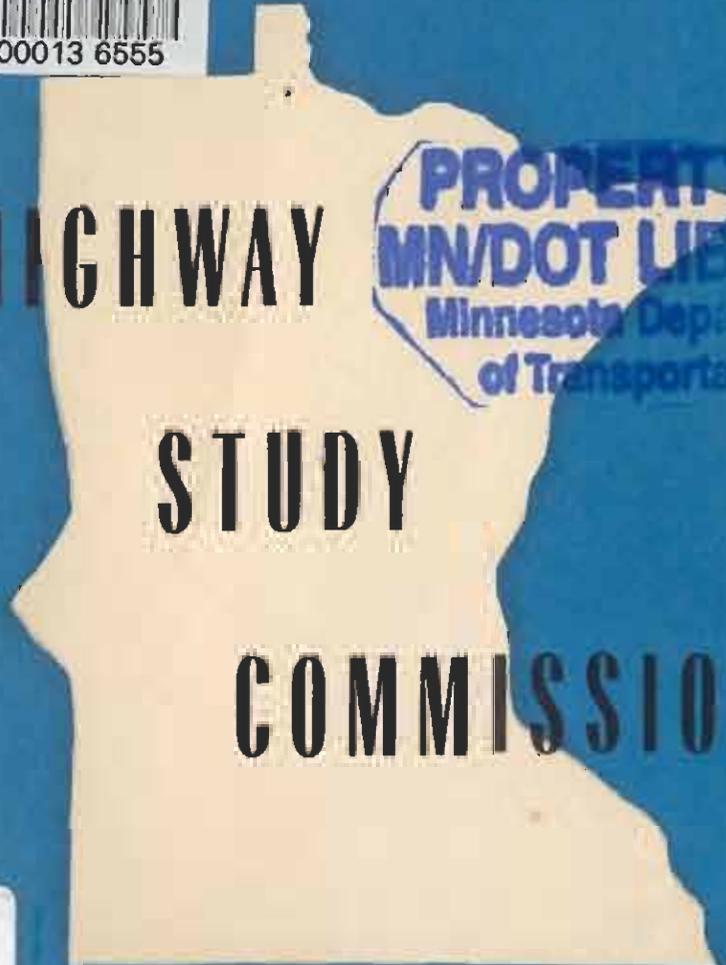


REPORT OF THE



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TO THE LEGISLATURE OF THE
STATE OF MINNESOTA

DECEMBER 22, 1954

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JOHN A. HARTLE..... *Vice-Chairman*
C. C. LUDWIG..... *Secretary*

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COMMISSION CONSULTANTS

Automotive Safety Foundation Washington, D. C. (<i>Physical Needs Study</i>)	Public Administration Service Chicago, Illinois (<i>Fiscal Study</i>)
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BACKGROUND TO THE REPORT

The 1953 Minnesota Legislature (Chapter 692, Session Laws) directed the Minnesota Highway Study Commission to investigate and study all matters relating to highways, and appropriated \$60,000 to finance the study. In accordance with the law, the commission submitted a preliminary report to the legislature on March 12, 1954. The statute also required the commission to make a final and complete report setting forth its findings and such recommendations as "it deems proper in an effort to assist the legislature in the formulation of a stable and fair policy for the maintenance and expansion of the highways within the State of Minnesota". This report complies with the legislative directive.

The twenty-eight-man commission, composed of seven Senators, seven Representatives and fourteen other citizens (seven appointed by each House), acknowledged that an impartial and technical study of the physical and fiscal needs of the highways, roads and streets was required, preferably by out of state consultants. After conferring with many nationally recognized consultants, Automotive Safety Foundation, Washington, D. C., was engaged to conduct the physical needs study, and Public Administration Service, Chicago, Illinois, was engaged to conduct the fiscal needs study. These consultants worked during a period of approximately fourteen months.

The Automotive Safety Foundation, with the help of state, county and municipal engineers, determined the physical needs, based on tolerable standards, of every mile of roadway in the state. Its complete engineering report, "Highway Transportation in Minnesota", and its summary report, "Minnesota's Highway Needs", were released to the commission in September and October, 1954, respectively.

The Public Administration Service released preliminary reports on February 15, and August 1, 1954, in addition to miscellaneous progress reports, to enable the commission to determine whether or not to recommend a special session of the legislature to consider a proposed constitutional amendment, relating to the distribution of highway user funds. The final report of Public Administration Service, "Financing a Proposed Highway Program", was released to the commission on October 1, 1954.

The commission reported to the legislature and the governor on March 12, 1954, and September 1, 1954, to the effect that no definite recommendation for a proposed constitutional amendment could be

made at the time each report was submitted. On March 12, 1954, the commission was of the opinion sufficient factual information was not available to justify a recommendation and on September 1, 1954, (the latest date a special session could be recommended) the consultants' reports were not complete and the detailed information which had been made available by Automotive Safety Foundation on August 16 could not be analyzed and discussed sufficiently to enable the commission to formulate a definite recommendation for a proposed amendment.

This report has been prepared to assist the legislature and to inform other interested citizens who want to have established a stable and fair policy for the maintenance and expansion of Minnesota's highways.

After gathering preliminary information and after the conclusion of numerous public hearings, the commission recognized the need for a change in the constitutional provisions which limit the distribution of highway user revenues (motor vehicle registration fees and motor fuel tax collections). Testimony at the public hearings emphasized the lack of flexibility in the present constitution, which dedicates all of the net motor vehicle registration fees and two-thirds of the net fuel tax revenues to the state trunk highway system and one-third of the fuel tax revenues to the counties.

Although the commission was cognizant that in most of the other states highway user revenues are distributed by legislative discretion it was apparent that Minnesotans have been by tradition "constitutionally" minded. The commission, therefore, agreed to recommend a change in the constitutional formula and permit the legislature to make limited adjustments periodically.

