

House Research Act Summary

CHAPTER: 143

SESSION: 2007 Regular Session

TOPIC: Transportation budget

Date: June 4, 2007

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Overview

This is the transportation finance budget. It appropriates \$3.8 billion for fiscal years 2008-2009 to the Department of Transportation (MnDOT), Department of Public Safety, and the Metropolitan Council. Other transportation finance provisions include allocation of motor vehicle sales tax revenue and raising various vehicle plate and driver's license fees.

Article 1: Transportation Appropriations

Overview

The article contains appropriations totaling \$3.8 billion for fiscal years 2008-2009 to the Department of Transportation (MnDOT), Department of Public Safety, and the Met Council.

- 1 Summary of appropriations.** Summarizes the appropriations by fund.
- 2 Transportation appropriations.** Establishes that appropriations are from the trunk highway fund, unless another is named, for the agencies and purposes specified.
- 3 Transportation.** Appropriates \$1.65 billion in fiscal year 2008 and \$1.68 billion in fiscal year 2009 to the Minnesota Department of Transportation (MnDOT).

Subd. 1. Total appropriation. Summarizes MnDOT appropriations by fund.

Subd. 2. Multimodal Systems. Appropriates money for aviation, transit, and freight:

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- \$20.3 million per year for airport development and assistance, which includes \$6 million per year in onetime appropriations, and \$200,000 for an Airport Funding Advisory Task Force;
- \$6 million in fiscal year 2008 and \$6.2 million in fiscal year 2009 for aviation support services;
- \$19.6 million per year for Greater Minnesota transit; and
- \$5.4 million in fiscal year 2008 and \$5.5 million in fiscal year 2009 for freight.

Subd. 3. State roads. Appropriates money for the state trunk highway system:

- \$171.8 million in fiscal year 2008 and \$176 million in fiscal year 2009 for infrastructure investment support (which includes \$266,000 per year for grants to metropolitan planning organizations outside the Twin Cities; \$75,000 per year for federally reimbursable research projects; \$600,000 per year for grants to regional development commissions outside the Twin Cities to identify crucial concerns and issues; up to \$1 million for trunk highway congestion reduction; and \$5 million for a pilot project to study replacement of the gas tax with a mileage charge);
- \$551.2 million in fiscal year 2008 and \$551.2 million in fiscal year 2009 for trunk highway construction work;
- \$56.8 million in fiscal year 2008 and \$63.4 million in fiscal year 2009 for debt service on bonds;
- \$209.6 million in fiscal year 2008 and \$213.6 million in fiscal year 2009 for infrastructure operations and maintenance;
- \$4.9 million in fiscal year 2008 and \$5 million in fiscal year 2009 for electronic communications.

Subd. 4. Local roads. \$427.3 million in fiscal year 2008 and \$442.6 million in fiscal year 2009 for the county state-aid highway system; and \$115.4 million in fiscal year 2008 and \$119.5 million in fiscal year 2009 for the municipal state-aid street system.

Subd. 5. General support. \$39.5 million in fiscal year 2008 and \$40.3 million in fiscal year 2009 for general departmental support, and \$16.6 million per year for MnDOT buildings.

Subd. 6. Town road sign replacement program. 2.5 million in fiscal year 2008 for town road sign maintenance.

Subd. 7. Transfers. Directs and allows transfer of money across certain funds. Directs the Department of Finance to transfer \$4.6 million from trunk highway revolving loan account to the trunk highway fund.

Subd. 8. Use of state road construction appropriations. Allows MnDOT to use previous year trunk highway construction appropriations in fiscal years 2008 and 2009, if used for the original purpose.

Subd. 9. Contingent trunk highway appropriation. Allows any unappropriated trunk highway fund money to be appropriated to MnDOT, upon approval by the

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Governor as well as five legislative members from a group consisting of (1) the Legislative Advisory Commission and (2) the ranking minority members of the Senate and House of Representatives transportation finance committees. Certain conditions must be met to allow the appropriation.

4 Metropolitan Council. Appropriates money to the Metropolitan Council.

Subd. 1. Total appropriation. Appropriates \$98.8 in fiscal year 2008 and \$78.8 million in fiscal year 2009 to the Metropolitan Council.

Subd. 2. Bus transit. \$93.5 million in fiscal year 2008 and \$73.5 million in fiscal year 2009 for bus operations, which includes a onetime appropriation of \$20 million in fiscal year 2008.

Subd. 3. Rail operations. \$5.3 million in fiscal year 2008 and \$5.3 million in fiscal year 2009 for operation of the Hiawatha line rail transit line.

5 Public safety. Appropriates \$143.5 million in fiscal year 2008 and \$147.8 million in fiscal year 2009 to the Department of Public Safety.

Subd. 1. Total appropriation. Summarizes Department of Public Safety appropriations by fund.

Subd. 2. Administration and related services. Appropriates money for administrative functions.

- \$412,000 in fiscal year 2008 and \$434,000 in fiscal year 2009 for the office of communications;
- \$8 million in fiscal year 2008 and \$8.2 million in fiscal year 2009 for public safety support (which includes \$138,000 for the biennium for a security coordinator for the Republican National Convention; \$380,000 per year to pay public safety officer survivor benefits; \$1.2 million in fiscal year 2008 and \$1.4 million in fiscal year 2009 for the public safety officer's benefit account; and reimbursements to the trunk highway fund totaling \$2.1 million per year); and
- \$3.9 million per year for technical support services, which includes \$1.4 million per year for I.T. security and disaster recovery.

