



## HF2800/Chapter 152

**The 10 year revenue estimate is as follows:**

Trunk highway fund	\$3,301,449,000
CSAH	\$1,458,758,000
MSA	\$ 368,264,000
Local roads and bridges	\$ 60,000,000
Metropolitan area transit	\$1,210,000,000
Greater MN transit	<u>\$ 56,769,000</u>
<b>TOTAL</b>	<b>\$6,456,063,000</b>

Gas tax – 5 cent increase	\$1,537,230,000
Gas surcharge up to 3.5 cents	\$ 898,373,000
Tab fee increase	\$1,848,630,000
MVST leased vehicles	\$ 113,537,000
0.25% sales tax metro area	\$1,210,823,000
Rental car fee increase	\$ 22,952,000

Trunk highway bonds	\$1,800,000,000
Debt service on bonds	(\$1,035,483,000)
GO bonding local roads and bridges	\$ 60,000,000

**TOTAL \$6,456,063,000**

**Revenue Compared to Need – 10 year estimate**

Trunk highway system Need	\$10 billion	Revenue: \$3.3 billion
CSAH Need	\$2.7 billion	Revenue: \$1.4 billion
MSAS Need	\$2 billion	Revenue: \$368 million
Metropolitan Area Transit	\$2.1 billion	Revenue: \$1.2 billion
Greater MN Transit	\$230 million	Revenue: \$56.7 million
 Total Unmet Need	 \$1.8B per year	 Revenue: \$645 million per year

**For the '08-'09 biennium:**

Greater MN transit	\$ 1,700,000
Northstar extension study	\$ 250,000
Ports	\$ 500,000
State roads – operations & maintenance	\$ 41,352,000
State roads – investment support	\$ 34,034,000
Highway debt service	\$ 7,211,000
CSAH	\$ 50,173,000
MSAS	\$ 13,179,000
State Patrol	\$ 3,653,000

Federal emergency relief	\$132,000,000
Value capture study	\$ 325,000

Total expenditures in '08-'09: \$284,377,000

Funding increases for metropolitan area transit will come from the sales tax imposed by counties in the metropolitan area of ¼ percent. The revenue generated by the sales tax is estimated at about \$68 million in FY09 increasing to \$135.5 million in FY2018 with all 7 counties participating. Initially, the tax will probably only be levied by 5 counties in the metro area.

**Funding elements of the bill:**

- 5 cent increase in gas tax
  - 2 cents April 1, 2008
  - 3 cents on October 1, 2008
  
- 3.5 cent surcharge on gas tax for trunk highway bond debt
 

Surcharge rate schedule	
FY2009	.5 cents
FY2010	2.1 cents
FY2011	2.5 cents
FY2012	3.0 cents
FY2013	3.5 cents
  
- \$1.8B in trunk highway bonds over 10 years FY2009-FY2018
  - \$600M (\$300M in FY09 and \$300M in FY2010) of trunk highway bonds dedicated to new Bridge Account for repair and improvements of state Bridges
  - \$100M in FY2011-2018
  - \$40M in FY09 for trunk highway interchanges – 50% metro, 50% Greater MN
  - \$4.3M Greater River Road
  - \$24.7M UPA grant match
  - \$23.9M Mankato District Headquarters
  - \$8.6M Chaska Truck Station
  - \$2M Maple Grove and Rochester truck station design
  - \$18.1M MnDOT Bldg.
  
- \$50M in GO bonds for local bridges and \$10M in GO bonds for local roads
  
- Eliminating caps on license tab fees and changing the depreciation schedule. For any vehicle previously registered in Minnesota, the fee does not increase.
  
- Dedicating sales tax on leased vehicles to Greater MN transit and local roads starting in FY2010 and fully phased-in by FY2012
  - 50% to Greater MN transit
  - 50% to CSAH fund – to counties in the metropolitan area, excluding the counties of Hennepin and Ramsey so that each county shall receive the percentage that its population bears to the total population.
  
- Providing a \$25 tax credit for low-income residents
  
- Authorizing metropolitan area counties to impose a ¼ percent sales tax for transit
  - Eligible counties include: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington

- Counties whose proportional annual sales tax revenue is less than or equal to 3% are guaranteed to receive at least as much back as the revenue they generated.
  - Before imposing the tax, an eligible county must declare by resolution of its board to be part of the metropolitan transportation area and enter into a joint powers agreement.
  - Funding can be used for: capital improvements to transitways, capital costs for park-and-ride facilities, feasibility studies, property acquisition and construction of transitways, and operating assistance for transitways.
  - A Grant Evaluation and Ranking System (GEARS) Committee shall be formed to provide grants for eligible expenditures
- Authorizing counties in Greater MN to levy a sales tax of up to ½ percent for transportation purposes
  - Increased authorization for MnDOT to spend trunk highway funds in FY08 and FY09 to reflect federal emergency funding related to the I-35W bridge project.
  - CSAH formula change – new money generated by increased gas tax, license tab fees and increased motor vehicle sales tax distributed under formula based 60% on needs and 40% vehicle registrations.
  - Prohibits any road authority from charging tolls on existing general purpose lanes. The prohibition does not apply to any toll facility or HOV lane constructed prior to Sept. 1, 2007 or an additional lane including dynamic-priced shoulder lane, or HOT lane added to a highway after Sept. 1, 2007.
  - Change in the Flexible Highway Account funded with the 5% that comes off the top prior to the 6/29/9 distribution to trunk highway fund, CSAH and MSA.
    - In FY09 and FY10, 100% of the excess sum from the flexible account shall be spent among counties in the metropolitan area, except cities of the first class. After FY11, 50% of the excess sum will be spent for this purpose. Remaining funds will be used for turnbacks, safety improvements on county highways, municipal highways, streets or town roads and routes of regional significance.
  - A county regional rail authority may not contribute more than 10% of the capital costs of a light rail transit or commuter rail project and may not contribute any funds to pay the operating and maintenance costs of an LRT or commuter rail project. If a county is contributing to a project on the date of enactment, it may continue to contribute funds.
  - A Transportation Strategic Management and Operations Advisory Task Force is created to advise the governor and legislature on management and operations strategies that will improve efficiency in transportation. The task force shall submit a report by Dec. 15, 2008 to the governor and chairs of the committees with jurisdiction over transportation.