The members of the commission, with few exceptions, are pleased to report agreement on a recommendation for a proposed constitutional amendment which will accomplish the objectives recommended for all road systems by Automotive Safety Foundation in their 15 year program. It is believed that if the amendment proposed by the commission is recommended by the legislature and approved by the voters, the comprehensive program can be completed within 15 years without any increase in present tax rates on those who use the highways. The sections of the proposed amendment and the various supplemental statutes, as recommended by the commission hereafter in this report, are interspersed with brief explanatory comments.

The commission which has made this study and report is composed of fourteen legislators who represent areas throughout the

state and fourteen other citizens who represent the major commercial, civic, farm and governmental organizations directly concerned with highways in Minnesota. This report is based on eighteen months of intensive study by the members of the commission, who served without compensation. The organization and procedures adopted by the commission in conducting its study of highway problems, including the public hearings, are referred to in the appendix.

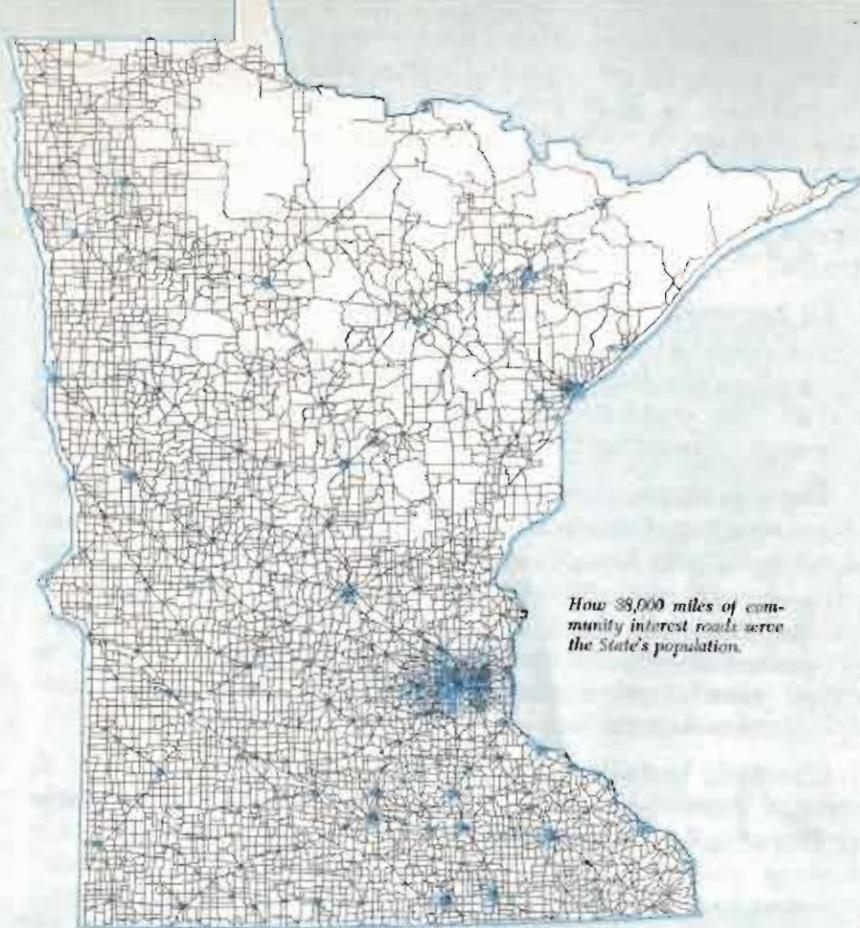
Six members of the commission signed a supplementary statement with comments on certain recommended policies contained in this report, particularly as they affect the larger municipalities of the state. The supplementary statement is included near the end of this report preceding the appendix.

The commission desires to gratefully acknowledge the excellent cooperation of the State Highway Department, its engineers, and particularly its Division of Traffic and Planning, other governmental agencies and officials, including the county engineers, the municipal engineers, the U. S. Bureau of Public Roads and other individuals and organizations, in addition to our consultants, who supplied valuable information and services which have been most helpful to the commission.

The study by the consultants was financed jointly by the U. S. Bureau of Public Roads and the Department of Highways as Highway Planning Survey Project I (18).

TABLE OF CONTENTS

Background to the Report	3
The Basic Considerations	7
The Proposed Constitutional Amendment	9
Areas of Legislation to Implement the Proposed Amendment	17
Additional Legislation for 1955	23
Average Annual Road Program Costs	25
Future Traffic Estimates	26
Future Revenue Estimates	27
How the Commission's Proposals will affect the Road Jurisdictions	29
Brief Summary	35
Supplementary Statement	35
Appendix	37



How 38,000 miles of community interest roads serve the State's population.

The 38,000 miles of roads on the map above were classified by Automotive Safety Foundation as rural routes of community interest. This road system connects every incorporated place in the state and serves all of the rural areas. Approximately 10,500 miles are rural trunk highways. It was proposed that the additional 27,500 miles be classified as primary county roads.

The commission's proposed amendment (refer to "Basic Considerations" on opposite page) permits 43,200 miles of highways, roads and streets to be classified as primary routes. This includes 38,000 miles of rural routes, approximately 1,500 miles of urban trunk highway extensions and 3,000 miles of other arterials within municipalities. Some additional mileages are permitted for expansion of the primary systems.

Section 3 of the proposed amendment (page 10 of this report) refers to a county state-aid highway system of 30,000 miles. This includes 27,500 miles of primary county roads and 1,835 miles of arterial streets off the trunk system in cities under 5,000 population. Section 4 of the proposed amendment refers to a municipal state-aid street system of not to exceed 1,000 miles in municipalities of 5,000 population or over.

The Basic Considerations

Highway User Taxes to Be Distributed from One Fund

The present constitution established separate funds for highway user revenues from which allocations are made to the state trunk highway system and the counties. Our fiscal consultants recommended that these revenues should be retained in one fund and distributions should be made therefrom. The commission concurred in this recommendation and the proposed Article XVI, Section 7, creates a Highway User Tax Distribution Fund. It is recommended that the policy of dedicating highway user taxes for road purposes be continued.

