

# HOUSE RESEARCH

## Bill Summary

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### Overview

This bill creates formula-based road construction and maintenance assistance for cities that do not receive municipal state-aid street funds, subject to funding being provided.

#### Section

- 1** [162.145] **Small cities assistance.** Creates a transportation aid program for small cities that do not receive municipal state-aid streets funds.
- Subd. 1. Program created.** Establishes the assistance subject to funds being made available through an appropriation or other law.
  - Subd. 2. Small cities assistance account.** Creates an account in the special revenue fund for the assistance under this section.
  - Subd. 3. Program administration.** Establishes administrative provisions, including directing funds to be allocated based on the formula in subdivision 4, creating a mechanism for distributing aid in conjunction with local government aid (LGA) distributions by the Department of Revenue, exempting projects funded under the program from any state-aid design standards, and requiring financial reporting on the aid.
  - Subd. 4. Program requirements.** Limits the aid to be for cities that do not receive municipal state-aid street funds (which, with some exceptions, is available only for cities having a population of at least 5,000). Specifies that funds are for roads and bridges.

**Section**

**Subd. 5. Distribution formula.** Identifies a formula for distributing any available funds among the cities:

- ▶ 35 percent of the funding is allocated proportionally based on population
- ▶ 35 percent is allocated proportionally based on lane-miles (i.e., counting each lane of a road) of municipal streets within each city
- ▶ 30 percent is allocated proportionally in declining amounts based on lane-miles of county state-aid highways within each city, so that the aid amounts reduces (down to \$0) as the number of lane-miles increases