

CITY ISSUE FACT SHEET

Street improvement district authority for preserving infrastructure



PROBLEM:

Existing funding mechanisms for city street maintenance and reconstruction are inadequate. The bulk of city streets are not eligible for Municipal State Aid (MSA). Nearly 84 percent of city streets are funded only with property taxes and special assessments. Special assessments can be onerous to property owners and are difficult to implement in some cities.

Just as the state has fallen behind in making transportation investments, some cities faced with budget challenges have made the difficult decision to divert volatile property tax revenue to urgent needs such as public safety, water quality, and cost participation in state and county highway projects. Unfortunately, deferring maintenance results in more expensive projects later.

This maintenance requires a reliable dedicated funding source to support the mobility and economic vitality of our communities.

DID YOU KNOW?

For every \$1 spent on maintenance, a road authority saves \$7 in repairs. Preventative maintenance projects can prolong the lifecycle of streets to 50 to 60 years. Without ongoing maintenance, the average life expectancy of local streets is approximately 25 to 30 years.

LEAGUE-SUPPORTED SOLUTION:

- HF 1095 would authorize cities, through a transparent process, to establish street improvement districts within their boundaries to fund municipal street maintenance, construction, reconstruction, and facility upgrades.
- If enacted, this legislation would provide cities with an additional tool to build and maintain city streets.
- This is enabling legislation. No city would be required to create a street improvement district.

For more information:

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