



2017 Transportation Bill Highlights

After years of failed attempts to pass a significant transportation bill, the 2017 Legislature passed a bill that provided additional funding for roads by issuing trunk highway bonds and re-directing some general fund revenues to transportation. The bill does not raise new revenues other than a small annual fee on electric vehicles, which will not raise significant funds.

Unfortunately, the bill comes up short on CGMC transportation priorities. It includes \$16 million for small-city streets in 2017 and 2018, but provides no ongoing funding for small cities and no additional funding at all for cities greater than 5,000 in population. The \$300 million in trunk highway bonds for Corridors of Commerce is a positive development, but that funding is spread over four years and is insufficient to complete important Greater Minnesota projects.

By the Numbers

- \$300M in new trunk highway bonds for Corridors of Commerce, plus \$25 million in ongoing trunk highway cash for the program.
- \$640M in new trunk highway bonds for the State Road Construction Program
- Significant general fund resources put toward transportation:
 - Partial, statutory dedication of the sales tax on auto parts to transportation
 - \$63M in 2018-19 biennium; \$290M in 2020-21 biennium
 - \$32M/year Motor Vehicle Lease Sales Tax
 - \$17.2M/year transfer of sales tax on rental vehicles
 - \$75 registration fee for electric vehicles (estimated to raise just \$40K in 2018-19 biennium; \$105,000 in 2020-21)

City Street Funding

Cities with population 5,000 or more (148 cities in 2017)

- These cities currently receive Municipal Street Aid (MSA) through the constitutionally dedicated transportation funding formula.
- In 2017, \$173M in MSA was apportioned among 148 qualifying cities based on a formula that considers population and need.
- Despite significant needs that aren't addressed by MSA alone, the 2017 Legislature appropriated no additional funds for these cities.

Cities with population less than 5,000 (705 cities in 2017)

- These cities receive no constitutionally dedicated funding.
- The Small Cities Assistance Program was created in 2015 to provide street aid to these cities, and was initially funded with a \$12.5M one-time appropriation.
- The 2017 Legislature appropriated \$8M per year for 2017 and 2018, to be apportioned among the 705 cities in this population category. No ongoing funding is provided.

Small Cities Assistance Program Funding							
Year	2015	2016	2017	2018	2019	2020	2021
Funding	\$12.5M	\$0	\$0	\$8M	\$8M	\$0	\$0

Corridors of Commerce

- \$300M in Trunk Highway Bonds, spread over four years
- \$25M/per year in Trunk Highway cash, ongoing

Corridors of Commerce Funding									
Year	2013	2014	2015	2016	2017	2018	2019	2020	2021
Bonding	\$300M	\$0	\$0	\$0	\$0	\$50	\$50	\$100M	\$100M
Cash	\$0	\$6.5M <i>(Greater MN only)</i>	\$25M	\$0	\$0	\$25M	\$25M	\$25M	\$25M

The Legislature also made changes to the scoring system MnDOT is required to use to select projects. The revised system is still being rolled out, but CGMC is concerned it may disadvantage Greater Minnesota projects.

Local Road Improvement Program/Local Bridge Program

Funded primarily by general obligation bonds, these programs provide grants to help local governments pay for the construction and reconstruction of local roads and bridges.

- Local Road Improvement Program: \$115M (of which \$90.5M is designated for specific projects)
- Local Bridge Replacement and Rehabilitation: \$72.2M (of which \$32.7M is designated for specific projects)