



Legislative Priority: Comprehensive Transportation Funding to Improve Road Safety and Alleviate Local Property Tax Burden

The Association of Minnesota Counties supports a comprehensive transportation funding package that includes new revenue for roads, bridges, and transit.

BACKGROUND: While county highway departments utilize a variety of funding sources to construct and maintain transportation infrastructure, the revenue, which must be used for specific purposes, no longer keeps up with county needs. Three major sources of state transportation funding come from the Highway User Tax Distribution Fund (HUTDF), the Motor Vehicle Lease Sales Tax (MVLST), and Bonding.

- HUTDF is comprised of the state gas tax, vehicle registration fees, and the motor vehicle sales tax. Each of these sources are constitutionally dedicated to the HUTDF, which is exclusively for roads and bridges under state, county, city, and township jurisdiction. Statewide, counties receive 29% of the regular distribution annually
- MVLST is a 6.5% tax on most leased motor vehicles, but it is not dedicated to the HUTDF. Rather, the first \$32 million stays within the state general fund and then 50% is distributed to the counties in the metropolitan area (excluding Hennepin and Ramsey). The remainder is provided to Greater Minnesota transit.
- A number of State Bonding Programs are used to the betterment of county road and bridge infrastructure. Generally, these programs are administered by the Minnesota Department of Transportation of State Aid and funds are allocated to county applicants based on program criteria.

CURRENT SITUATION: The 2012 Minnesota Transportation Finance Advisory Committee identified the need for \$7 billion of additional investment over the next 20 years just to maintain the current level of performance on county highways. Counties are charged with overseeing the maintenance and repair of local transportation infrastructure and services. Most counties are facing millions of dollars in shortfall to provide basic maintenance of current roads, bridges, and transit services.

2017 LEGISLATIVE PRIORITY: AMC supports a transportation funding package that is comprehensive (multi-modal), balanced (regionally and between modes), sustainable (on-going funding), and dedicated (constitutional for roads and statutorily for transit).