the council's~~ goals for the regional systems, including an analysis of what portion
 42.33 of the funding for each improvement is proposed to come from the state, Metropolitan
 42.34 Council or Regional Transportation Governance Board levies, and cities, counties, and
 42.35 towns in the metropolitan area, respectively, and other similar matters;

- 43.1 (4) a statement of policies to effectuate the ~~council's~~ goals, objectives, and priorities;
- 43.2 (5) a statement of the fiscal implications of ~~the council's~~ each policy plan, including
- 43.3 a statement of: (i) the resources available under existing fiscal policy; (ii) the adequacy
- 43.4 of resources under existing fiscal policy and any shortfalls and unattended needs; (iii)
- 43.5 additional resources, if any, that are or may be required to effectuate the ~~council's~~ goals,
- 43.6 objectives, and priorities; and (iv) any changes in existing fiscal policy, on regional
- 43.7 revenues and intergovernmental aids respectively, that are expected or that the council has
- 43.8 recommended or may recommend;
- 43.9 (6) a statement of the relationship of ~~the~~ each policy plan to other policy plans and
- 43.10 ~~chapters of the Metropolitan regional development Guide framework;~~
- 43.11 (7) a statement of the relationships to local comprehensive plans prepared under
- 43.12 sections 473.851 to 473.871; and
- 43.13 (8) additional general information as may be necessary to develop ~~the~~ each policy
- 43.14 plan or as may be required by the laws relating to the metropolitan agency and function
- 43.15 covered by ~~the~~ that policy plan.

43.16 Sec. 10. Minnesota Statutes 2010, section 473.166, is amended to read:

43.17 **473.166 CONTROLLED ACCESS; APPROVAL.**

43.18 Before acquiring land for or constructing a controlled access highway in the area, the

43.19 ~~state Transportation Department~~ commissioner of transportation or local government unit

43.20 proposing the acquisition or construction shall submit to the council and to the Regional

43.21 Transportation Board under chapter 473J a statement describing the proposed project. The

43.22 statement must be in the form and detail jointly required by the council and the board. The

43.23 council and the board shall in coordination review the statement to ascertain its consistency

43.24 with ~~its policy plan and the regional development guide framework,~~ and the board shall

43.25 review the statement to ascertain its consistency with the transportation policy plan. No

43.26 project may be undertaken unless the council ~~determines~~ and the board determine that it is

43.27 consistent with the regional development framework and the transportation policy plan.

43.28 This approval is in addition to the requirements of any other statute, ordinance or rule.

43.29 Sec. 11. Minnesota Statutes 2010, section 473.171, is amended to read:

43.30 **473.171 COUNCIL REVIEW; APPLICATIONS FOR FEDERAL AND STATE**

43.31 **AID.**

43.32 Subdivision 1. **Federal.** The ~~council~~ applicable regional entity shall review all

43.33 applications of a metropolitan agency, independent commission, board or agency, and

43.34 local governmental units for funds, grants, loans or loan guarantees from the United

44.1 States of America or agencies thereof submitted in connection with proposed matters of
 44.2 metropolitan significance, all other applications by metropolitan agencies, independent
 44.3 commissions, boards and agencies, and local governmental units for grants, loans, or
 44.4 loan guarantees from the United States of America or any agency thereof if review by a
 44.5 regional agency is required by federal law or the federal agency, and all applications for
 44.6 grants, loans, or allocations from funds made available by the United States of America to
 44.7 the metropolitan area for regional facilities pursuant to a federal revenue sharing or similar
 44.8 program requiring that the funds be received and granted or allocated or that the grants
 44.9 and allocations be approved by a regional agency.

44.10 Subd. 2. **State.** The ~~council~~ applicable regional entity shall review all applications
 44.11 or requests of a metropolitan agency, independent commission, board or agency, and
 44.12 local governmental units for state funds allocated or granted for proposed matters of
 44.13 metropolitan significance, and all other applications by metropolitan agencies, independent
 44.14 commissions, boards, agencies, and local governmental units for state funds if review by a
 44.15 regional agency is required by state law or the granting state agency.

44.16 Subd. 3. **Definition.** For purposes of this section, "applicable regional entity"
 44.17 means, as appropriate, (1) the Regional Transportation Governance Board, with respect to
 44.18 matters that primarily or substantially deal with transportation; or (2) the council, with
 44.19 respect to with any other matters.

44.20 Sec. 12. Minnesota Statutes 2010, section 473.192, subdivision 2, is amended to read:

44.21 Subd. 2. **Definitions.** For purposes of this section, "metropolitan area" has the
 44.22 meaning given it in section 473.121, subdivision 2. "Transportation policy plan" means
 44.23 the plan adopted by the ~~Metropolitan Council~~ Regional Transportation Governance Board
 44.24 pursuant to section ~~473.145~~ 473.146. "Municipality" has the meaning provided by section
 44.25 462.352, subdivision 2.

44.26 Sec. 13. **REPEALER.**

44.27 Minnesota Statutes 2010, sections 398A.10; 473.146, subdivision 4; 473.375,
 44.28 subdivisions 11 and 14; 473.391, subdivision 1; 473.399, subdivision 1a; 473.405,
 44.29 subdivision 4; 473.4051, subdivision 1; and 473.4057, subdivision 1, are repealed.

44.30 ARTICLE 8

44.31 EFFECTIVE DATE

44.32 Section 1. **EFFECTIVE DATE.**

44.33 Unless specifically specified otherwise, articles 2 to 8 are effective January 1, 2014.