43,200 Miles May Be Classified in Primary Highway, Road and Street Systems, Based on Existing Classifications

Automotive Safety Foundation recommended, on the basis of existing road classifications, that approximately 28,000 miles of county roads and 3,000 miles of city arterial streets should be classified as primary routes. These routes and 11,850 miles of state trunk highway serve the major portion of the highway traffic and form a well integrated highway and street network. The proposed amendment (Article XVI, Sections 2, 3 and 4) is based on Automotive Safety Foundation's recommendation that these mileages should be classified as primary routes. It does not reduce or transfer any mileage from the state trunk highway system, but on the other hand permits expansion of the system to 12,200 miles. Other local roads and streets, generally, will remain under their present jurisdictions.

Counties to Have Responsibility for Primary Extensions in Municipalities Under 5,000 Population

The commission agreed that the county road extensions and other arterial streets in municipalities below 5,000 population should be the responsibility of the counties. This policy is recommended because it is believed that the counties are more able to administer the highway user funds by utilizing the engineering staff and facilities which are provided for each county by law. It is, therefore, recommended that the funds needed for county extensions and other arterial streets in municipalities below 5,000 population, as reported by Automotive Safety Foundation, should be included in

the county needs. The percentage of highway user revenues recommended for the counties includes adequate funds for the arterials (not including the state trunk routes) in these municipalities. The proposed amendment (Article XVI, Section 3) provides that the county state-aid system shall include connections and other arterials off the trunk system in municipalities under 5,000 population.

Distribution Formula to Meet Needs of Automotive Safety Foundation 15 Year Program Based on Existing Classifications Without Increased Taxes on Highway Users

The commission adopted the Automotive Safety Foundation 15 year program with the understanding that on the basis of conservative revenue projections the annual road and street costs can be financed adequately without increasing existing rates of highway user taxes. The distribution formula (Section 7, of the proposed constitutional amendment) was developed after the Automotive Safety Foundation's recommendations for the 15 year program had been fully analyzed and their effect on the state, county, municipal and township road jurisdictions had been determined.

The increased federal aid of \$7,500,000 provided by the Highway Act of 1954 and the increased revenue calculated on the basis of highway travel projections will provide the necessary funds. Although a multi-billion dollar federal aid program is being planned for the 48 states, the financing of our annual program costs during the 15 year period does not contemplate any additional increase in federal aid. Assuming the voters approve the constitutional amendment in 1956, the 15 year program will begin July 1, 1957, and end July 1, 1972.

Development of our road systems may be speeded up and completed in less than 15 years if additional federal aid is made available. Also, the legislature may shorten the program period for any or all road systems, if it so determines, by providing additional revenues.

A Bill for an Act Proposing a Constitutional Amendment Is Recommended

The commission made the foregoing basic decisions and agreed upon the additional provisions set forth in the proposed bill for a constitutional amendment, which was approved with explanatory comments, as follows:

A BILL

FOR AN ACT PROPOSING AN AMENDMENT TO THE CONSTITUTION OF MINNESOTA RELATING TO PUBLIC HIGHWAYS BY ADDING A NEW ARTICLE XVI, REPEALING ARTICLE IX, SECTION 16 AND THE PRESENT ARTICLE XVI, AND REPEALING INCONSISTENT PROVISIONS OF ARTICLE IX, SECTION 5.

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

Section 1. An amendment to the constitution of the State of Minnesota is proposed to the people of the state for their approval or rejection, which amendment, if adopted shall be known as Article XVI and shall replace the present Article XVI; Article IX, Section 16; and inconsistent provisions of Article IX, Section 5. The proposed amendment reads:

ARTICLE XVI

Section 1. PUBLIC HIGHWAYS AS STATE PURPOSE. Subject to the limitations of this article, the state may construct, improve, maintain and operate public highways and may assist political subdivisions in such work.

COMMENTS: This general authorization for state participation in the highway function was deemed necessary to avoid the ban on state participation in works of internal improvement contained in Article IX, Section 5.

Sec. 2. STATE TRUNK HIGHWAY SYSTEM. Subdivision 1. The highways extending along the routes described in the constitutional amendment adopted November 2, 1920, as routes numbered 1 through 70 are continued as a part of the state trunk highway system. Until otherwise provided by law, trunk highways now established pursuant to statute shall also be a part of such system.

Subd. 2. Subject to Subdivision 3, the legislature may establish additional routes as part of the state trunk highway system and may alter or abandon any routes established by statute.

Subd. 3. The total state trunk highway system shall not exceed 12,200 miles exclusive of (1) additional mileage of state trunk highways required by the federal government as part of the interstate system and (2) highways financed entirely from tolls.

Subd. 4. State trunk highways shall be constructed, improved, maintained and operated by the state.

COMMENTS: This section continues the constitutional trunk highway routes, but does it by reference. It continues the legislative additions to the constitutional routes but permits the legislature to change these. It includes a mileage ceiling on the State Trunk Highway system of 12,200 miles but excludes from such ceiling the additional highways which may be designated as part of the interstate system and also any toll financed super highways which may come in the future.

Sec. 3. COUNTY STATE-AID HIGHWAY SYSTEM. A system of state-aid highways which shall be constructed, maintained and operated by the counties, and not exceeding a total of 30,000 miles in extent, shall be established. The legislature may, by two-thirds vote of each house, increase or decrease the total mileage of this system. Such system shall include major highways off the trunk system, which provide the most practical and direct connections for the principal centers of community interest, including connections and other arterials in municipalities of less than 5,000 population. Such highways shall be made a part of the county state-aid system only with the approval of the state highway agency and of the governing bodies of the counties and municipalities in which they are located.

COMMENTS: This section is based on a county state-aid system of 30,000 miles, including roughly 27,500 miles of county primary roads and 1,835 miles of arterials in municipalities under 5,000 population. This will allow some leeway without further legislative action. The section applies the basic policy that selection of the county state-aid roads should have state approval.

