



# 2019 Legislative Session

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# 2019 Session Summary

- MnDOT Policy Provisions Enacted
- Other Policy Provisions Enacted
- Transportation Funding

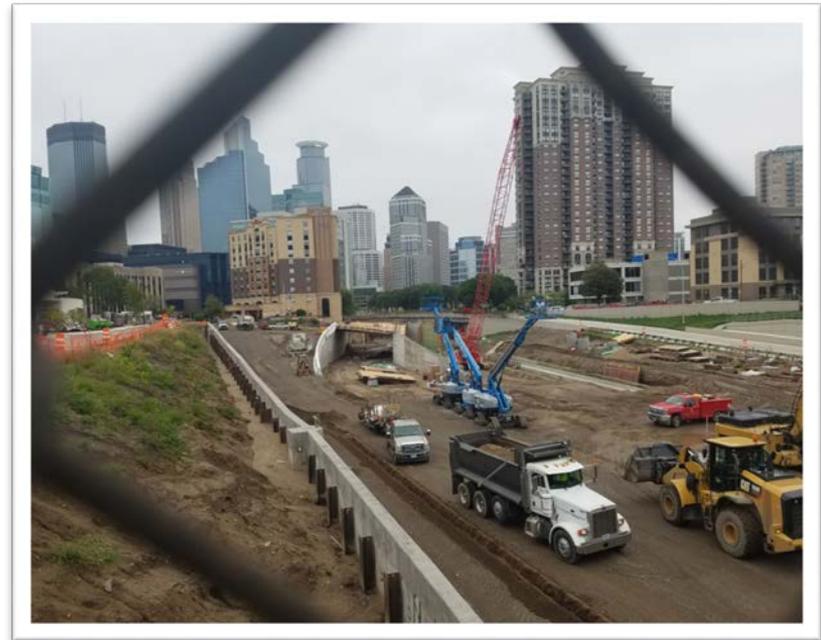


# 2019 MnDOT Policy Provisions

- Airport Zoning
  - Requires airport zoning ordinances to be placed on zoning maps to increase visibility
  - Increases flexibility by allowing airport-specific design of zoning regulations as alternative to standards contained in state rules
- Truck Size and Weight (FAST Act conformity)
  - Automobile transporters & tow away trailers – extend length limits
  - Logging vehicles on part of I-35 – weight exemption
  - Emergency vehicles – weight limits on Interstates

# 2019 Other MnDOT Items

- Truck platooning
  - allows vehicles to follow lead vehicle **more closely than 500 feet**
  - authorizes the operation of platoons on **freeways and expressways on the trunk highway system**
  - subject to **plan approval** by MnDOT
  - plans must include information about **length and configuration** of the platoon, **proposed route and times**, and other details
  - Platoons **may not include more than three vehicles** and **must meet insurance requirements**
- Automated vehicles--NOT enacted
  - Governor's Advisory Council
- Drones--NOT enacted



# 2019 Other Policy Items

- Drivers must yield to on-track railroad equipment
- Paper product trucks allowed to travel on expanded portion of Highway 53 in northern Minnesota
- Clarifies which products can be hauled under an agriculture products truck permit
- Increases weights for trucks carrying unfinished forest products by 5% year-round
  - Concern about this provision due to increased road and bridge damage, especially during spring load restrictions
- Authorizes transportation network company vehicles (such as Uber and Lyft) to display lights with the company logo
- Clarifies law related to the operation of large vehicles in roundabouts
- Prohibits trucks from using engine brakes on sections of I-94 in Minneapolis and Highway 13 in Burnsville

# Traffic Safety

- Hands-free cell phone
  - prohibits use of hand-held communications devices while operating a motor vehicle that is part of traffic
  - exceptions for hands-free mode, using one-touch navigation and audio systems, reporting emergencies, and authorized emergency vehicles
  - penalty for first violation is \$125; second and subsequent offences \$350
- Work zone flaggers
  - allows a citation to the driver of a vehicle if peace officer has probable cause to believe that the driver violated a flagger's direction within the past 4 hours
  - modeled after similar law that allows citations for violations of a school bus stop arm to be issued up to 4 hours after the incident, based on report
- Move-over law
  - Recycling and solid waste vehicles included

