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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **1479**

March 1, 2007

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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to transportation; creating transit fund and transportation endowment
1.3 fund; rejecting rebate plan; appropriating money; amending Minnesota Statutes
1.4 2006, sections 16A.1522, subdivision 1; 16A.88; 162.07, subdivision 1, by
1.5 adding subdivisions; 174.24, subdivision 1; proposing coding for new law in
1.6 Minnesota Statutes, chapter 160.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. Minnesota Statutes 2006, section 16A.1522, subdivision 1, is amended to
1.9 read:

1.10 Subdivision 1. **Forecast.** If, on the basis of a forecast of general fund revenues and
1.11 expenditures in November of an even-numbered year or February of an odd-numbered
1.12 year, the commissioner projects a positive unrestricted budgetary general fund balance
1.13 at the close of the biennium that exceeds one-half of one percent of total general fund
1.14 biennial revenues, 25 percent of the entire balance is appropriated from the general fund
1.15 to the commissioner of finance for transfer to the transportation endowment fund. The
1.16 commissioner shall designate the ~~entire~~ remaining balance as available for rebate to the
1.17 taxpayers of this state.

1.18 Sec. 2. Minnesota Statutes 2006, section 16A.88, is amended to read:

1.19 **16A.88 TRANSIT ~~FUNDS~~ FUND.**

1.20 Subdivision 1. **Transit fund.** A transit fund is established within the state treasury.
1.21 The fund receives money distributed under section 160.96 and other money as specified by
1.22 law. Money in the fund must be allocated to the greater Minnesota transit account under
1.23 subdivision 2 and the metropolitan area transit account under subdivision 3, and must be
1.24 used for public transit assistance purposes.

2.1 Subd. 2. Greater Minnesota transit fund account. The greater Minnesota transit
 2.2 fund account is established within the state treasury transit fund. Money in the fund
 2.3 account is annually appropriated to the commissioner of transportation for assistance to
 2.4 public transit systems outside the metropolitan area under section 174.24. ~~Beginning in~~
 2.5 ~~fiscal year 2003~~; The commissioner may use up to \$400,000 each year for administration
 2.6 of the transit program. The commissioner shall use the fund account for transit operations
 2.7 as provided in section 174.24 and related program administration.

2.8 Subd. 3. Metropolitan area transit fund account. The metropolitan area transit
 2.9 fund account is established within the state treasury transit fund. All money in the fund
 2.10 account is annually appropriated to the Metropolitan Council for the funding of public
 2.11 transit systems within the metropolitan area under sections 473.384, 473.387, 473.388,
 2.12 and 473.405 to 473.449.

2.13 ~~Subd. 3. Metropolitan area transit appropriation account.~~ The metropolitan
 2.14 ~~area transit appropriation account~~ is established within the general fund. Money in the
 2.15 ~~account~~ is to be used for the funding of transit systems in the metropolitan area, subject to
 2.16 ~~legislative appropriation.~~

2.17 **TRANSPORTATION ENDOWMENT FUND**

2.18 **Sec. 3. [160.95] CREATION OF FUND.**

2.19 The transportation endowment fund is created as an account in the state treasury to
 2.20 receive money as specified by law. The State Board of Investment shall invest the fund
 2.21 under section 11A.24. All earnings of the fund must be credited to the fund.

2.22 **Sec. 4. [160.96] USE OF FUND.**

2.23 Subdivision 1. Annual transfer. On July 1 of each year, an amount equal to five
 2.24 percent of the market value of the fund on the preceding July 1 is appropriated from the
 2.25 transportation endowment fund to the commissioner of finance for transfer to the funds
 2.26 specified in this section.

2.27 Subd. 2. Highway user tax distribution fund. Sixty percent of the amount
 2.28 transferred must be credited to the highway user tax distribution fund.

2.29 Subd. 3. Transit fund. Forty percent of the amount transferred must be credited to
 2.30 the transit fund and allocated three percent to the greater Minnesota transit account and 37
 2.31 percent to the metropolitan area transit account.

2.32 **Sec. 5. Minnesota Statutes 2006, section 162.07, subdivision 1, is amended to read:**

3.1 Subdivision 1. ~~Formula~~ **Apportionment sum and excess sum.** ~~After deducting for~~
 3.2 ~~administrative costs and for the disaster account and research account and state park roads~~
 3.3 ~~as heretofore provided, the remainder of (a) The total sum provided for in section 162.06,~~
 3.4 ~~subdivision 1, shall be~~ is identified as the apportionment sum and ~~shall be apportioned~~
 3.5 ~~by the commissioner to the several counties on the basis of the needs of the counties as~~
 3.6 ~~determined in accordance with the following formula:~~ the excess sum.