Sec. 4. MUNICIPAL STATE-AID STREET SYSTEM. A system of state-aid arterial streets located in cities, villages and boroughs of 5,000 population or over which shall be constructed, maintained and operated by the municipalities, and not exceeding 1,000 miles in total extent, shall be established. The legislature may, by two-thirds vote of each house, increase or decrease the total mileage of such system. Included in this system shall be arterial streets located and designed so as to connect with the state trunk highway or county state-aid highway system and to accommodate heavy traffic. Such streets shall be made a part of the municipal state-aid system only with the approval of the state highway agency and of the governing bodies of the municipalities in which they are located.

COMMENTS: This section, as in the case of the counties, provides for expenditure of highway user revenues on major city streets off the trunk highway system. The category in the Automotive Safety Foundation program costs that is contemplated under this section is "arterial streets". As in the case of the county state-aid system, the selection of the municipal state-aid street system should have the approval of the state.

Sec. 5. MOTOR VEHICLE TAX. The state may tax motor vehicles using the public highways, including the motor vehicles of taxpayers paying taxes under a gross earnings system of taxation although earnings from these vehicles may be included in the earnings upon which such gross earnings taxes are computed. Any such tax shall be in lieu of all other taxes thereon.

COMMENTS: This section revises Section 3 of Article XVI (present constitution) with respect to motor vehicle taxes. The substance is not changed but the wording "on a more onerous basis than other personal property" is eliminated. This is to remove any doubt about the right of the legislature to place the motor vehicle tax on a utility or any other basis without the necessity of including a valuation element in the tax structure. This section also eliminates the provisions about the exemption of non-residents and assumes that the right to levy a tax on motor vehicles includes the right to provide for any reasonable exemption therefrom, such as governmental vehicles, non-resident vehicles, etc. In the "in lieu of all other taxes" provision the exception for municipal wheelage taxes was deleted, as recommended by Public Administration Service.

Sec. 6. **MOTOR FUEL TAX.** The state may levy an excise tax upon any product, or upon the business of dealing in, selling, or producing any product, used or useful in producing or generating power for propelling motor or other vehicles used on the public highways.

COMMENTS: This is transferred from Section 5 of Article IX. The old provision about sharing of the gas tax is eliminated but is supplanted by the single fund provisions and a new sharing formula in Section 7.

Sec. 7. **HIGHWAY USER TAX DISTRIBUTION FUND.** The gross proceeds of taxes levied by the state under Sections 5 and 6 shall be placed in a Highway User Tax Distribution Fund, which is hereby created. After the deduction of collection costs as provided by law and the payment of refunds authorized by law, the net proceeds shall be used solely for the purposes enumerated in Sections 2, 3 and 4 of this article and shall be transferred to the following funds in the following proportions: 62% to the state trunk highway fund; 30% to the county state-aid highway fund; 8% to the municipal state-aid street fund. After January 1, 1963, the legislature may change the proportions to be transferred to the foregoing funds; but the change made in the proportion to be transferred to any of such funds may not exceed 5% of the total highway user tax distribution fund, and no change in the distribution formula may be made within six years of the last previous change.

COMMENTS: This provides for a single fund for the highway user taxes and provides for the distribution of the net proceeds after administrative and collection costs (presumably controlled by legislative appropriation) and legally authorized refunds have been taken care of. It also allows some flexibility (5% of the total fund) for the legislature to meet changing conditions and changing needs at six year intervals.

Sec. 8. **STATE TRUNK HIGHWAY FUND.** In addition to moneys transferred from the Highway User Tax Distribution Fund there shall be placed in the State Trunk Highway Fund, which is hereby created, all federal highway aid allotments and all other receipts, reimbursements and special appropriations from the state's general revenue which are properly applicable to the state trunk highway system, including the proceeds of any state bonds issued therefor. This fund shall be used only for the support of the state trunk highway system, as may be provided by law. Any

payments of principal and interest on state highway bonds shall be a first charge on this fund.

COMMENTS: The wording of this section provides for handling through this fund not only the state share of the highway user taxes as provided by Section 7 but also the federal aid allotments and all special receipts and reimbursements which must be used on the trunk highway system. It is not intended that federal aid which is being used for projects off the trunk system should be placed in the state trunk highway fund.

Sec. 9. **COUNTY STATE-AID HIGHWAY FUND.** In addition to the share of the highway user taxes provided by Section 7, the County State-Aid Highway Fund, which is hereby created, shall receive the income from the investments in the Internal Improvement Land Fund. Money in the fund shall be apportioned among the counties in accordance with law. The share given to each county shall be used for the support of its state aid highways subject to conditions imposed by the state highway agency or in accordance with law; but the legislature may authorize use of a portion of such share for the support of other local roads and streets when other available revenues are inadequate for the purpose. Counties may use any of their state-aid allotments to aid in the financing of routes in the state trunk highway system or the municipal state-aid system.

COMMENTS: The income from the internal improvement land fund (a negligible sum) is included with the counties' road funds under the present constitution and this policy is continued in the proposed amendment. The legal provisions as to allocation of funds among the counties have been explained in Section A-5 of the "Areas of Legislation to Implement the Proposed Amendment", which is another part of this report.

Sec. 10. **MUNICIPAL STATE-AID STREET FUND.** Money in the Municipal State-Aid Street Fund, which is hereby created, shall be apportioned among the municipalities in accordance with law. The share given to each municipality shall be used for the support of its municipal state-aid streets subject to conditions imposed by the state highway agency or in accordance with law; but the legislature may authorize the use of a portion of such share for the support of other municipal streets when other available revenues are inadequate for the purpose. Municipalities

may use any of their state-aid allotments to aid in the financing of routes in the state trunk highway system or the county state-aid system.

COMMENTS: *The legal provisions as to allocation of funds among the municipalities have been explained in Section A-6 of the "Areas of Legislation to Implement the Proposed Amendment" as included hereafter.*

Sec. 11. STATE BONDS FOR TRUNK HIGHWAYS. The state may issue bonds for the construction and improvement of state trunk highways pursuant to a law approved by a two-thirds vote of each house of the legislature. Such bonds shall not be sold for less than par and accrued interest and shall not bear an interest rate greater than 5% and shall mature serially with no term longer than 20 years; and the total amount outstanding at any one time shall not exceed \$150,000,000. For the payment of principal and interest on such bonds, the state may pledge its full faith and credit.

