

MCEA Legislative Committee Update

September 15, 2022
AMC Fall Policy Conference



Legislative Committee Members



- JinYeene Neumann, Carlton County
- Lyndon Robjent, Carver County
- Ryan Thilges, Blue Earth County
- Weekly calls during the legislative session with AMC, MnDOT and open to all MCEA members

2022 Session Recap



- Transportation spotlight: IJA & Auto Parts Sales Tax
- Bonding year
- Historic projected surplus
- Election year/redistricting/retirements
- End of session politics

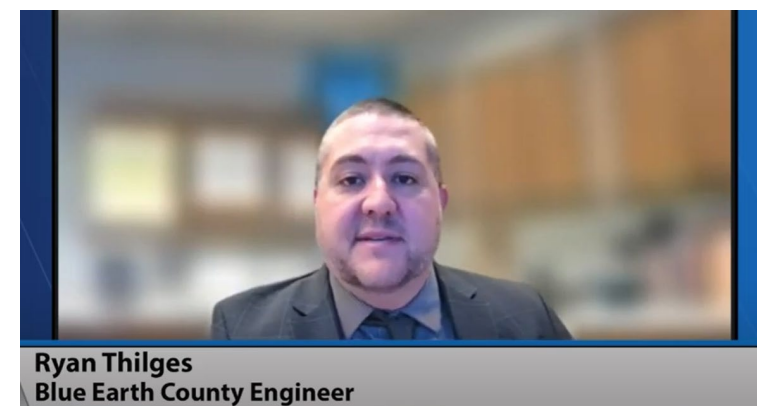


IIJA

Governor's supplemental budget recommendations included a significant infusion of GF cash for the non-federal match to IIJA funds:

- \$200 million from GF in 2022/2023 to HUTDF for IIJA matching funds
 - \$65 million to CSAH
- \$40 million/year from GF to a separate pot for other modes

February 3 House Transportation Committee hearing on IIJA and its potential for transportation in MN



Auto Parts Sales Tax



House Position (HF3931, Huot)

- 60/40 split, mirrors MVST
- 60 = 53% HUTDF, 4% small cities, 3% town roads
- 40 = 36% metropolitan area transit account, 4% greater MN transit account
- Standalone bill as amended went to the Tax Committee where it stayed

Senate Position (SF3086, Howe)

- 86% HUTDF
 - 7% small cities
 - 7% towns
- Standalone bill passed off the Senate floor with bipartisan support (59-7)
- Provision was added to the Senate side of the Omnibus Transportation Bill

Bonding

2022 = Bonding year

\$1.4 billion bonding bill in global agreement

Senate Capital Investment Chair Tom Bakk said the bill would include:

- \$1 billion asset preservation – including roads + bridges
- \$400 million local projects
- \$150 million in GF cash

Unfortunately, no bonding bill introduced before May 23



Other policy bills



- HF2771 (Becker-Finn)/SF4198 (Coleman) Authorizes counties to set speed limits on roads under their jurisdictions without a prior engineering and traffic study or authorization by MnDOT
- HF2854 (Sundin)/SF3751 (Ingebrigtsen) Board of Water and Soil Resources local road wetland replacement program funding provided, and money appropriated
- HF3311 (Ecklund)/SF3509 (Eichorn) Clean Water Act; funding provided for state to assume 404 permitting, report required, and money appropriated
- HF3216 (Frederick)/SF2647 (Coleman) Local road improvement program advisory committee membership amended, adds one member from MN Association of Townships
- HF3317 (Davids) Automated speed enforcement prohibited
- HF3983 (Bernardy) Highway right-of-way mowing practices regulated, and pollinator habitat management provided
- HF4060 (Stephenson)/SF3938 (Hoffman) Motor fuel tax temporary moratorium on imposition established, transfers made, and money appropriated
- SF3996 (Johnson Stewart)/HF4242 (Long) Speed safety camera pilot program establishment and appropriation
- HF4313 (Hansen)/SF4110 (Dibble) Highways for habitat program establishment and appropriation
- HF4456 (Anderson)/SF4037 (Johnson Stewart) Grants appropriation to perpetuate public land survey system monuments and associated data





Looking Ahead to 2023 Session

- Still need IJA matching funds from the state
- Bonding bill
- Budget year
- DACA funding
- Historic Bridge
- Policy Issues that we might see:
 - Speed Limits, T/E Species, Truck Weights?



DACA History

- Established in 2014 by Governor Mark Dayton to assist local communities after a natural disaster.
- The DACA is controlled by the Department of Public Safety (DPS).
- Minnesota State Statutes Chapter 12.221 subdivision 6 was revised in 2015 to include a clause to provide for federal assistance from the FHWA Emergency Relief (ER) Program under United States Code, title 23, section 125.
- Prior to 2015 disaster funding was provided through legislation by special session.



2018-2020 Disasters

- The FHWA ER Program declares that permanent emergency repairs are federally eligible for reimbursement at 80% with the remaining 20% to be a Local Public Agency (LPA) cost share.
- Minnesota Statutes Chapter 12.221 subdivision 6 provides for the LPA cost share for federal assistance.
- From 2018-2020, four state disasters were declared that resulted in a need for federal assistance to repair County owned roadways and bridges.
- Over the 4 disasters, 15 counties were provided with FHWA ER funding, expecting the pledged 20% cost share from the DACA.



Where we started

- 15 counties have expended an estimated \$3.3 Million in LPA 20% cost share since 2018 and have not received reimbursement.
- In 2020 the counties began to request reimbursement for the 20% LPA cost share from the DACA and were and continue to be denied by the Department of Public Safety (DPS).
- The 20% cost share represents an additional property tax burden to local residents and prevents counties from using these fund on other needed resources.

Where we stand



- In May of 2022, MCEA and AMC sent a letter to the Governor asking his office to intercede on the counties behalf to release the DACA funds.
- Currently, Counties have begun to pass resolutions requesting the Governor's assistance.
- Potential solution: create a separate emergency account in MnDOT's budget.
 - State Aid would administer the funds directly to locals, removing DPS from the equation.
 - Requires legislative change/action.



Historic Bridge Funding

- Minnesota Statute 174.50 establishes the requirements associated with the Minnesota State Transportation Fund as well as requirements for state bridge funds.
- Minnesota Statute 161.082 Subdivision 2a does the same for town bridge funds.
- Currently both Statutes restrict the use of funds to construction and reconstruction of bridges. Under current language stabilization, rehabilitation, and preservation are not eligible uses of state bridge funds.
- Costs associated with historic bridges such as project development, costs to repurpose, disassemble, transport to a new location, reassemble and reconstruct are not eligible.



Historic Bridge Funding - Continued

- 88 historic bridges are owned by local agencies – an estimated \$54M is needed to stabilize, rehabilitate, and preserve these bridges.
- Project development cost, including those specifically required due to the historic nature of these bridges is estimated to be \$15M.
- The restrictions in the Statute have the potential to inhibit the preservation to important historic assets.
- Proposed changes to the Statute would make the costs of environmental documentation, preliminary design, final design, repurposing, disassembling, transporting to a new location, reassembling and constructing historic bridge eligible for state bridge funds under the Local Bridge Replacement Program.

Questions?

