

Subject Transportation finance omnibus
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Overview

This bill establishes the transportation budget for fiscal years 2026-2027 and makes a variety of transportation finance and policy changes.

Article 1: Appropriations

This article contains appropriations to establish the state transportation budget for fiscal years (FY) 2026-2027, which includes the Minnesota Department of Transportation (MnDOT), administrative and transportation functions within the Department of Public Safety, and state funding for transportation activities of the Metropolitan Council. It also contains transfers, prior appropriation cancellations, prior appropriation availability extensions, and other spending-related provisions.

Section Description – Article 1: Appropriations

- 1 Transportation appropriations.**
Sets out the appropriations article structure and defines terms. Establishes that appropriations are from the Trunk Highway Fund unless another is named.
- 2 Department of Transportation.**
Establishes the FY 2026-2027 biennial budget for MnDOT. Makes appropriations and provides for carryforward of funds, conditional appropriations, transfers, and legislative reporting.
- 3 Metropolitan Council.**
Makes FY 2024-2025 biennial appropriations for transportation functions of the Metropolitan Council.
- 4 Department of Public Safety.**
Establishes the FY 2026-2027 biennial budget for transportation-related and some division-wide functions of the Department of Public Safety.

Section Description – Article 1: Appropriations

- 5 **Appropriation; empowering small Minnesota communities.**
Makes onetime appropriations from the General Fund to the University of Minnesota in FY 2026-2027 under a program (being codified elsewhere in bill) to implement infrastructure project development partnerships with local units of government.
- 6 **Appropriation; local road wetland replacement.**
Makes an appropriation from the General Fund to the Board of Water and Soil Resources in FY 2026 for local road wetland replacement activities. Sets a General Fund base.
- 7 **Appropriations; priority local transportation projects.**
Makes onetime appropriations to MnDOT for grants for a variety of specified local road and other transportation projects.
- 8 **Appropriations; priority trunk highway projects.**
Makes onetime appropriations to MnDOT for a variety of specified trunk highway projects.
- 9 **Appropriation cancellations.**
Cancels portions of prior appropriations for (1) a rail corridor service analysis, and (2) projects and activities of the Advisory Council on Traffic Safety. Effective the day after enactment.
- 10 **Transfers.**
Paragraph (a) makes FY 2026-2027 transfers from the General Fund to an account for the Active Transportation program.

Paragraph (b) sets a tracking base for transfers in FY 2028 and after from the General Fund to the active transportation account.

Paragraphs (c) and (d) set tracking bases for transfers in FY 2028 and FY 2029 from the General Fund to the Trunk Highway Fund as well as the County State-Aid Highway Fund.
- 11 **Multimodal systems. (2021 appropriations law)**
Extends the availability of a FY 2022 appropriation for construction related to a second daily intercity passenger train service, from FY 2025 to FY 2028. Effective the day after enactment.

Section Description – Article 1: Appropriations

- 12 **Appropriation; Department of Transportation. (2021 appropriation law)**
Extends the availability of a FY 2022 appropriation for I-94 land bridge project development, from FY 2025 to FY 2026. Effective the day after enactment.
- 13 **Department of Transportation. (2023 appropriations law)**
Modifies use of funds in a FY 2022 appropriation for assistance to auto manufacturers, to remove a requirement to provide assistance through grants.
- 14 **Multimodal systems. (2023 appropriations law)**
Extends the availability of FY 2024-2025 appropriations for capital and operating costs of a second daily intercity passenger train service, from FY 2025 to FY 2028. Effective the day after enactment.
- 15 **State roads. (2023 appropriations law)**
Extends the availability of a FY 2024 appropriation for the Highways for Habitat program, from FY 2025 to FY 2027.
- 16 **State roads. (2024 appropriations law)**
Extends the availability of a FY 2025 appropriation for grants to metropolitan planning organizations related to modeling activities as part of greenhouse gas emissions assessment, from FY 2025 to FY 2026.
- 17 **Allocation; Washing Avenue Bridge suicide prevention.**
Directs Hennepin County to award a \$15 million grant to the University of Minnesota for design and construction of suicide barriers, and to provide suicide diversion information, on the Washington Avenue Bridge in Minneapolis.

Article 2: Transportation Finance and Policy

This article contains various provisions involving transportation finance and policy. The changes are effective July 1, 2025, unless specified otherwise.

Section Description – Article 2: Transportation Finance and Policy

- 1 **Duties. (Advisory Council on Traffic Safety)**
Revises duties for the Advisory Council on Traffic Safety related to traffic safety grants.

Section Description – Article 2: Transportation Finance and Policy

- 2 **Administration. (Advisory Council on Traffic Safety)**
Authorizes the Department of Public Safety to enter into agreements to assist the Advisory Council on Traffic Safety and make grants on behalf of the council.