COMMENTS: *The highway debt provisions of the old constitution (Article XVI, Section 4; Article IX, Section 5) will be changed. The \$75,000,000 debt limit will be doubled to take account of inflation, and the limit of \$10,000,000 on any single year's bond issue will be eliminated. There has also been added a provision that the state's highway bond security may be either a pledge of full faith and credit or a pledge of the state's highway user taxes.*

Sec. 12. COUNTY AND MUNICIPAL ADVANCES. The legislature may authorize counties and municipalities to make advances in cash or services to aid in financing state trunk highway construction and improvement within their respective boundaries. The state shall repay the principal of such advances from the state trunk highway fund in not over 20 annual installments.

COMMENTS: *The objective of this section is to permit flexibility in agreements between the state, counties and municipalities to accelerate construction on the trunk highway system. Proposed legislation covering this policy is included in Section A-1 of the supplemental statutes for 1955 referred to hereafter.*

Sec. 13. REPEAL. The following provisions of the constitution are superseded by this article: Article XVI, in its entirety; Article

IX, Section 5, insofar as it relates to motor fuel taxes and limitations on state debt for, and participation in, trunk highway construction and improvement; and Article IX, Section 16, in its entirety.

Sec. 2. The proposed amendment shall be submitted to the voters of the state for their approval or rejection. The ballots used at the election on the proposed amendment shall have printed thereon: "Shall the constitution of Minnesota be amended by including a consolidated article on public highways and their financing, providing for a coordinated, state-supported system of trunk highways, county highways, and municipal streets, authorizing motor fuel and motor vehicle taxes and providing for their use by the state, counties, and municipalities for highway purposes, and regulating the issuance of state bonds for trunk highway construction?"

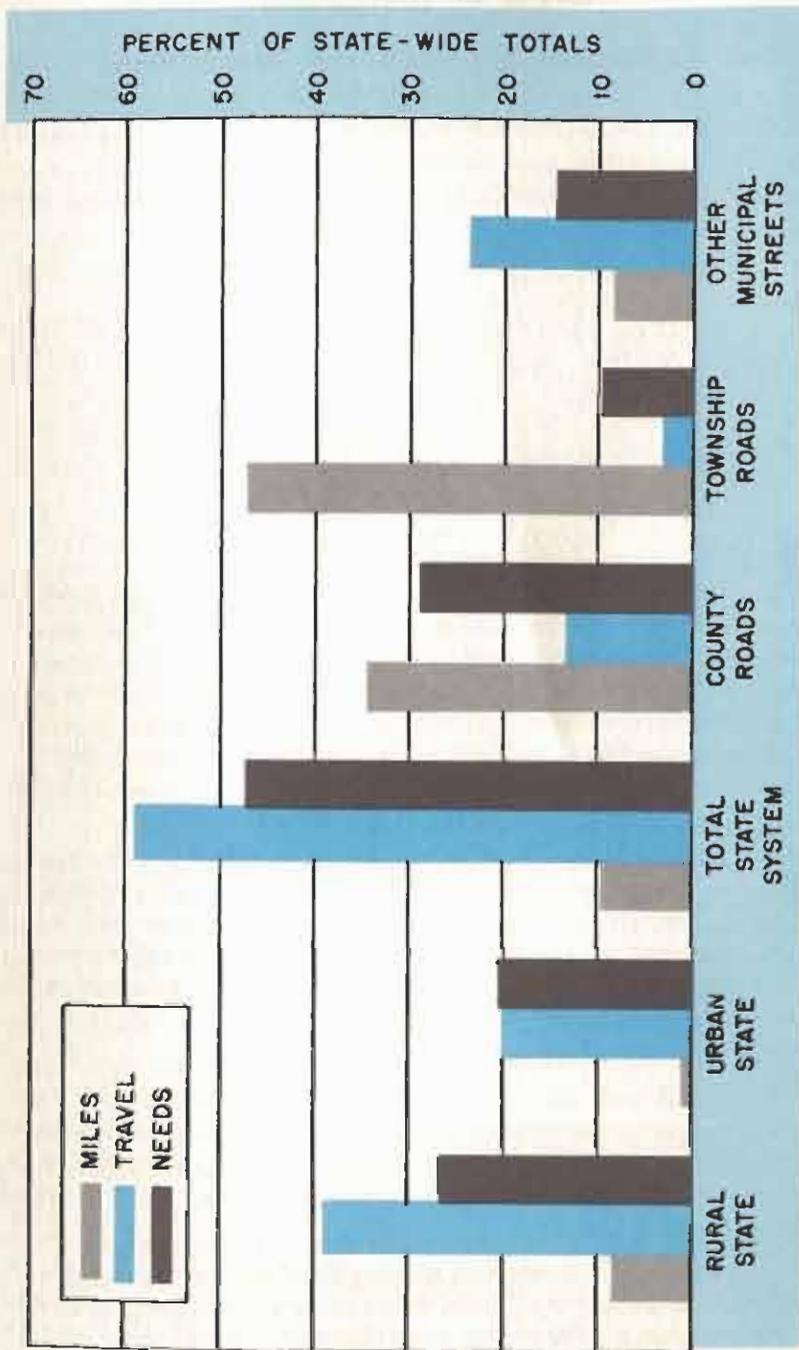
General Comments

The proposed amendment is laid out with the purpose of placing all of the constitutional material that relates to highways in a single revised article. It does this by proposing a revision of Article XVI and by bringing into the revised Article XVI the material transferred from other Articles, now in the constitution, either unchanged, amended or repealed. The commission believes this can be done through a single article and through a single proposition to be presented to the people for approval.