# Growing Needs

- Nearly 1 million new Minnesotans by 2050
- Projected vehicle miles traveled to increase 21.3% by 2040
- Freight truck traffic to increase 40% by 2040
- Connected, automated and electric vehicles
- Significant funding gap



# Funding Shortfalls

- More than 50% of Minnesota state roadways and 40% of state bridges are 50 years old or older
- Increasing deterioration of pavement and bridges
- Little expansion to address population and economic growth
- Reduction in high priority services
  - Snow and ice
  - Repair potholes
  - Bridge inspection and maintenance



# The Funding Gap

The existing system needs additional resources to maintain and modernize our roads and bridges

Funding gap is the result of:

- Aging infrastructure
- Increased costs for construction & maintenance
- Population and freight shipments increasing
- Stable/flat federal funding

**\$18 billion**

*projected between funding needs and estimated revenues for roads and bridges over the next 20 years (\$6 billion in the next 10 years)*

# Governor's Transportation Proposal

- 20¢ gas tax increase (phased-in, 5¢ each time) indexed to inflation
  - \$6.5 billion over 10 years
- Increase registration tax (increase rate from 1.25% to 1.5% and base fee from \$10 to \$45; change depreciation schedule)
  - \$4 billion over ten years
- Increase motor vehicle sales tax from 6.5% to 6.875%
  - \$300 million over ten years
  - additional funds for transit
- \$2 billion trunk highway bonds over 8 years
- To help lower- and middle-income Minnesotans, increase Working Family Credit by \$100 for singles/heads of household and \$200 for married couples

# What Would the Gas Tax Increase Do?

## 20¢ for Better Roads and Bridges

Gas tax phased in over two years, 100% dedicated funding.



