



# Small Cities Street Assistance

# Minnesota Association of Small Cities

## Representing Minnesota Cities with Populations of 5,000 or Less

### Background

The largest state program for transportation-related assistance to cities is Municipal State-Aid Street System Funding (MSAS), which is part of a constitutional framework. However, under the constitution the funds are limited to cities having a population of at least 5,000. [Minn. Const. art. XIV, § 8.](#)

**Over 700 of Minnesota's cities fall below this population threshold and do not receive MSAS funds.**

From 2005 to 2013, a small amount of supplemental aid was provided to small cities under 5,000 population, as part of the local government aid (LGA) formula. Aid amounts were calculated on a per capita basis, and in later years, an offset was determined based on a city's taxing capacity. The aid component was eliminated in 2013 in conjunction with the adoption of a new LGA formula. [Laws 2013, ch. 143, art. 2, § 36.](#)

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- There are 705 cities in Minnesota with populations under 5,000.
- More than 660,000 Minnesotans call these small cities home (11.6% of Mn).
- Small cities get **ZERO** dedicated revenue for road infrastructure.
- Without a dedicated sustainable funding source, small cities find it difficult to accurately budget for road maintenance and repairs, and fall behind on needed maintenance and upkeep efforts.
- Dedicating the Rental Car tax to small cities would generate \$24 million per year for small Cities; it would only reduce HUTD by 1%.

# Historic Funding Levels

(in millions)





**HF 1620 Lippert:** Dedicates the 9.2% excise tax on rental cars to small cities: \$54 million for '22-'23 on and going from HUTD.

**HF 1147 Olson** \$16 Million for '22-'23: appropriation from General Fund.

**MN Small Cities supports all legislative efforts to provide more funding for our roads.**

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## PHOTOS

- The following pictures provide a glimpse of some of our member cities' eroding roads.
- These are just a small sampling of the many photos we received.
- Alleyways serving businesses are also problematic but we chose today, to focus only on primary roads.
- With limited funds for ongoing maintenance the lifespan of these roads is lowered, requiring major repairs sooner and simply compounding existing problems.

Our cities requested that we share with the committee, that these road conditions have everything to do with lack of funding ... and not lack of PRIDE in their communities. **They also asked us to thank the committee for your consideration and attention to this ongoing challenge!**