It should be remembered that what is placed in the constitution is a limitation on the power of the legislature. If the constitution is silent on the subject, the legislature has the power. In other words, constitutional provisions are prohibitory or restrictive. The purpose of the proposed constitutional amendment, therefore, is to modify present constitutional provisions in order to establish the basic framework for a modern highway policy.

If the legislature will enact the proposed bill and the voters approve the proposed amendment, they will revise the constitution to include some elements of discretion, thru frequent and appropriate use of the phrase "provided by law", and by the establishment of the 5% discretionary fund.

The amendment is drafted so that its language is as basic or "constitutional" in nature as possible. It assumes that there will need to be statutory implementation as outlined in the following section under the heading "Areas of Legislation to Implement the Proposed Amendment".



—From the Automotive Safety Foundation Report

Areas of Legislation to Implement the Proposed Amendment

Upon the passage of the proposed amendment there should be a complete review and recodification of the existing highway laws. Additional legislation should be adopted by the 1955 and 1957 legislatures, as follows:

(A). The 1955 Session Of The Legislature Should Adopt:

1. Legislation to authorize counties and municipalities to make advances in cash or services to the state trunk highway system. This legislation should provide the manner of repaying such advances, and should provide that such advances be exempt from existing statutory or charter expenditure limitations. (Refer to proposed Article XVI, Section 12.)

COMMENTS: This legislation is desirable particularly in connection with urban trunk highway construction in order that cities might have authority to cooperate with the State Highway Department by providing for engineering services required for development of plans on the trunk highway system, advancing cash required for purchase of right of way and for construction. Such cooperation would assist materially in advancing construction on urban trunk highways and assist in financing such construction, thereby permitting a substantial increase in urban trunk highway construction without seriously reducing the volume of construction on rural trunk highways. This legislation might well include authority for counties and cities to borrow money for the purpose of making such advances. Such bonding authority should be outside of existing limitations and without referendum requirement.

2. Legislation to authorize the counties to issue highway bonds not to exceed \$250,000 without referendum to accelerate construction on the county state-aid road system or to match federal aid apportionments. (Refer to proposed Article XVI, Sections 3 and 9.)

COMMENTS: The passage of this legislation is desirable to permit counties to provide funds required to match available federal aid secondary funds. Many counties at present are unable or have difficulty in matching these funds. With the passage of the proposed amendment such counties would

doubtless have sufficient road user funds to permit them to match future allotments of federal aid secondary funds as well as take care of the interest and principal on bonds authorized under this legislation.

3. Legislation to establish a Metropolitan Highway Commission specifying its authority, duties, etc.

COMMENTS: It is believed that it would be desirable for the 1955 legislature to establish a Metropolitan Highway Commission. Its authority should be advisory and its duties limited to the coordination of highway and street programs in the Twin City metropolitan area.

4. Legislation to establish a county urban division in the State Highway Department and to broaden the present laws regarding cooperation between the state, counties and municipalities.

COMMENTS: This legislation is desirable in order to suitably coordinate the supervision by the state of the road programs in counties and municipalities.

5. Legislation to create an interim committee with possibly two members from each House to confer with the State Highway Department and representatives of the County Commissioners Association and the County Highway Engineers Association in developing a definite formula for distribution of county state aid highway funds among the counties. (Refer to proposed Article XVI, Section 9.)

COMMENTS: It appears that since a definite formula for distribution of funds between the counties is not required until 1957, this committee to be established by the 1955 legislature can develop a formula in the interim. On the basis of exhaustive discussion both by the study commission and its subcommittees, it is believed that the formula should be based primarily on two factors, namely, the rural population outside of all incorporated cities and villages and the rural road mileage not included in the trunk highway system and outside of incorporated cities and villages.

This committee should recommend an adjustment of the basic allotment formula to take care of geological and topographical handicaps. A special revolving fund should be established for allotments to counties covering 50% of the cost of bridges proposed by the counties for construction. This

procedure would permit the use of road user funds to assist in financing necessary bridge construction without tying up any substantial amount of road user funds. With 50% of the cost of such bridge construction to be provided from other sources outside of the special bridge allotment the counties would select only the most urgent bridges for construction each year.

Three percent of the total highway funds, which is included in the 30% allocated to the counties, shall be allotted to the counties in proportion to the population of the municipalities under 5,000 population.

6. Legislation to create an interim committee with possibly two members from each House to confer with the State Highway Department and representatives of the League of Municipalities and the City Engineers Association in developing a definite formula for distribution of municipal state-aid street funds among the cities of 5,000 population or over. (Refer to proposed Article XVI, Section 10.)

COMMENTS: It appears that since a definite formula for distribution of funds among the cities of 5,000 population or over is not required until 1957 this committee to be established by the 1955 legislature can develop a formula in the interim. Sufficient data is not at present available to develop a formula for the distribution of road user funds among municipalities if any factor besides population is to be considered. On the basis of extensive discussion by the study commission and its subcommittees it is recommended that the population factor be considered as most appropriate. There is a wide variation among municipalities as to bridge needs. Here again a revolving fund might be desirable to provide 50% of the cost of bridges in addition to the allotment in accordance with the adopted formula. It is believed that the present information with reference to the mileage eligible in each city or village for designation as a part of the municipal state-aid street system is not sufficiently accurate to permit the present estimated mileage to be used as a part of the formula for allocation of road user funds to municipalities.

7. Legislation to fill gaps left by descriptions of Trunk Highways 7, 18, 35 and 212.

COMMENTS: The legislation recommended would provide: (1) a new trunk highway to connect Trunk Highway 29 and Trunk Highway 7 easterly of Montevideo since it has not seemed feasible to connect these two highways as contemplated in the description of the constitutional routes; (2) a new route to connect Trunk Highway 210 in Brainerd with Trunk Highway 18 easterly of Brainerd since the relocation of Trunk Highway 210 does not permit a junction of this highway with Trunk Highway 18 as provided by constitutional route description; (3) a new trunk highway between Gilbert and Biwabik to avoid mining operations in the village of McKinley; and (4) a description of Trunk Highway 212 within the City of St. Paul which should be modified to permit the relocation of this highway between Lake Elmo and St. Paul.