**7¢**

**Dedicated for transportation projects**  
(currently from general fund)



**5-6¢**

**Pay off debt on existing**  
**highway bonds**



**3¢**

**Buying new trunk highway bonds**

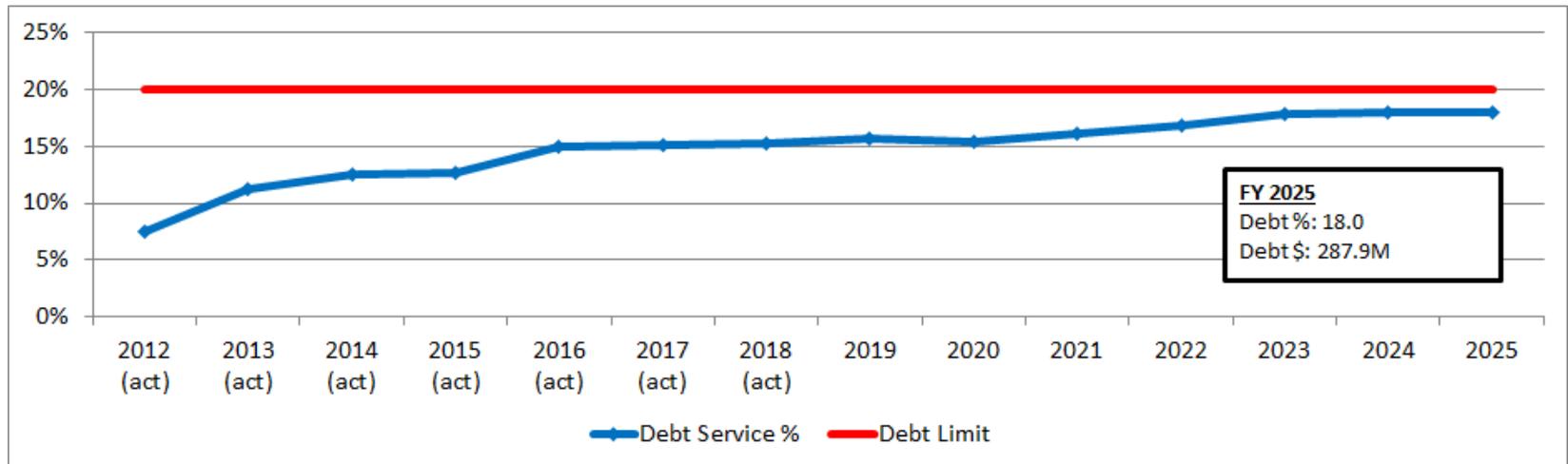


**4-5¢**

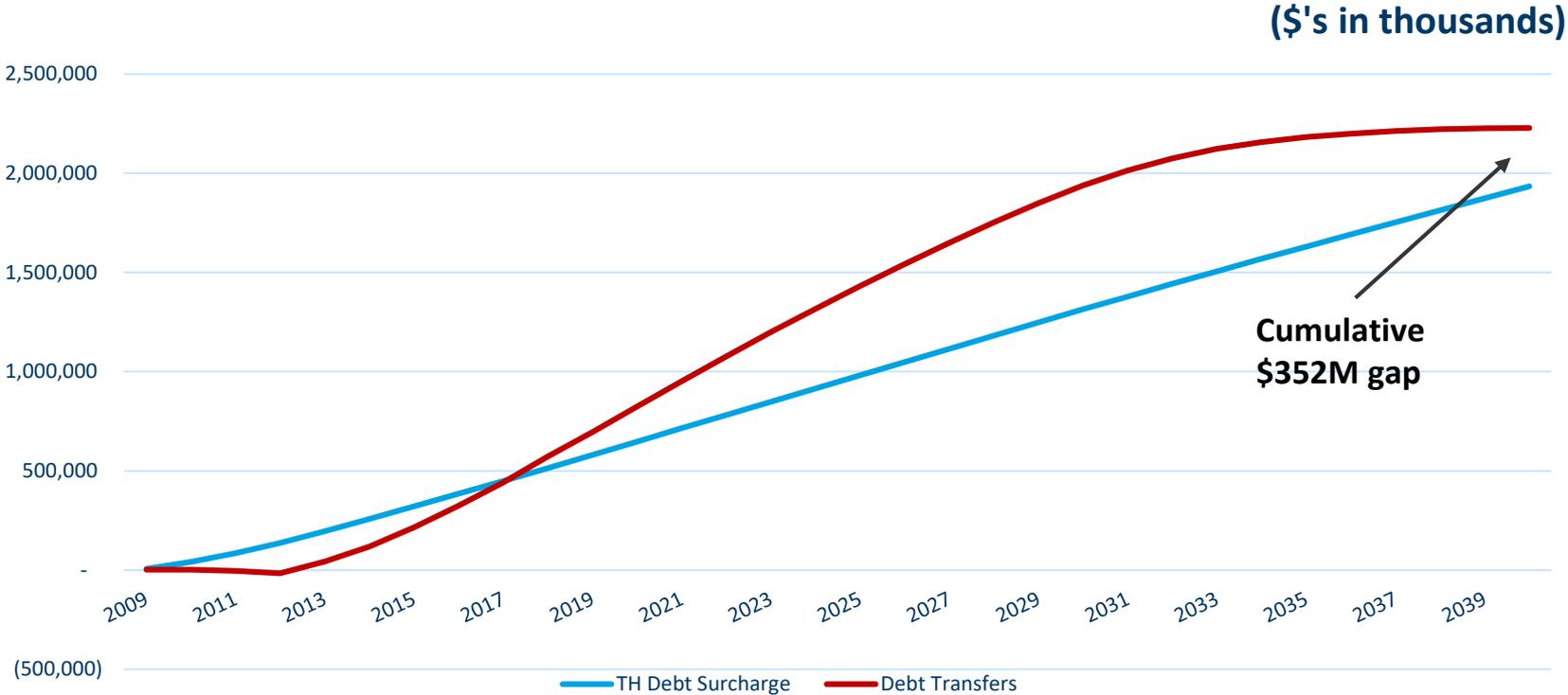
**New projects focused on**  
**safety and reducing congestion**