Subd. 3. State Patrol. Appropriates money for the State Patrol:

- \$65.6 million in fiscal year 2008 and \$67.9 million in fiscal year 2009, which includes \$1.1 million per year for increased fuel costs;
- \$6.9 million in fiscal year 2008 and \$7.2 million in fiscal year 2009 for commercial vehicle enforcement; and
- \$3 million in fiscal year 2008 and \$3.1 million in fiscal year 2009 for capitol security.

Subd. 4. Driver and vehicle services. \$26 million in fiscal year 2008 and \$26.6 million in fiscal year 2009 for vehicle services, and \$27.9 million in fiscal year 2008 and \$28.7 million in fiscal year 2009 (both of which include an increase for a driver license and motor vehicle records coordinator).

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Subd. 5. Traffic safety. \$435,000 per year.

Subd. 6. Pipeline safety. \$1.3 million in fiscal year 2008 and \$1.4 million in fiscal year 2009.

- 6 General contingent accounts.** Allows \$375,000 per year for contingencies, upon approval by the Governor as well as five legislative members from a group consisting of (1) the Legislative Advisory Commission, and (2) the ranking minority members of the Senate and House of Representatives transportation finance committees.
- 7 Tort claims.** Appropriates \$600,000 per year to the Department of Finance for tort claims.
- 8 Driver and vehicle services carryforward.** Allows the Department of Public Safety to carry forward into the next biennium any unexpended appropriations for vehicle services from fiscal year 2007. Makes the funds available, first, for initial planning on replacement of the DVS database and computer system, and second, for remediation steps to avoid major computer system failures.
- 9 Federal funds spending authority.** Authorizes MnDOT to expend up to \$5 million in federal aid from fiscal years 2008 to 2013 for transit assistance in greater Minnesota.
- 10 Northstar Commuter Rail.** Allows MnDOT to encumber federal funding under a full funding grant agreement for Northstar Commuter Rail.

Article 2: Motor Vehicle Sales Tax

Overview

This article allocates motor vehicle sales tax revenue, so that after a phase-in, the revenue is distributed 60 percent to highways and 40 percent to transit.

- 1 Transit assistance fund.** Creates a transit assistance fund, and makes the greater Minnesota transit fund as well as the metropolitan area transit fund into accounts within the transit assistance fund. Raises the amount allowed for MnDOT administration to \$408,000 in fiscal year 2008 and \$416,000 in fiscal year 2009.
- 2 Establishment; purpose.** Makes conforming changes.
- 3 Operating assistance; recipient classifications.** Makes conforming changes.
- 4 Method of payment, operating assistance.** Makes conforming changes.
- 5 Deposit of revenues.** Modifies the allocation of motor vehicle sales tax (MVST) revenues so that starting in fiscal year 2012, after a phase-in, the revenue is distributed as follows:
- 60 percent goes to the highway user tax distribution fund (which funds state and local roads); and
 - 40 percent goes into the transit assistance fund, which is further allocated 36 percent in the metropolitan area transit account and four percent in the greater Minnesota transit account.
- 6 Financial assistance.** Modifies the formula for distributing a portion of motor vehicle sales tax revenue to opt-out transit service providers in the metropolitan area.
- 7 Repealer.** Removes an obsolete provision governing the transit assistance program, which

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is no longer used.

Article 3: Driver and Vehicle Services Fees**Overview**

This article raises various motor vehicle plate and driver's licensing fees.

- 1 **Additional fee.** Raises fees on most vehicle license plates and stickers, and establishes a fee for collector plates as well as an International Fuel Tax Agreement sticker.
- 2 **Amounts.** Raises the fee from \$5.50 to \$6.25 for filing a certificate of title.
- 3 **Motorized bicycle.** Raises various permit fees for motorized bicycles by \$0.75.
- 4 **Fees.** Raises fees for driver's licenses, permits, and identification cards by \$0.75.
- 5 **Identification cards for seniors.** Requires that the fee for an identification card for a senior must be rounded to the nearest quarter.
- 6 **Standby or temporary custodian.** Raises the fee from \$3.50 to \$4.25 for an identifier indicating standby or temporary custodian status on a license or identification card.
- 7 **Reinstatement fee.** Establishes a reinstatement fee of \$20 for a person whose license was suspended for theft of gasoline.
- 8 **Escort service.** Specifies fees for State Patrol escort and flight services.

Article 4: Transportation and Public Safety**Overview**

This article amends budget forecast review and leased vehicle short-term registration requirements.

- 1 **Exceptions.** Changes requirements for short-term registration of leased and rented motor vehicles.
- 2 **Forecast of revenues and expenditures.** Provides that MnDOT review budget forecast information with legislative chairs and staff within one week following the forecast. Under current law, the deadline is two weeks before the forecast release.

Article 5: Repealer

- 1 **Repealer.** Repeals the entire act if H.F. 946 is enacted in the 2007 session.