- 3 **[Adds § 137.345] Empowering Small Minnesota Communities program.**
Establishes a program for partnerships between entities in the University of Minnesota and smaller political subdivisions to provide support and assistance on analysis, design, and project development for infrastructure projects.

- 4 **Route No. 246.**
Revises a statutory route description as part of a trunk highway turnback.

- 5 **Definitions.**
Makes a conforming change, to revise a reference to a definition that is being moved to different section of statutes.

- 6 **Applicable projects; implementation.**
Amends requirements governing greenhouse gas emissions assessments and mitigation activities for some trunk highway projects, to (1) halt currently required assessments and mitigation for applicable projects; and (2) delay the requirements until August 1, 2028, for projects subsequently added to the transportation workplan (the State Transportation Improvement Program). Effective the day after enactment.

- 7 **Transportation impact assessment and mitigation account.**
Makes a conforming change.

- 8 **Account transfers.**
Requires a transfer of funds from the transportation impact assessment and mitigation account if the unencumbered account balance has gone above half of the amount of funds deposited in the account in a fiscal year. Up to 90 percent of the available balance must be transferred to the Highway User Tax Distribution Fund.

- 9 **Investment of money.**
Directs local units of government (including counties, cities, and the Metropolitan Council) to use interest or investment income resulting from transportation funding only for transportation purposes. Effective the day following enactment.

- 10 **Dealer.**
Authorizes the Department of Public Safety to treat a motor vehicle dealer that is licensed in a neighboring state as licensed in Minnesota for some functions, including handling electronically-transmitted vehicle registrations and transfers.

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- 11 **All-electric vehicle.**
Increases the surcharge on electric vehicles, from \$75 to \$200, and allocates the revenue. Effective for registrations on or after July 1, 2025.
- 12 **60-day temporary vehicle permit.**
Extends the valid period, from 31 to 60 days, on a temporary vehicle permit that is issued instead of vehicle registration for a vehicle to be transported out of state. Effective October 1, 2025.
- 13 **Issuance of plates. (Blackout special plates)**
Makes a conforming change.
- 14 **Contributions; account. (Blackout special plates)**
Revises allocation of donation revenue from blackout special plates, so that 43.75 percent is directed to the Highway User Tax Distribution Fund instead of the driver and vehicle services operating account.
- 15 **[Adds § 168.1289] Rental motor vehicle plates.**
Establishes a rental motor vehicle license plate. Sets eligibility, identifies eligible vehicles, specifies application requirements, provides for plate design, sets plate transfer requirements, and sets an exemption from validation stickers. Applies the earlier of July 1, 2026, or once the plates are made available.
- 16 **Exemptions.**
Establishes that independent contractors are not exempt from requirements to carry a dealer license for the relevant type of motor vehicle business activity.
- 17 **Dealers' licenses; location change notice; fee.**
Expands qualification requirements to obtain a dealer license related to motor vehicle business activity, including a national background check. Effective January 1, 2026.
- 18 **Dealer plates; issuance, fee, tax, use.**
Modifies requirements on issuance and use of motor vehicle dealer special plates, including to limit total issuances, modify plate fees, provide for dealer plate administration by a trade association, and authorize use of the plates on a courtesy vehicle in some circumstances.
- 19 **Dealer license for trailers, motorized bicycles; plates, fees; exemptions.**
Amends requirements on dealer plate issuance to dealers involved in sales of mopeds and some types of trailers.

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- 20 **Reimbursements.**
Directs payments to deputy registrars for some types of motor vehicle transactions, in specified reimbursement amounts based on the type of transaction. Effective August 1, 2025.
- 21 **Requirements upon subsequent transfer; service fee.**
Makes a conforming change.
- 22 **[Adds § 168A.1502] Insurer application for title.**
Authorizes a process for issuance of a title on a motor vehicle that is acquired by an insurer through an insurance payment, when the title was not provided to the insurer following a claim payment. Effective August 1, 2025.
- 23 **[Adds § 168A.1503] Requirements upon unpaid insurance vehicle claim.**
Sets requirements on disposition of a motor vehicle in the possession of a salvage vehicle auction company on behalf of an insurer following an insurance claim. Effective August 1, 2025.
- 24 **Fuel products. (Retail delivery fee)**
Defines “fuel products” for the chapter of state statutes governing the retail delivery fee.
- 25 **Road construction materials. (Retail delivery fee)**
Defines “road construction materials” for the chapter of state statutes governing the retail delivery fee.
- 26 **Transactions. (Retail delivery fee)**
Adds an exemption from the retail delivery fee for delivery following a sale of (1) some liquid fuels that are subject to the state general sales tax when sold, and (2) road construction materials.
- 27 **Intersection.**
Revises the definition of “intersection” for the chapter of state statutes governing traffic regulations. Effective August 1, 2025.
- 28 **Traffic-control signal.**
Clarifies the traffic regulation meaning for flashing yellow arrows on traffic-control signals. Effective August 1, 2025.

