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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 2848

03/26/2025 Authored by Koegel, Tabke and Kraft

The bill was read for the first time and referred to the Committee on Transportation Finance and Policy

- 1.1 A bill for an act
- 1.2 relating to transportation; modifying certain reporting requirements for local
- 1.3 transportation funds; requiring a report; amending Minnesota Statutes 2024, sections
- 1.4 174.07, subdivision 3; 174.49, by adding a subdivision; 297A.993, subdivision
- 1.5 2a; 398A.04, by adding a subdivision; 473.4465, subdivision 4; proposing coding
- 1.6 for new law in Minnesota Statutes, chapter 174.
- 1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.8 Section 1. [174.065] CONSOLIDATED LOCAL TRANSPORTATION FINANCIALS
- 1.9 REPORT.
- 1.10 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
- 1.11 the meanings given.
- 1.12 (b) "Funding source" means the relevant tax or revenue source for which financial
- 1.13 reporting information is required.
- 1.14 (c) "Reporting unit" means a county, regional railroad authority, or other political
- 1.15 subdivision that is specifically required to submit financial information under this section.
- 1.16 Subd. 2. Consolidated report. (a) By March 1 annually, the commissioner must submit
- 1.17 a report on consolidated local transportation financials to the chairs and ranking minority
- 1.18 members of the legislative committees with jurisdiction over transportation finance and
- 1.19 policy.
- 1.20 (b) At a minimum, the report must include:
- 1.21 (1) the information specified under subdivision 3 for each funding source as required
- 1.22 under sections 174.49, subdivision 7; 297A.993, subdivision 2a; and 398A.04, subdivision
- 1.23 12;

2.1 (2) subtotals for each reporting unit that is required to submit financial information under
2.2 this section; and

2.3 (3) totals for all reporting units.

2.4 (c) The commissioner may establish submission requirements for the financial
2.5 information, which may include but is not limited to a submission deadline and a format
2.6 for the fiscal details.

2.7 Subd. 3. **Required financial information.** (a) At a minimum, each reporting unit must
2.8 submit financial information on the funding source that includes:

2.9 (1) actual allocations or collections to the reporting unit for each of the previous five
2.10 calendar years;

2.11 (2) balance actuals for each of the previous five calendar years;

2.12 (3) estimates of the amount that is expected to be allocated to or collected by the reporting
2.13 unit in the current year and for the next ten calendar years; and

2.14 (4) for each of the previous five calendar years, the current calendar year, and for the
2.15 next ten calendar years:

2.16 (i) the amount expended or proposed to be expended for each of the following, as
2.17 applicable:

2.18 (A) planning, project development, construction, operation, or maintenance of guideways,
2.19 as defined in section 473.4485, subdivision 1, paragraph (d);

2.20 (B) nonguideway transit uses;

2.21 (C) active transportation uses;

2.22 (D) highway uses; and

2.23 (E) uses not otherwise specified in subitems (A) to (D);

2.24 (ii) for each category under item (i), subitems (A) to (D), an accompanying list of
2.25 completed, current, planned, and anticipated projects; and

2.26 (iii) an estimated balance of unspent or undesignated amounts from the funding source.

2.27 (b) The listing under paragraph (a), clause (4), item (ii), must include a brief identification
2.28 or description of each project or program.

2.29 Subd. 4. **Aid withholding.** The commissioner must annually withhold payment of 25
2.30 percent of the amount apportioned under section 162.07 for a county that (1) is a reporting

unit, and (2) fails to meet financial information submission requirements established by the commissioner under subdivision 2, paragraph (c). The commissioner may release withheld funds no sooner than 30 days following acceptance of a submission.

Sec. 2. Minnesota Statutes 2024, section 174.07, subdivision 3, is amended to read:

Subd. 3. **Exceptions.** This section does not apply to:

(1) a law that establishes a requirement with general applicability for an agency or agencies to submit a report, including but not limited to reports and information under sections 14.05, subdivision 5, and 14.116;

(2) a law that specifies a reporting expiration date or a date for the submission of a final report;

(3) information required by law to be included in a budget submission to the legislature under section 16A.11;

(4) the plans required under section 174.03, subdivisions 1a, 1b, and 1c;

(5) the forecast information requirements under section 174.03, subdivision 9; and

(6) the reports required under sections 161.088, subdivision 7; 161.089; 161.3203, subdivision 4; 165.03, subdivision 8; 174.03, subdivision 12; 174.065; 174.185, subdivision 3; 174.247; 174.56, subdivisions 1 and 2; and 174.75, subdivision 3.

