



2010 Legislative Session Summary

2010: Transportation Achievements

The Minnesota Transportation Alliance worked with legislators to deliver on a number of critical issues for our members:

Capital Bonding Bill

Transportation Budget

2009-10 Policy Bill

Notable Policies

Legislative Retirements

- **Transportation Funding in the Capital Bonding Bill**

- ◆ \$66 Million for Local Bridge Program
- ◆ \$1Million for extension of Northstar Commuter Rail
- ◆ Rail improvements
- ◆ Airport funding

- **Trunk Highway Bonds**

- ◆ \$200 Million accelerated from 2017-18 to 2011-12
- ◆ \$100 Million in **additional** Trunk Highway Bond authorization

- **Tax Compliance**

Additional enforcement to ensure collection of motor vehicle sales tax and registration taxes

- **No major cuts** that will reduce transit service or impact the highway and bridge program



Sherry Munyon, Margaret Donahoe and Tim Worke presented a special highway sign provided by **Sue and Jay Blanchard at Safety Signs** that recognizes the work of retiring Senator Steve Murphy, Chair of the Senate Transportation Committee.

Minnesota Transportation Alliance

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Jobs, Jobs, Jobs **Quickly Passed Bonding Bill Cut Down Dramatically**

Although the session officially convened on February 4th, the legislature seemed to start its work in January and then pushed for quick passage of capital bonding bill with infrastructure projects that would put people to work.

The Transportation Alliance recommended funding for the Local Bridge Program, the Local Road Improvement Program, Transitway projects in the Metropolitan Area, transit facilities in Greater Minnesota, the Port Development Assistance Program, Rail improvements, regional airports and railroad grade crossing improvements.

The legislature sent a bill with projects totaling close to \$1 billion to the Governor who used his line-item veto authority to cut the bill down to about \$680 million. The Governor had recommended a bill in the neighborhood of \$725 million so there was speculation about a second bonding bill throughout the session. At the end of the day, no other general obligation bond authorizations were passed.

- \$66M Local Bridge (largest single item in the bill)
 \$10M Lowry Bridge, \$7M St. Anthony Parkway Bridge, \$1.8M Fergus Falls
- \$43.5M Transitways - VETOED
- \$2.5M Greater MN Transit - VETOED
- \$2M Rail Service Improvement
- \$5M MN Valley track rehab
- \$1M Northstar extension
- \$2.5M Railroad crossing signals
- \$3M Port Development - VETOED
- \$11.7M Duluth Airport
- \$2M Thief River Falls Airport
- \$22.8M (trunk highway cash) MnDOT buildings
- \$26.4M (trunk highway bonds) Rochester Maintenance Facility

Language in the bill provides for a grant administration method that does not require a separate grant agreement for each local bridge project and provides for efficient audits relating to state bond financed property.



MnDOT Commissioner Tom Sorel joined Alliance President Julie Anderson at **Transportation Day at the Capitol**, March 4, 2010

Language in the bill also requires MnDOT, in consultation with local road authorities, to establish a minimum distance between any two bridges that cross over the same river, stream or waterway so that only one of the bridges is eligible for a grant under the Local Bridge Program. The Commissioner may make exceptions or provide a process for obtaining a variance.