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- 29 **Officer to report accident to commissioner.**
Broadens the circumstances in which crash reporting by peace officers is required, to include accidents on streets and paths that result in bodily injury regardless of subsequent medical treatment. Effective August 1, 2025.
- 30 **License revocation for extreme speed.**
Broadens the circumstances in which a driver’s license is revoked for at least six months, to include speeding convictions when exceeding the speed limit by 35 miles per hour or more.
- 31 **Seat belt requirement.**
Requires use of a factory equipped seatbelt in a class 2 all-terrain vehicle when it is operated in public road right-of-way.
- 32 **Definition. (Special farm products permit)**
Temporarily—until January 1, 2031—adds crude soybean oil to the set of agricultural products that can be transported under a special overweight vehicle permit for farm products. Effective January 1, 2026.
- 33 **Requirements; restrictions. (Special farm products permit)**
Sets limitations on county routes and state highways under which a vehicle can haul crude soybean oil under the special farm products permit. Effective January 1, 2026.
- 34 **Road test.**
Defines “road test” in the chapter of state statutes that governs driver licensing.
- 35 **Person 18 or more years of age.**
Extends the valid length of time for a commercial learner’s permit, from six months to one year.
- 36 **Online renewal.**
Authorizes driver’s license or Minnesota identification card renewal and duplicate issuance through a website. Sets requirements and limitations. Effective July 1, 2026.
- 37 **Evidence; identity; date of birth.**
Eliminates documents from a list of the ones that can be provided to demonstrate identity and date of birth in application for a REAL-ID compliant credential (which are reproduced in a new list for name change documents).

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- 38 **Evidence of name change.**
Establishes a list of documents that can be provided to demonstrate a name change as part of application for a REAL-ID compliant credential.
- 39 **Reimbursements.**
Directs payments to driver’s license agents for some types of license and identification card transactions, in specified reimbursement amounts based on the type of transaction. Effective August 1, 2025.
- 40 **Examination fees.**
Increases the fee, from \$20 to \$40, for a road test no-show or a cancellation within 24 hours of the scheduled appointment time. Imposes a fee of \$20 for a cancellation that is 24 to 72 hours before the scheduled time.
- 41 **Test scheduling.**
Allows Department of Public Safety scheduling of recurring appointment time blocks for commercial driver’s license road tests. Makes a technical change.
- 42 **Offenses.**
Makes a technical change, to identify statutory cross references related to driver’s license revocations.
- 43 **Emissions reduction goals; financial assistance.**
Authorizes MnDOT to provide grants as provided in law related to environmental and greenhouse gas emissions reduction goals.
- 44 **Trunk highway performance, resiliency, and sustainability.**
Eliminates a standalone report on MnDOT performance (which is substantially reproduced in reporting requirements being centralized elsewhere in this article).
- 45 **Asset sustainability ratio targets.**
Directs MnDOT to meet specified asset sustainability ratio targets for pavement and provide reporting on the results. Effective August 1, 2025.
- 46 **[Adds § 173.034] Transportation project activity portal.**
Directs MnDOT to create a map-based portal for trunk highway projects and project analysis activity, including to set portal design requirements and identify required project information. Requires a fiscal dashboard. Directs implementation by January 1, 2028.

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- 47 **[Adds § 174.065] Consolidated local transportation financials report.**
Directs MnDOT to submit an annual report that combines and summarizes reporting from Twin Cities metropolitan area counties and associated regional railroad authorities. Specifies required financial details. Requires withholding county state-aid in some circumstances.
- 48 **Exceptions.**
Amends expiration requirements for MnDOT reports, including to prevent a consolidated local transportation financial report from expiring.
- 49 **[Adds § 174.205] Resilient pavement program.**
Establishes a resilient pavement program that provides supplemental funding to allow an existing trunk highway project to be revised with a longer pavement design life.
- 50 **Program administration. (Active Transportation program)**
Removes required annual funding solicitations by MnDOT under the Active Transportation program.
- 51 **Metropolitan counties; financial information.**
Directs Twin Cities metropolitan area counties to submit specified financial information to MnDOT as part of a consolidated financial report being established elsewhere in this article.
- 52 **Report on trunk highway performance, expenditures, and efficiencies.**
Modifies a legislative report on trunk highways and MnDOT efficiencies, including to eliminate project-specific reporting (which is substantially replaced by the project activity portal being established elsewhere) and require reporting on performance measures (which is substantially reproduced from another report being eliminated). Makes technical changes.
- 53 **Passenger rail account; transfers; appropriation.**
Delays the commencement of annual transfers from the General Fund to the passenger rail account, to begin in 2029 instead of 2027.
- 54 **Amount of rebate.**
Revises eligibility and amount of the electric-assisted bicycle rebate, including to reduce the maximum amount to \$750 and lower the adjusted gross income cap. Effective for 2025 rebates.