# Debt Policy Limit

- MnDOT's annual debt service costs cannot exceed 20% of annual state revenues



# Cumulative Debt Transfers vs. Trunk Highway Debt Service Surcharge



# What is in the Price of Gas?

- In 1988, more than 22% of what you paid at the pump was state tax (gas tax raised to 20 cents; average per-gallon price was 90 cents)
- Today, less than 12% of what you pay at the pump is state tax
- More than 75% of the cost at the pump pays for the crude oil, refining and distributing
- If Minnesota's gas tax had been indexed to inflation (CPI) in 1988, it would be approximately 43 cents today

# Community Prosperity

- Repair and replace aging infrastructure
  - **1,800 miles of roadway**
  - **300 bridges** on the state highway system
- More efficient and reliable transportation system that can keep up with demands
- New funds for projects that will create thousands of careers in construction and engineering fields
- 40% of additional funding goes to local roads
- 35% increase in funding for Minnesota counties and cities
- Majority of roadway miles are county roads and city and township streets, which agriculture, manufacturing and service industries rely on to move product and services



# Funding Enacted

- No revenue increases
- Increase in general fund transfer to highway user fund, enacted in 2017
- No funding for cities under 5,000
- No bonding bill



# MnDOT Funding

Biennial totals listed, some to maintain one-time funding provided in current biennium:

- Airport development and assistance, \$6.6 million increase
- Aviation support and services, \$2.8 million increase
- Operations and maintenance, \$98 million increase
- Program delivery, \$25 million increase
- State road construction, \$150 million increase
- Agency services, \$17 million increase
- Buildings, \$32 million increase
- Tribal training, \$827,000 increase

# MnDOT Funding

Base-level funding provided for:

- County state-aid highway fund
- Municipal state-aid street fund
- Greater Minnesota transit
- Safe Routes to School
- MnDOT passenger rail office
- MnDOT planning and research
- Corridors of Commerce
- Trunk highway debt service
- Statewide radio communications



# Other Funding

- A requirement for MnDOT to spend up to \$5 million in federal funds for the active transportation program (bicycle and pedestrian projects)
- \$650,000 for MnDOT to analyze and update information related to extending the Northstar commuter rail line to St. Cloud
- \$1.062 million for evaluating safety improvements on trunk highways (Highway 47 in the north metro) and studying a new a new Mississippi River crossing in the north metro
- Re-authorization of \$160,000 for the port of Winona
- \$700,000 for airport renewal grant program thru DEED
  - Grants available for up to 50% of the capital costs of redevelopment of an existing facility or construction of a new facility, and for public or private costs of airport infrastructure projects

# 2019 MnDOT Capital Provisions

(\$ in thousands)

Project/Program Title	Funding Source	Governor's Rec
Facilities Capital Improvement Program	THB	40,000
Minnesota Rail Service Improvement Program	GO	5,000
Highway Railroad Grade Crossing Warning Device Replacement	GO	12,000
Local Bridge Replacement Program	GO	100,000
Local Road Improvement Program	GO	100,000
Safe Routes to School Infrastructure Program	GO	10,000
Port Development Assistance Program	GO	14,000
Passenger Rail Program	GO	11,000
Hazardous Materials Rail Grade Separation	THB	52,000
Page & Hill Superfund Site	GO	6,000
<b>Total Funding Request</b>		<b>350,000</b>
<b>GO = General Fund General Obligation Bonds</b>	<b>GO</b>	<b>258,000</b>
<b>THB = Trunk Highway Fund General Obligation Bonds</b>	<b>THB</b>	<b>92,000</b>

# 2020 Session



- Begins February 11, 2020
- Bonding Year
  - Preliminary bonding proposals due June 14
  - Policy proposals developed later this summer

# Thank you!

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