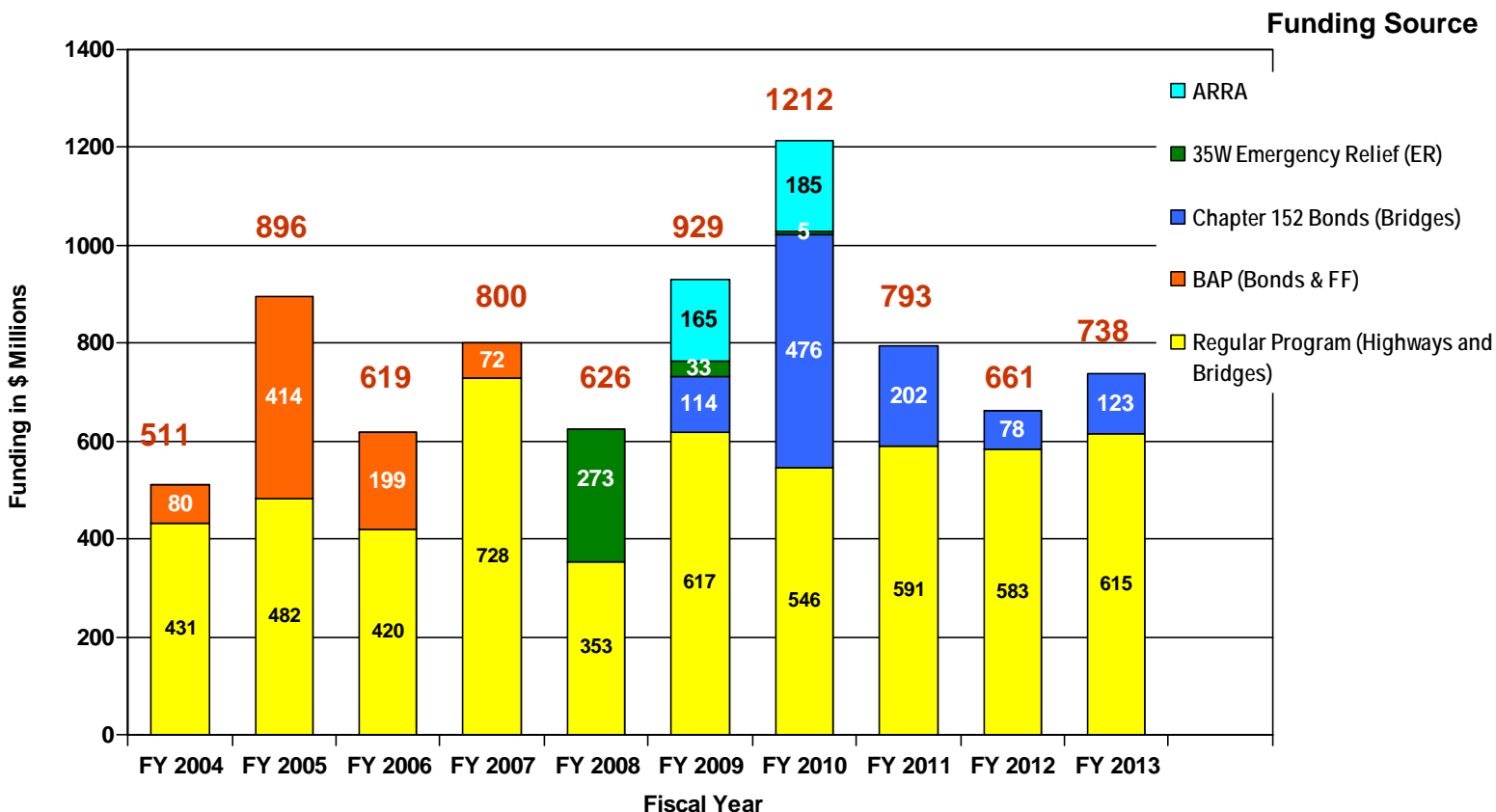


TRUNK HIGHWAY BONDS

Legislation adds bond dollars to coming construction seasons

With a coming “cliff” in the MnDOT construction program in FY2011, the Transportation Alliance worked to get legislation introduced that would move up the sale of some of the bonds authorized under the 2008 Transportation Funding package (Chapter 152). The 2008 legislation called for the sale of trunk highway bonds out to FY2018. Legislation introduced and signed into law as part of the capital bonding bill (HF2700) accelerated the sale of \$100 million authorized in FY2017 and \$100 million authorized in FY2018 to FY2011 and FY2012. This legislation will allow some projects programmed in later years to be moved up to earlier construction seasons.

