

HF1866 - 1E - "Metropolitan Council Governance Modified"

Chief Author: **Tony Albright**
 Committee: **Transportation Finance**
 Date Completed: **03/14/2017**
 Agency: **Metropolitan Council**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2017	FY2018	FY2019	FY2020	FY2021
Total	-	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Stewart McMullan Date: 3/14/2017 8:41:44 AM
 Phone: 651 201-8026 Email: stewart.mcmullan@state.mn.us

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

Section 1: prohibits regional rail road authorities from spending money to study, plan, design, or construct a light rail line, or expand an existing light rail line, unless the legislature has explicitly authorized the project.

Section 2: prohibits the seven counties in the metropolitan area from spending money to study, plan, design, or construct a light rail line, or expand an existing light rail line, unless the legislature has explicitly authorized the project.

Section 3: changes the composition of the Metropolitan Council and abolishing the Transportation Advisory Board

Section 4: requires the council to present its proposed budget to the legislature by February 15 of the preceding year and prohibits the council from adopting a budget for the next calendar year until the legislature enacts a law authorizing a budget. Provides that if no law is enacted by August 1, the council may proceed to adopt a budget and certify levies at the same level but with no increases. Effective beginning for taxes payable in 2019.

Section 5: directs the Metropolitan Council to amend the Transportation Policy Plan to include a farebox recovery objective of 60 percent by 2022.

Section 6: prohibits the Metropolitan Council's metropolitan planning organization (MPO) function to expand beyond the seven-county metro area until two years after the U.S. Census Bureau releases its notice of Qualifying Urban Areas following the next census. Section 6 also eliminates the Transportation Advisory Board.

Section 7: amends 473.249 to state that the Council's property tax levy must not exceed any limitation on the levy enacted into law under 473.13, subd 1, if in any year in which a law is not enacted to authorize the council's levy by August 1, the council may adopt a levy that does not exceed the levy certified for the previous year.) Section 7 is related to Section 4 of this bill.

Section 8: prohibits a "responsible authority, as defined in 473.3993, subdivision 4" from spending money to study, plan, design, or construct a light rail line, or expand an existing light rail line, unless the legislature has explicitly authorized the project.

Section 9: requires the Metropolitan Council to establish standards and criteria for co-location of freight rail and light rail transit.

Section 10: requires the responsible authority for a light rail transit project to perform an alternatives and benefits analysis before beginning an environmental analysis or preliminary engineering.

Section 11: allows a local government to challenge the reasonableness of a metropolitan system plan or part of one when objecting to a system statement. Effective the day after enactment for system statements prepared on or after that date.

Section 12: requires the Metropolitan Council to revise the transportation policy plan by December 31, 2017.

Section 13: requires that light rail projects that are in project development when this bill becomes law are also subject to Sections 8, 9, and 10 of this bill.

Assumptions

Section 1-2 and Section 8: no state fiscal impacts anticipated. Local impacts discussed in “local government impact” section below.

Section 3: The Metropolitan Council does not receive state funding to pay for Council Member salaries or reimbursable expenses. Thus, for this fiscal note, we assume that the increased costs associated with this bill would be paid from regional, not state, funds.

Section 4 and Section 7: no fiscal impacts anticipated.

Section 5 and Section 12: directs the Metropolitan Council to amend the Transportation Policy Plan (TPP) by the end of 2017 to include a farebox recovery objective of 60 percent by 2022. Including farebox recovery objectives and strategies in the Transportation Policy Plan does not change fares or fare policy. Fares are changed through different processes, and therefore, providers are not bound to the farebox objectives, strategies in the Transportation Policy Plan. Thus, there is no fiscal impact associated with changing the TPP.

Section 6: no fiscal impacts associated with this provision. The Council assumes that although the elimination of the Transportation Advisory Board would eliminate the need for a Transportation Coordinator, the Council would want a comparable position to coordinate the transportation planning activities of the Council.

Section 9-11 and Section 13: no state fiscal impacts anticipated. Local government impacts described below.

Expenditure and/or Revenue Formula

Section 3: Changes to the composition of the Metropolitan Council

	Current Law		HF 1866 1E		Change
	#	Cost	#	Cost	
Chair’s Salary	1	\$145,000	1	\$40,000	(\$105,000)
Member Salaries	16	320,000	25	500,000	180,000
Expense Reimbursements	17	17,000	27	27,000	10,000
Total		\$482,000		\$567,000	\$85,000

Long-Term Fiscal Considerations

Section 3: Expanding the size of the Metropolitan Council would cost metro region property taxpayers an additional \$85,000/year indefinitely.

Local Fiscal Impact

Section 1, 2, 8, and 13: These sections prohibit regional rail authorities, metropolitan counties, and the Metropolitan Council from spending any funds on light rail transit projects unless the state legislature authorizes the project. In all three cases, these local or regional units of government would face restrictions on how they could spend local dollars. Section 13 of the bill includes projects that are in project development or engineering. This would include Southwest LRT and Bottineau LRT. In these situations, it would mean local governments would be unable to spend funds planned for these two projects unless and until the state legislature authorizes the projects.

References/Sources

Metropolitan Council Finance Staff

Metro Transit Finance and Project Office Staff

Agency Contact: Paul Conery, 651-602-1374

Agency Fiscal Note Coordinator Signature: Lesley Kandaras

Phone: 651 602-1609

Date: 3/14/2017 8:20:25 AM

Email: lesley.kandaras@metc.state.mn.us