

HOUSE RESEARCH

Bill Summary

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Subject: Metropolitan Council, transit finances

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Overview

This bill, as amended, modifies transit finance and development provisions (primarily relating to the Metropolitan Council). It (1) prohibits completion of alternatives analyses or selection of locally preferred alternatives for new light rail transit projects without either legislative authorization or an appropriation of money for the project; (2) prohibits the Metropolitan Council from using motor vehicle sales tax revenues in bonding for transit capital costs; (3) eliminates any state contribution to light rail transit operating costs after farebox revenue and any federal funds; and (4) reduces the state general fund base appropriation to the Metropolitan Council for transit operations by the amount of growth in motor vehicle sales tax revenue over the level in fiscal year 2015.

Section

- 1 Legislative authorization (county regional railroad authorities) (amendment H0195A3).** Provides that county regional railroad authorities are subject to section 3 below.
Effective the day after enactment.
- 2 Limitations (Metropolitan Council) (Bill).** Prohibits the Metropolitan Council from issuing debt payable from the motor vehicle sales tax revenue it receives, or any interest earnings on that revenue, for transit capital improvements.
Effective the day after enactment.
- 3 Light rail transit development; legislative authorization (Amendment).** Requires specific legislative authorization or funding before MnDOT, the Metropolitan Council, or any

Section

political subdivision completes an alternatives analysis or selects a locally preferred alternative for a light rail transit project.

Effective the day after enactment and applies to any project not approved by the Federal Transit Administration for preliminary engineering or a subsequent project phase as of that date.

Effective the day after enactment.

- 4** **Operating costs (Amendment).** Requires any operating costs of light rail transit that are not covered by operating revenue and federal money to be paid for with nonstate money. Specifies that state sources include general fund appropriations and revenue from the motor vehicle sales tax.

Effective July 1, 2015.

- 5** **Metropolitan Council; base appropriations (Amendment).** Reduces the base appropriation of state general fund money to the Metropolitan Council for transit system operations to the greater of zero or the current base amount (\$76,626,000) less the growth in revenue from the motor vehicle sales tax compared to fiscal year 2015 (so that as motor vehicle sales tax revenue increases, the general fund base appropriation would decrease by a corresponding amount).

The base appropriation for FY 2016-2017 is \$76,626,000. Laws 2014, ch. 312, art. 9, § 9.

Effective the day after enactment.