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- 55 **Commissioner to issue rebate certificates.**
Revises the allocation process for electric-assisted bicycle rebates, including to shift to a lottery basis instead of first-come, first-served. Effective for 2025 rebates.
- 56 **Uses reporting.**
Revises legislative reporting requirements from Twin Cities metropolitan area counties on use of county transportation sales and use tax funds.
- 57 **Grant contracts and programs; administrative costs.**
Authorizes the Department of Public Safety to retain specified percentages of appropriations made for grants, to cover administrative costs.
- 58 **Coordinated unmanned aircraft event.**
Defines “coordinated unmanned aircraft event” for state statutes that govern aircraft registration and taxes.
- 59 **Electronic attestation.**
Defines “electronic attestation” for state statutes that govern aircraft registration and taxes.
- 60 **Collector's aircraft.**
Allows for electronic attestation in registration of some antique and classic aircraft. Makes technical changes. Effective August 1, 2025.
- 61 **Recreational aircraft; classic license.**
Allows for electronic attestation in registration of some lower price recreational aircraft. Makes technical changes. Effective August 1, 2025.
- 62 **Agricultural aircraft.**
Allows for electronic attestation in registration of some aircraft used for agricultural purposes. Makes technical changes. Effective August 1, 2025.
- 63 **Coordinated unmanned aircraft system fleets.**
Provides for fleet registration of unmanned aircraft systems used in coordinated flight as part of a one-day event. Sets registration and fee requirements.
- 64 **Financial information.**
Directs regional railroad authorities associated with Twin Cities metropolitan area counties to submit financial information to MnDOT for a consolidated financial report being established elsewhere in this article.

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- 65 **Use of certain investment.**
Makes a conforming change.
- 66 **Obligations.**
Authorizes the Metropolitan Council to issue bonds or other obligations for regional transit capital expenditures, up to specified limits for each of fiscal years 2026 and 2027. Effective the day after enactment.
- 67 **General fund impacts.**
Establishes process requirements for annual certification by the Department of Revenue and repayment by the Metropolitan Council of General Fund costs associated with regional transit capital bonding. Effective the day after enactment.
- 68 **Limitation; light rail transit.**
Prevents the proceeds from regional transit capital bonds, being authorized elsewhere in this article, from being used for light rail transit expansion projects. Effective the day after enactment.
- 69 **Transit service for certified disabled riders.**
Establishes free regular route transit service in the Twin Cities metropolitan area for certified special transportation service (e.g., Metro Mobility) riders.
- 70 **Use of funds; Metropolitan Council; loan authorized.**
Authorizes the Metropolitan Council to loan up to \$250 million from the Council’s portion of regional sales tax revenue, for a project that coordinates highway construction with one major transitway project. Effective the day after enactment.
- 71 **Use of funds; metropolitan counties.**
Eliminates a legislative report from Twin Cities metropolitan area counties on use of regional transportation sales tax fund (which is being replaced by consolidated financial reporting requirements elsewhere in this article).
- 72 **Traffic safety violations disposition analysis.**
Extends the due date for a final report on an analysis of the disposition of various types of traffic citations, to be January 15, 2026, instead of July 1, 2025. Effective the day after enactment.
- 73 **Rulemaking; loss of voluntary control provisions modification.**
Directs the Department of Public Safety to revise administrative rules that govern physician’s statements on a driver’s ability to safely operate a vehicle following an episode of loss of consciousness or voluntary control, to terminate mandated

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physician’s statements following five- or ten-year periods in some situations.
Effective the day after enactment.

74 Additional full-service provider in Circle Pines.

Directs the Department of Public Safety to appoint the existing deputy registrar and driver’s license agent as a full-service office at a specified location in the city of Circle Pines.

75 Bus rapid transit alternate mode analysis.

Directs the Metropolitan Council to conduct an analysis of alternate transit options in the corridor of the Blue Line light rail transit extension project. Specifies analysis contents. Requires a legislative report by January 15, 2026. Effective the day after enactment.

76 High-subsidy transit service analysis.

Directs the Metropolitan Council to conduct an analysis of high-subsidy routes in the regular route transit system. Specifies analysis contents. Requires submission of the analysis to the legislature by March 1, 2026. Effective the day after enactment.

77 Metro Mobility forecasting analysis.

Directs MnDOT to arrange for an analysis of Metropolitan Council forecasting practices for Metro Mobility costs and service. Specifies analysis details. Requires submission of the analysis to the legislature by February 1, 2026. Effective the day after enactment.

Article 3: Conforming Changes

This article makes technical changes, to conform state statutes to modifications being made elsewhere in article 2 that revise a numbered list related to driver’s license revocations.



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