8. Legislation governing the expenditure of money in the state trunk highway fund. (Refer to proposed Article XVI, Section 8.)

COMMENTS: The legislature might consider a requirement as to the distribution of trunk highway funds between urban and rural projects. This might be by resolution and not law.

(B.) The 1957 Session of the Legislature Should Adopt the Following Legislation to Conform with the Constitution, if Amended in 1956 as Proposed:

1. Broad legislation which will permit the Highway Department to meet future requirements of an expanded federal aid program on the interstate system. (Refer to proposed Article XVI, Section 2, Subdivision 3.)

COMMENTS: There is strong support for a change in policy regarding the financing of the interstate highway system. Federal legislation being considered may provide for financing construction on this interstate system entirely with federal funds with the state required to provide for maintenance and operation of the system. The standards proposed will require construction of a considerable portion of this system on new location with restriction of access and eventual elimination of all crossings at grade. If federal legislation is adopted before the middle of March, the 1955 session might find it desirable to pass some legislation on this matter; otherwise new legislation would be deferred until the 1957 session.

2. Legislation which provides the manner of selecting routes on the county state-aid system. This legislation should further provide that the system shall become effective at the earliest practical date. (Refer to proposed Article XVI, Section 3.)

COMMENTS: It is believed that the present state aid system and any additional mileage which has been included in the federal aid secondary system should automatically be accepted as a part of the new county state-aid system. Additional routes should be selected by joint action of the County Commissioners and the Commissioner of Highways which could be accomplished over a period of years.

3. Legislation which provides the manner of selecting routes on the municipal state-aid street system. This legislation should further provide that the system shall become effective at the earliest practical date. (Refer to proposed Article XVI, Section 4.)

COMMENTS: This system is to be selected by joint action of the City Council and the Commissioner of Highways. The entire mileage to be designated would not need to be selected immediately but the initial system could be limited to the most eligible mileage with additional routes to be added after a more extended analysis.

4. Legislation governing the expenditure of money in (1) the county state-aid fund, and (2) the municipal state-aid street fund. It should also be provided that the expenditures from the municipal state-aid street fund be exempt from existing statutory or charter expenditure limitations. (Refer to proposed Article XVI, Sections 9 and 10.)

COMMENTS: (1) Provision may be desirable for the use of a portion of the county state-aid fund for maintenance (40% is suggested) with the balance to be reserved for construction and right of way on the state aid system in accordance with plans approved by the State Highway Department; where road user funds are involved.

(2) A percentage of the municipal state-aid fund might be designated for use on maintenance (20% is suggested) with the remainder of such funds to be used for construction and right of way on the state aid system in accordance with plans approved by the Highway Department.

5. Legislation for the counties (including cities under 5,000 popu-

lation) to establish (1) the frequency of distribution of funds; (2) the discretionary fund . . . a portion of the county state-aid fund set aside for such things as geological and topographical handicaps, bridges, emergencies and the county-urban division; and (3) a formula for distribution among counties. (Refer to proposed Article XVI, Section 9.)

COMMENTS: *In regard to the frequency of distribution of funds, it is recommended that the total amount of money available to the counties should be distributed February 1 and August 1 each year.*

In regard to a formula for distribution among the counties and a discretionary fund, the 1957 legislature should consider the recommendations of the interim committee to be established by the 1955 legislature. Legislation should be enacted to provide a formula for distribution of funds among the counties, including provision for any discretionary funds recommended. (Refer to the recommendation to establish an interim committee in Section A, Item 5.)

6. Legislation for the municipalities (5,000 population or over) to establish (1) the frequency of distribution of funds; (2) the discretionary fund . . . a portion of the municipal state-aid street fund set aside for such things as geological and topographical handicaps, bridges, emergencies and the county-urban division; (3) a formula for distribution among municipalities of 5,000 population or over. (Refer to proposed Article XVI, Section 10.)

COMMENTS: *In regard to the frequency of distribution of funds, it is recommended that the total amount of money available to the cities should be distributed February 1 and August 1 each year.*

In regard to a formula for distribution among the cities and a discretionary fund, the 1957 legislature should consider the recommendations of the interim committee to be established by the 1955 legislature. Legislation should be enacted to provide a formula for distribution of funds among the cities of 5,000 population or over, including provision for any discretionary funds recommended. (Refer to the recommendation to establish an interim committee in Section A, Item 6.)

7. Legislation to authorize use of county state-aid funds for other local roads and streets and attaching conditions thereto. (Refer to proposed Article XVI, Section 9.)

COMMENTS: *Additional study is needed to determine more definitely the conditions under which a county would be permitted to use road user funds for maintenance of roads or streets not included in the county state-aid system. Where the county valuations and a reasonable level of mill rate levies do not provide adequate maintenance on the county and township road mileage not included in the state aid system, the county should be authorized to spend a portion of the road user funds to make up this deficiency.*

8. Legislation to authorize use of municipal state-aid funds for other municipal streets and attaching conditions thereto. (Refer to proposed Article XVI, Section 10.)

COMMENTS: *The need for this legislation is not as critical as the legislation proposed under No. 7. After the detail of the constitutional amendment is determined by the legislature this problem can be given further study.*

9. Legislation to (1) establish a uniform system of accounting and reporting; (2) provide for an annual report with the provision that state aid funds may be withheld for lack of compliance and (3) encourage long range planning.

COMMENTS: *This legislation is desirable and the details to be embodied in law should be determined prior to the 1957 session of the legislature.*

Additional Legislation for 1955

An Increase in Drivers' License Fees or Service Charges is Recommended

Many of the consultants' recommendations have been accepted, in whole or in part, in the proposed constitutional amendment and in the areas of legislation to implement the proposed amendment. The commission also endorsed the Automotive Safety Foundation's recommendation that the drivers' license fees or service charges should be increased in order that an expanded Drivers License Division may be fully self-sustaining. The drivers' license administration costs have been resulting in a sizeable annual deficit.