MnDOT Construction Program
Numbers represent: Regular Program plus BAP, 35W ER & Chapter 152 bonds



Additional \$100 Million in Trunk Highway Bonds Authorized

Chapter 152 authorized a total of \$1.8 billion in trunk highway bonds, and the Transportation Department plans to spend almost all of the proceeds on bridge work.

With so much funding dedicated to major bridge replacements, **Senator Steve Murphy and Rep. Terry Morrow** worked to pass legislation that authorizes MnDOT to sell an additional **\$100 million in trunk highway bonds with \$70 million dedicated to interchanges and \$30 million for highway construction.**



Transportation Budget

Legislators started the session facing a \$994 million deficit in the state's general fund. They decided to erase this deficit with three major bills: a Health and Human services bill, a K-12 Education bill and a bill with everything else funded from the general fund.



Transportation funding was included in the catch-all bill which has now become session laws Chapter 215.

For MnDOT, the bill included a cut in the general fund appropriation for Greater Minnesota transit of \$1.685 million for the FY2010-11 biennium. It also included a cut of \$50,000 to the freight program. Due to an increase in anticipated federal highway dollars, the bill included an increase in the state road construction appropriation for FY2011 of \$112 million.

For Metropolitan Area Transit, the bill cut the general fund appropriation for FY2011 by \$12.9 million with \$7 million of that cut being a one-time cut and the rest a reduction in the base level of funding.

Thanks to a rosier revenue estimate for motor vehicle sales tax collections (helped by the Cash for Clunkers program) these cuts in transit funding were largely expected to be off-set by the increase in MVST.

Things changed dramatically shortly before the deadline for adjournment - May 17th - when the Minnesota Supreme Court ruled that Governor Pawlenty overstepped his authority when he unallotted \$2.7 billion in appropriations right after the end of the 2009 Legislative Session.

A final budget balancing bill was needed to not only deal with the \$994 million deficit, but the \$2.7 billion in unallotments.

The final budget deal was passed during a special session called on May 18th. The bill (HF1) includes some additional general fund cuts in the area of transportation.

MnDOT's budget was reduced by \$24,000 for FY2010 and \$1.474 for FY2011 with \$1.459 million cut from the appropriation for Greater Minnesota transit. This results in a total cut of \$3.144 million for transit.

Metropolitan Area Transit was cut by an additional \$10.175 million for FY2011 with \$8.55 million of that reduction being a one-time cut. The total reduction for the biennium is about \$23 million.

According to the Metropolitan Council, this cut in funding should not result in any transit service reductions or fare increases other than those already planned. The Council still has authority granted during the 2009 session to shift funds from its Livable Communities fund to transit operations.



2009-2010 Transportation Policy Bill

Legislators took up the 2009 Omnibus Transportation Policy bill that had been vetoed by the governor last year, taking out the provisions the administration had objected to and then adding in numerous new provisions.

The legislation (SF2540) was signed into law by the governor in May. Highlights of the new law include:

- A short-listed proposer who submits a bid for a design-build highway contract will receive a stipend even if the proposal comes in above the maximum price when the bid is responsive in all other respects.
- Bridge projects in the trunk highway bridge improvement program must include bicycle and pedestrian accommodations if the bridge is in a city or if it links walkways, paths, trails or bikeways unless an assessment shows no need or there is a crossing within one-quarter mile of the bridge.
- MnDOT may authorize the use of shoulders by buses on divided highways throughout the state.
- Cargo tank vehicles with two or three permanent axles are exempt from seasonal weight restrictions when they are delivering propane for heating if the tank is loaded at 50% capacity.
- The goals for the state's transportation system are amended to be: minimize fatalities and injuries, increase access, ensure economic well being and quality of life, enhance economic development, enhance appeal of tourist destinations, provide transit service to all counties, promote accountability, ensure maintenance of the system, and increase walking, biking and use of transit as a percentage of all trips.
- MnDOT is required to convene regular meetings of the Disadvantaged Business Enterprise (DBE) and workforce inclusion collaborative to evaluate the program and recommend changes. A report must be submitted to the legislature by Feb. 1, 2011.
- MnDOT is required to implement a Complete Streets policy after consulting with stakeholders and local governments and integrating context-sensitive design solutions. Local governments are encouraged to adopt complete streets policies.
- The requirement that a property owner be facing a hardship circumstance for loan eligibility under the right-of-way acquisition loan fund (RALF) is removed.
- MnDOT is authorized to apply for and use alternative finance mechanisms available through federal programs including the Transportation Infrastructure Finance and Innovation Act (TIFIA) in a pilot program for a single transportation project.
- MnDOT is required to report to members of the legislative Transportation Committees regarding the potential value capture or public-private partnership options, which may include charging tolls, to be used in construction of a new St. Croix River Bridge near or at Stillwater.

Tax Compliance

Making sure transportation taxes are collected

The [Transportation Alliance](#) was pleased to support legislation (HF2801) that adds resources to the Vehicle Crimes Unit within the State Patrol to focus on the collection of motor vehicle sales tax and vehicle registration taxes.

This unit has a proven track record in recovering additional revenue. The work of the troopers in this unit is expected to result in additional revenue for the Highway User Tax Distribution Fund and the Transit Assistance Fund.

Other Notable Policies

- ◆ **Angel Investor Tax Credit** - Revenue from the sales tax on leased motor vehicles that had been designated for a low-income gas tax refund will be redirected to support the Angel Investor Tax Credit.
- ◆ **Modifications to vehicle weights and dimensions** - SF2846 changes some requirements related to large motor vehicles and implements of husbandry. The language includes permission for counties to issue a special milk hauling permit for the next 3 years allowing a single-unit vehicle to haul ten percent overweight.
- ◆ **Transportation Policy Requirements** - SF1060 includes some new requirements related to research and reporting on bridge inspections, a debt management policy for highway financing, new requirements for the 20-year highway investment plan and a requirement that the Metropolitan Council provide a report to the legislature on transitway projects in the Transportation Policy Plan including anticipated capital and operating costs and projected revenue sources.

Legislative Retirements

A number of legislators announced that they will not be seeking re-election this year.

The upcoming November ballot will include all 201 seats in the legislature (67 Senate, 134 House) and the governor's seat along with constitutional officers, making this a very important election year!

HOUSE

Rep. Karla Bigham, DFL -Cottage Grove
Rep. Laura Brod, R-New Prague
Rep. Randy Demmer, R-Hayfield, running for Congress in the 1st District
Rep. Rob Eastlund, R-Isanti
Rep. Tom Emmer, R-Delano, running for governor
Rep. Jeremy Kalin, DFL-North Branch
Rep. Margaret Anderson Kelliher, DFL-Minneapolis, running for governor
Rep. Paul Kohls, R-Victoria
Rep. Doug Magnus, R-Slayton, running for state Senate
Rep. Marty Seifert, R-Marshall
Rep. Dan Severson, R-Sauk Rapids, running for secretary of state
Rep. Cy Thao, DFL-St. Paul

SENATE

Sen. Tarryl Clark, DFL-St. Cloud, running for Congress in the 6th District
Sen. Steve Dille, R-Dassel
Sen. Dennis Frederickson, R-New Ulm
Sen. Debbie Johnson, R-Ham Lake
Sen. Mee Moua, DFL-St. Paul
Sen. Steve Murphy, DFL-Red Wing
Sen. Pat Pariseau, R-Farmington
Sen. Jim Vickerman, DFL-Tracy

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- ✦ Jacobs Engineering Group, Inc.
- ✦ Laborers District Council of Minnesota & North Dakota
- ✦ Parsons Brinckeroff
- ✦ Teamsters Local 120
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