



Transportation in Minnesota Key Facts

- 1) **Minnesota has 3 constitutionally dedicated transportation revenue sources:** fuel tax, registration tax (license tab fees) and motor vehicle sales tax (MVST). All fuel tax and registration tax revenue, along with 60% of MVST has to be deposited in the Highway User Tax Distribution Fund according to Minnesota's Constitution. The remaining 40% of MVST is deposited in the Transit Assistance Account.
- 2) **Funds from the Highway User Tax Distribution Fund may only be spent for a highway purpose** as stated in the Minnesota Constitution. The funds cannot and are not spent for any other purpose including transit service.
- 3) The Minnesota Constitution sets out a distribution of revenue in the Highway User Tax Distribution Fund of **62% to the Trunk Highway Fund (MnDOT), 29% to County State Aid Fund and 9% to Municipal State Aid Fund.**
- 4) **Debt service on trunk highway bonds may not exceed 20% of the revenue in the trunk highway fund** according to MnDOT's debt policy. Current debt service levels are close to the 20% level.
- 5) According to the Transportation Finance Advisory Committee report (2013) **Highway needs gap: \$600 million/year; Transit needs gap: \$255 million/year. All modes to maintain current conditions: \$2 billion/year.**

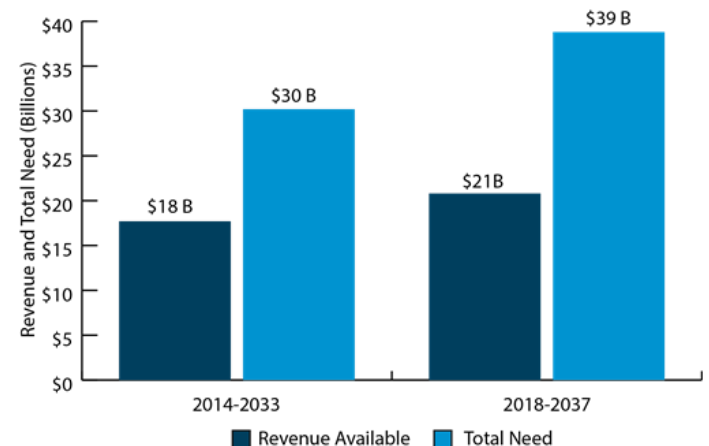
6) **MnDOT and local governments plan to spend the majority of highway dollars on maintaining existing roads and bridges.** Very little funding is available for any expansion of the current system for the next 20 years.

7) All states rely on transportation user fees including fuel and motor vehicle taxes to fund roads and bridges. **Since 2013, 17 states (including Iowa, South Dakota and Michigan) have increased their state fuel tax in order to increase the state investment in roads and bridges.**

8) **All modes of transportation (roads, transit, air, waterways and railroads) rely on tax dollars and need to be improved and updated as they work together to move people and products throughout the state.**

9) **Most of the funding for county, city and township roads comes from the local property tax.**

MnDOT Estimate of State Highway Funding Gap over 20 Years Has Grown



MnDOT 20-Year Highway Investment Plan 2018-2037 *Draft*

(green = maintenance of current assets)