# City of Royalton



**South Cedar Street or Highway 10 Frontage Road**



**North Cedar Street**

# City of Franklin



**3rd Street South, going out to our nursing home**



**4th Avenue**



# City of Hendrum



**Hancock Street**



**West Main Street**



# City of Balaton



**1st Street**



**East Bay Avenue**



# City of Chatfield

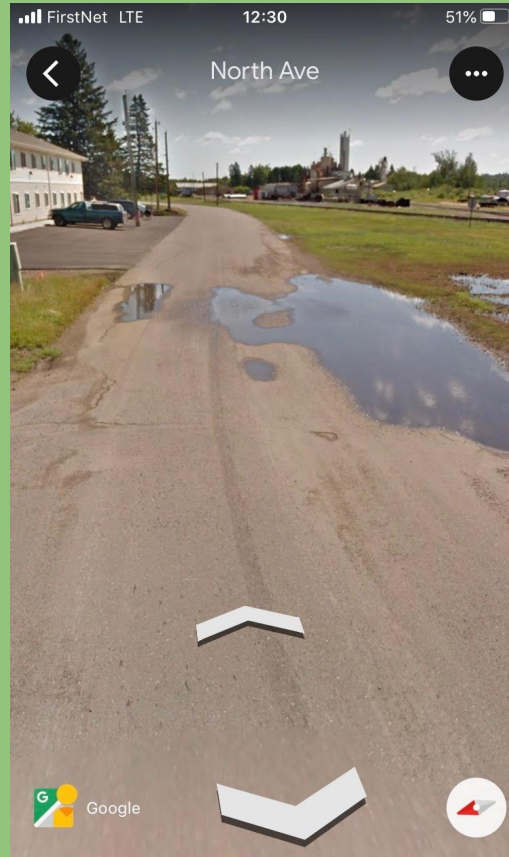


**Burr Oak Avenue**



**6th Street**

# City of Carlton



**North Avenue**



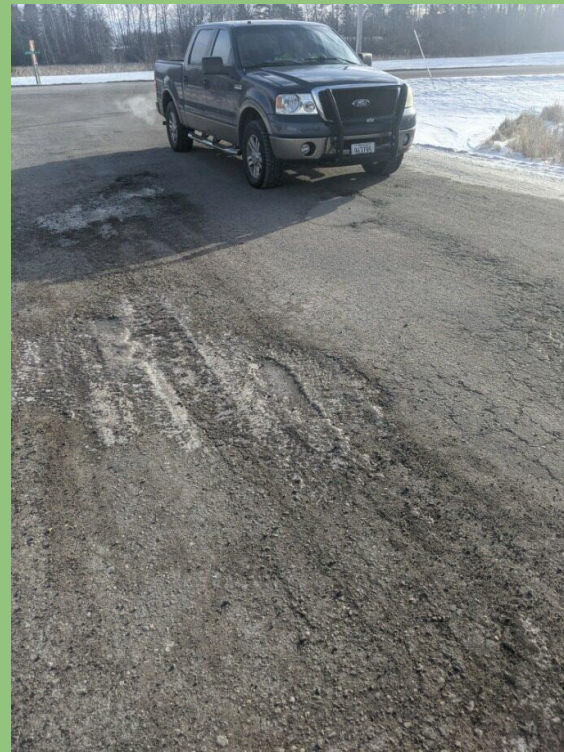
**Lindberg Drive**



# City of Sebeka



**Becker Avenue**

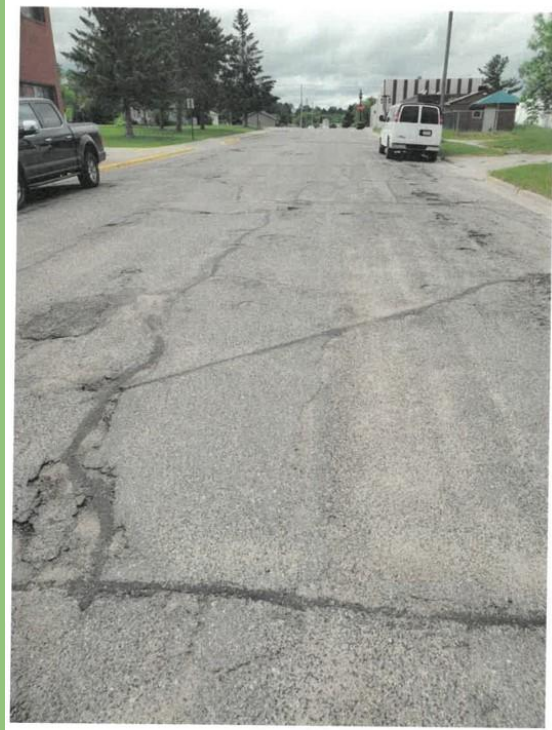


**5th Street North**

# City of Cass Lake



**Sailstar Court NE**



**Elm Avenue NW**

# City of Oak Park Heights



**62nd Street**



**Memorial Ave**



# City of Mabel



(street name unknown)



(street name unknown)

# City of Hardwick



**Thomas Street**



**Ross Street**



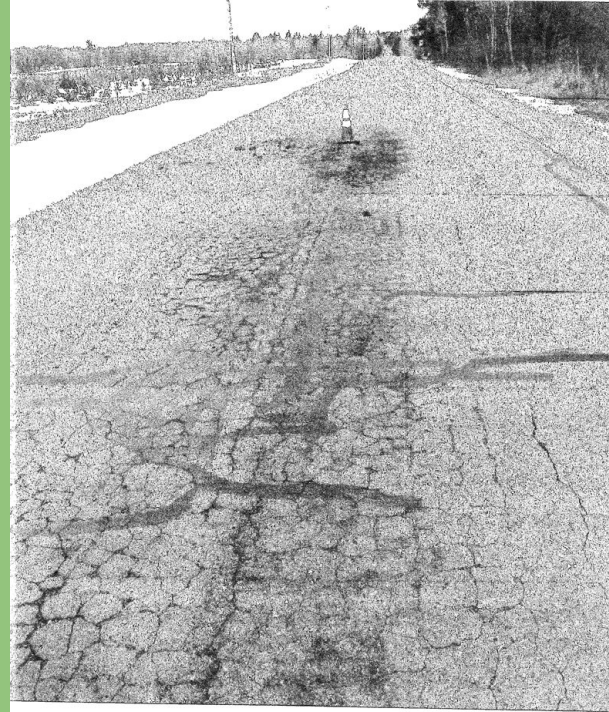
# City of Stewart



# City of Lake Shore



CITY OF LAKE SHORE, MN  
JACOBS ROAD, 469 VEHICLES PER DAY



CITY OF LAKE SHORE, MN  
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## Presenters' Contact Information

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