Sec. 3. Minnesota Statutes 2024, section 174.49, is amended by adding a subdivision to read:

Subd. 7. **Metropolitan counties; financial information.** (a) A metropolitan county must annually submit financial information to the commissioner on all sources of funds that are subject to the requirements under subdivision 6. The financial information must be submitted as provided under section 174.065 in the manner and by the dates prescribed by the commissioner.

(b) In addition to the requirements under section 174.065, subdivision 3, the submitted financial information must include the amount expended or proposed to be expended in each of the allowable uses under subdivision 6 for:

(1) each of the previous five calendar years;

(2) the current calendar year; and

(3) the next ten calendar years.

Sec. 4. Minnesota Statutes 2024, section 297A.993, subdivision 2a, is amended to read:

Subd. 2a. **Uses reporting.** ~~By February 15 of each even-numbered year, A metropolitan county, as defined in section 473.121, subdivision 4, that imposes the taxes under this section must annually submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance~~ financial information to the commissioner of transportation as provided under section 174.065 in the manner and by the dates prescribed by the commissioner.

~~At a minimum, the report must include:~~

~~(1) actual transportation sales tax collections by the county over the previous five calendar years;~~

~~(2) an estimation of the total sales tax revenue that is estimated to be collected by the county in the current year and for the next ten calendar years; and~~

~~(3) for each of the previous five calendar years, the current calendar year, and for the next ten calendar years:~~

~~(i) the amount of sales tax revenue expended or proposed to be expended for each of the following:~~

~~(A) planning, construction, operation, or maintenance of guideways, as defined in section 473.4485, subdivision 1, paragraph (d);~~

~~(B) nonguideway transit and active transportation uses;~~

~~(C) highway uses; and~~

~~(D) uses not otherwise specified in subitems (A) to (C);~~

~~(ii) completed, current, planned, and eligible projects for each category under item (i); and~~

~~(iii) an estimated balance of unspent or undesignated county sales tax revenue.~~

Sec. 5. Minnesota Statutes 2024, section 398A.04, is amended by adding a subdivision to read:

Subd. 12. **Financial information.** An authority associated with a metropolitan county, as defined in section 473.121, subdivision 4, must annually submit financial information to the commissioner of transportation as provided under section 174.065 in the manner and by the dates prescribed by the commissioner.

5.1 Sec. 6. Minnesota Statutes 2024, section 473.4465, subdivision 4, is amended to read:

5.2 Subd. 4. **Use of funds; metropolitan counties; reporting.** (a) A metropolitan county
5.3 must use revenue from the regional transportation sales and use tax under section 297A.9915
5.4 in conformance with the requirements under section 174.49, subdivision 6.

5.5 (b) ~~By February 15 of each even-numbered year, a metropolitan county must submit a~~
5.6 ~~report to the chairs and ranking minority members of the legislative committees with~~
5.7 ~~jurisdiction over transportation policy and finance on the use of funds received under section~~
5.8 ~~297A.9915. This report must be submitted in conjunction with the report required under~~
5.9 ~~section 297A.993, subdivision 2a. At a minimum, the report must include:~~

5.10 (1) ~~actual sales tax collections allocated to the county over the previous five calendar~~
5.11 ~~years;~~

5.12 (2) ~~an estimation of the total sales tax revenue that is estimated to be allocated to the~~
5.13 ~~county in the current year and for the next ten calendar years; and~~

5.14 (3) ~~for each of the previous five calendar years, the current calendar year, and for the~~
5.15 ~~next ten calendar years:~~

5.16 (i) ~~the amount of sales tax revenue expended or proposed to be expended for each of~~
5.17 ~~the allowable uses under section 174.49, subdivision 6;~~

5.18 (ii) ~~completed, current, planned, and eligible projects or programs for each category~~
5.19 ~~under item (i); and~~

5.20 (iii) ~~an estimated balance of unspent or undesignated regional transportation sales and~~
5.21 ~~use tax revenue.~~