

HOUSE RESEARCH

Bill Summary

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Overview

This is the Governor's transportation budget proposal. It contains \$3.899 billion in transportation appropriations for the 2008-2009 biennium, as well as several other provisions, including: authorizing \$1.7 billion in trunk highway bonding; allocating motor vehicle sales tax revenues; transferring revenue from motor vehicle leases from the general fund to transportation purposes; creating sales tax exemptions for trunk highway and commuter rail purchases; and raising various registration and driver licensing fees.

Article 1: Transportation Appropriations

Overview

The article contains appropriations totaling \$3.899 billion for fiscal years 2008-2009 to the Department of Transportation (MnDOT), Department of Public Safety, and the Met Council.

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- 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 \$1.67 billion in fiscal year 2008 and \$1.77 billion in fiscal

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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 multimodal services.

- \$20.3 million per year for airport development and assistance, which includes \$6 million per year in onetime appropriations.
- \$6 million in fiscal year 2008 and \$6.1 million in fiscal year 2009 for aviation support and services.
- \$19.5 million in fiscal year 2008 and \$19.6 million in fiscal year 2009 for Greater Minnesota transit.
- \$5.3 million in fiscal year 2008 and \$5.4 million in fiscal year 2009 for freight.

Subd. 3. State Roads. Appropriates money for the trunk highway system.

- \$174.5 million in fiscal year 2008 and \$172.2 million in fiscal year 2009 for infrastructure investment support. This 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 outside the Twin Cities to identify crucial concerns and issues; and \$5 million for a pilot project to study replacement of the gas tax with a mileage charge.
- \$556.2 million in fiscal year 2008 and \$615.2 million in fiscal year 2009 for trunk highway construction. This includes a \$77 million onetime appropriation in 2009.
- \$57.7 million in fiscal year 2008 and \$75.2 million in fiscal year 2009 for debt service on bonds.
- \$216.3 million in fiscal year 2008 and \$218.7 million in fiscal year 2009 for highway operations and maintenance.
- \$5 million in fiscal year 2008 and \$5.1 million in fiscal year 2009 for electronic communications.

Subd. 4. Local roads. Appropriates money to the county state-aid highway system and the municipal state-aid street system.

- \$443.3 million in fiscal year 2008 and \$449.7 million in fiscal year 2009 for the county state-aid highway system.
- \$116.9 million in fiscal year 2008 and \$121.4 million in fiscal year 2009 for the municipal state-aid street system.

Subd. 5. General support and services. \$40.2 million in fiscal year 2008 and \$40.7 million in fiscal year 2009 for general departmental support, and \$17.3 million per year for MnDOT buildings.

Subd. 6. Transfers. 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, and \$101.2 million from the general fund to the

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trunk highway fund.

Subd. 7. 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. 8. Contingent appropriation. Allows any unappropriated trunk highway fund money to be appropriated to MnDOT, upon approval by the Governor and review by the Legislative Advisory Commission. Certain conditions must be met to allow the appropriation.

4 Metropolitan council. Appropriates money to the Metropolitan Council.

Subd. 1. Total appropriation. Appropriates \$78.8 per year for fiscal years 2008 and 2009 to the Metropolitan Council.

Subd. 2. Bus transit. \$73.5 million per year for bus operations.

Subd. 3. Rail operations. \$5.3 million per year for operation of the Hiawatha line rail transit line.

5 Public safety. Appropriates \$149.4 million in fiscal year 2008 and \$153.5 million in fiscal year 2009 to the Department of Public Safety.

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

Subd. 2. Administration and related services. Appropriates money for communications, public safety support, and technical support services.

- \$402,000 in fiscal year 2008 and \$417,000 in fiscal year 2009 for the office of communications.
- \$7.9 million in fiscal year 2008 and \$8.1 million in fiscal year 2009 for public safety support. This includes \$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.
- \$6.3 million in fiscal year 2008 and \$4.6 million in fiscal year 2009 for technical support services.

Subd. 3. State Patrol. \$67.6 million in fiscal year 2008 and \$71.5 million in fiscal year 2009 for patrolling highways; \$6.9 million in fiscal year 2008 and \$7.2 million in fiscal year 2009 for commercial vehicle enforcement; and \$4.5 million per year for capitol security.

Subd. 4. Driver and vehicle services. Appropriates money for driver licensing and vehicle registration.

- \$26 million in fiscal year 2008 and \$26.6 million in fiscal year 2009 for vehicle services.
- \$27.9 million in fiscal year 2008 and \$28.7 million in fiscal year 2009 for driver services.

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

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

6 General contingent accounts. \$375,000 per year for contingencies, upon approval by the Governor and review by the Legislative Advisory Commission.

7 Tort claims. \$600,000 per year to the Department of Finance for tort claims.

Article 2: Highway Bonds

Overview

This article authorizes sale of \$1.7 billion in trunk highway bonds.

1 Highway bonding and appropriations. Appropriates \$1.7 billion in trunk highway bonds to MnDOT for the trunk highway system. Requires that up to \$289 million can be used for construction project planning and oversight, and that at least \$50 million go towards transit facility improvements along trunk highways.

Article 3: Transportation Finance

Overview

This article makes various changes in transportation finance and funding, including technical changes, exempting trunk highway and commuter rail purchases from the state sales tax, allocating motor vehicle lease tax revenue to transportation, and allocating motor vehicle sales tax revenue.

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.

2 Trunk highway revolving loan account. Authorizes MnDOT to transfer funds out of the trunk highway revolving loan account into the trunk highway fund.

3 Sales to government. Exempts MnDOT purchases made out of the trunk highway from state sales taxes.

4 Commuter rail; material, supplies, and equipment. Exempts purchases made for materials and supplies for commuter rail from the state sales tax.

5 Deposit of revenues. Allocates revenue from the sales tax on motor vehicle leases in the same manner as the revenue from the motor vehicle sales tax (see section 0). Currently, this revenue is deposited in the general fund.

6 Deposit of revenues. Makes conforming changes for the motor vehicle lease revenue allocation in section 0).

7 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;
- 40 percent goes into the transit assistance fund, which is further allocated 38 percent in the Greater Minnesota transit account and 2 percent in the metropolitan area transit account.

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The phase-in to this allocation begins July 1, 2007.

- 8 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.
- 9 Repealer.** Removes obsolete provisions.

Article 4: Public Safety Department Service Fees

Overview

This article raises various motor vehicle and licensing fees.

- 1 Exceptions.** Imposes a \$10 fee on non-calendar year registration of leased automobiles.
- 2 Additional fee.** Raises fees on most vehicle license plates and stickers.
- 3 Amounts.** Raises the fee from \$5.50 to \$6.25 for filing a certificate of title.
- 4 Motorized bicycle.** Raises permit fees for motorized bicycles.
- 5 Fees.** Raises fees for driver's licenses, permits, and identification cards.
- 6 Identification cards for seniors.** Requires that the fee for an identification card for a senior must be rounded to the nearest quarter.
- 7 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.
- 8 Reinstatement fee.** Establishes a reinstatement fee of \$20 for a person whose license was suspended for theft of gasoline.
- 9 Escort service.** Specifies fees for State Patrol escort and flight services.