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State of Minnesota
HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 268

02/10/2025

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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; establishing certain limitations on use of interest or

1.3 investment income from transportation revenue; amending Minnesota Statutes

1.4 2024, sections 162.16; 473.13, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2024, section 162.16, is amended to read:

1.7 **162.16 INVESTMENT OF MONEY ~~IN STATE-AID FUNDS~~.**

1.8 Subdivision 1. State investment of state-aid funds. Upon the request of the

1.9 commissioner, money in the county state-aid highway fund and money in the municipal

1.10 state-aid street fund ~~shall~~ must be invested by the State Board of Investment in those

1.11 securities authorized for such purpose in section 11A.21. All interest and profits from the

1.12 investments ~~shall~~ must be credited to the fund on which the interest or profits are earned.

1.13 The commissioner of management and budget ~~shall be~~ is the custodian of all securities

1.14 purchased under the provisions of this section.

1.15 Subd. 2. Use of local investment. (a) For purposes of this subdivision, "transportation

1.16 revenue source" includes but is not limited to:

1.17 (1) funds provided to a local unit of government under section 16A.88 or 297A.815 or

1.18 chapters 160 to 174;

1.19 (2) grants, loans, or other financial assistance provided in law from state sources of funds

1.20 for a specified transportation project, program, or purpose;

2.1 (3) revenue from transportation-related taxes and fees authorized in state statutes,
2.2 including under sections 163.051, 297A.9915, 297A.992, 297A.993, 473.408, and 473.446,
2.3 except for filing fees under sections 168.33 and 171.061;

2.4 (4) reserves established from a source specified in this paragraph; and

2.5 (5) certificates of indebtedness, notes, or other obligations secured by a source specified
2.6 in this paragraph.

2.7 (b) A local unit of government must use interest or other investment earnings on a
2.8 transportation revenue source only for transportation purposes.

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

2.10 Sec. 2. Minnesota Statutes 2024, section 473.13, is amended by adding a subdivision to
2.11 read:

2.12 Subd. 7. **Use of certain investment.** The council is subject to the requirements under
2.13 section 162.16, subdivision 2.

2.14 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
2.15 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
2.16 Scott, and Washington.