3.7 (a) ~~An amount equal to ten percent of the apportionment sum shall be apportioned~~
 3.8 ~~equally among the 87 counties (b) The excess sum is the sum of revenue to the county~~
 3.9 ~~state-aid highway fund attributable to transfers from the transportation endowment fund.~~

3.10 (b) ~~An amount equal to ten percent of the apportionment sum shall be apportioned~~
 3.11 ~~among the several counties so that each county shall receive of such amount the~~
 3.12 ~~percentage that its motor vehicle registration for the calendar year preceding the one last~~
 3.13 ~~past, determined by residence of registrants, bears to the total statewide motor vehicle~~
 3.14 ~~registration (c) The apportionment sum is the remainder after subtracting the excess sum~~
 3.15 ~~from the total sum.~~

3.16 (c) ~~An amount equal to 30 percent of the apportionment sum shall be apportioned~~
 3.17 ~~among the several counties so that each county shall receive of such amount the percentage~~
 3.18 ~~that its total lane-miles of approved county state-aid highways bears to the total lane-miles~~
 3.19 ~~of approved statewide county state-aid highways. In 1997 and subsequent years no county~~
 3.20 ~~may receive, as a result of an apportionment under this clause based on lane-miles rather~~
 3.21 ~~than miles of approved county state-aid highways, an apportionment that is less than its~~
 3.22 ~~apportionment in 1996:~~

3.23 (d) ~~An amount equal to 50 percent of the apportionment sum shall be apportioned~~
 3.24 ~~among the several counties so that each county shall receive of such amount the percentage~~
 3.25 ~~that its money needs bears to the sum of the money needs of all of the individual counties;~~
 3.26 ~~provided, that the percentage of such amount that each county is to receive shall be~~
 3.27 ~~adjusted so that each county shall receive in 1958 a total apportionment at least ten~~
 3.28 ~~percent greater than its total 1956 apportionments from the state road and bridge fund;~~
 3.29 ~~and provided further that those counties whose money needs are thus adjusted shall~~
 3.30 ~~never receive a percentage of the apportionment sum less than the percentage that such~~
 3.31 ~~county received in 1958:~~

3.32 Sec. 6. Minnesota Statutes 2006, section 162.07, is amended by adding a subdivision
 3.33 to read:

3.34 Subd. 1a. **Apportionment sum.** The commissioner shall allocate the apportionment
 3.35 sum among the several counties on the basis of the needs of the counties as follows:

4.1 (a) An amount equal to ten percent must be apportioned equally among the 87
 4.2 counties.

4.3 (b) An amount equal to ten percent must be apportioned among the several
 4.4 counties so that each county receives the percentage of that amount that its motor vehicle
 4.5 registration for the calendar year preceding the one last past, determined by residence of
 4.6 registrants, bears to the total statewide motor vehicle registration.

4.7 (c) An amount equal to 30 percent must be apportioned among the several counties
 4.8 so that each county receives the percentage of that amount that its total lane-miles of
 4.9 approved county state-aid highways bears to the total lane-miles of approved statewide
 4.10 county state-aid highways. In 1997 and subsequent years no county may receive, as a
 4.11 result of an apportionment under this paragraph based on lane-miles rather than miles of
 4.12 approved county state-aid highways, an apportionment that is less than its apportionment
 4.13 in 1996.

4.14 (d) An amount equal to 50 percent must be apportioned among the several counties
 4.15 so that each county receives the percentage of that amount that its money needs bears to
 4.16 the sum of the money needs of all of the individual counties.

4.17 Sec. 7. Minnesota Statutes 2006, section 162.07, is amended by adding a subdivision
 4.18 to read:

4.19 Subd. 1b. **Excess sum.** The commissioner shall apportion the excess sum among
 4.20 the several counties on the basis of the needs of the counties as follows:

4.21 (a) An amount equal to 40 percent must be apportioned among the several counties
 4.22 so that each county receives the percentage of that amount that its motor vehicle
 4.23 registration for the calendar year preceding the one last past, determined by residence of
 4.24 registrants, bears to the total statewide motor vehicle registration.

4.25 (b) An amount equal to 60 percent must be apportioned among the several counties
 4.26 so that each county receives the percentage of that amount that its money needs bears to
 4.27 the sum of the money needs of all of the individual counties.

4.28 Sec. 8. Minnesota Statutes 2006, section 174.24, subdivision 1, is amended to read:

4.29 Subdivision 1. **Establishment; purpose.** A public transit participation program is
 4.30 established to carry out the objectives stated in section 174.21 by providing financial
 4.31 assistance from the state, including the greater Minnesota transit ~~fund~~ account established
 4.32 in section 16A.88, to eligible recipients outside of the metropolitan area.

4.33 Sec. 9. **REJECTION OF REBATE PLAN.**

5.1 The governor's plan to rebate the positive unrestricted budgetary general fund
5.2 balance to the taxpayers under Minnesota Statutes, section 16A.1522, subdivision 2, is
5.3 rejected.

5.4 Sec. 10. **APPROPRIATION.**

5.5 Twenty-five percent of the positive unrestricted budgetary general fund balance at
5.6 the close of the biennium, based on the February 2007 forecast of general fund revenues
5.7 and expenditures, is appropriated from the general fund to the commissioner of finance for
5.8 transfer to the transportation endowment fund.

5.9 Sec. 11. **EFFECTIVE DATE.**

5.10 Sections 1; and 4, subdivision 1, are effective July 1, 2008. Sections 2; 3; 4,
5.11 subdivisions 2 and 3; 5 to 8; and 10, are effective July 1, 2007. Section 9 is effective the
5.12 day following final enactment.