Additional Highway Patrolmen are Recommended

Automotive Safety Foundation recommended that at least 140 men, including supervisory personnel, should be added to the high-

way patrol. The commission also approved this recommendation. Legislation should be adopted in 1955 which will increase the number and effectiveness of the highway patrolmen. Other recommendations on highway safety were not discussed in detail by the commission. Copies of the Automotive Safety Foundation's reports, which contain numerous recommendations, were presented to the members of the legislature for their review.

Roadside Protection Legislation Required in 1955

The following resolution on roadside protection, which requires legislation in 1955, was adopted by the commission on December 10, 1954:

Vast investments are being made by the federal government and the state in the construction of new highways. We are now spending more money than ever before to improve and expand our road network. President Eisenhower has proposed a huge additional outlay of fifty billion dollars on roads over a ten year period.

These expenditures, representing one of the greatest efforts at transportation advancement in history, clearly should do much to bring our highway system up to date, obsolete though much of it is now. However, it is imperative to recognize that new highways can become inadequate long before they should unless construction is accompanied by highway zoning and other measures to protect the roadside. Without such zoning and protection, the nation could well dissipate billions of dollars and find itself soon again in a highway crisis.

The Highway Study Commission urges that the necessary legislative steps be taken to protect the roadside from uncontrolled commercial development and unlimited access from side roads and business establishments. We recognize that "ribbon development" along the highway constitutes a hazard to safety, reduces traffic capacity and results in highway blight.

Now, in anticipation of huge highway expenditures both current and proposed, the commission views highway zoning and roadside protection as being more urgent than ever before. The commission calls on the next session of the legislature to adopt as a primary legislative objective the enactment of state laws aimed at highway zoning and other roadside protective measures on a broad scale.

Average Annual Road Program Costs

Automotive Safety Foundation reported that the amount of revenue required to bring all of Minnesota's highways, roads and streets up to tolerable standards within a 15-year period will average \$150,610,000 annually. The average annual expenditure rate for each road jurisdiction to cover present needs, future needs and replacements, maintenance and operations is as follows:

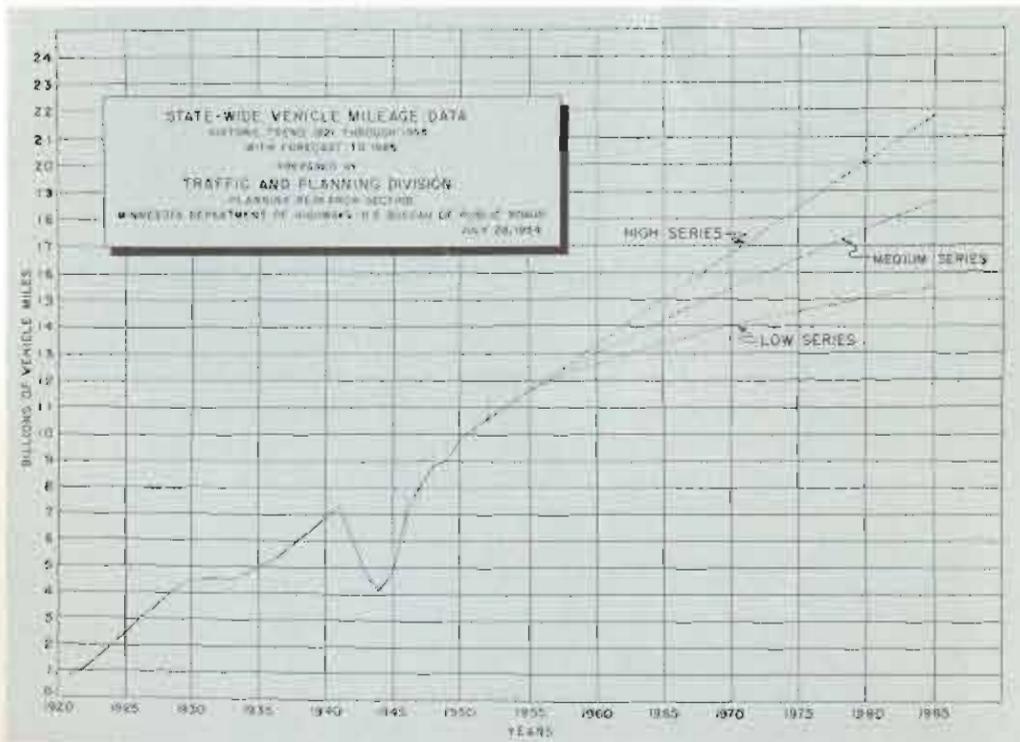
Road Jurisdiction	Average Annual Cost
State Highways	
Rural Trunk Highways	\$38,890,000
Urban Trunk Extensions	27,952,000
	<hr/>
Total Rural and Urban	\$66,842,000
* County Roads	
State-Aid Roads	\$19,450,000
County-Aid and County Roads	19,399,000
	<hr/>
Total County Roads	\$38,849,000
Township Roads	
All Roads in Townships (Except County Roads and Trunk Highways)	\$11,500,000
* Municipal Streets	
All Municipal Streets (Except Existing Trunk Highway Extensions)	\$33,419,000
Grand Totals of Annual Needs	
State Highways	\$ 66,842,000
County Roads	38,849,000
Township Roads	11,500,000
Municipal Streets	33,419,000
	<hr/>
Grand Total of Annual Cost	\$150,610,000

* Automotive Safety Foundation computed the needs of all streets off the trunk system in all cities as municipal needs. The commission proposes that the arterials off the trunk system in municipalities under 5,000 population should be a county responsibility. The needs of these arterials in approximately 750 municipalities under 5,000 population are \$3,135,000 annually. The counties' total cost, therefore, is \$41,984,000 annually. Under the commission's proposal the cost for municipal streets off the trunk extensions (not including the arterials in municipalities under 5,000 population) is \$30,284,000 annually. (Refer to the 1965 chart which shows annual program costs on page 32.)

FUTURE TRAFFIC ESTIMATES

Estimated Revenue Increases Were Based on Traffic Projections

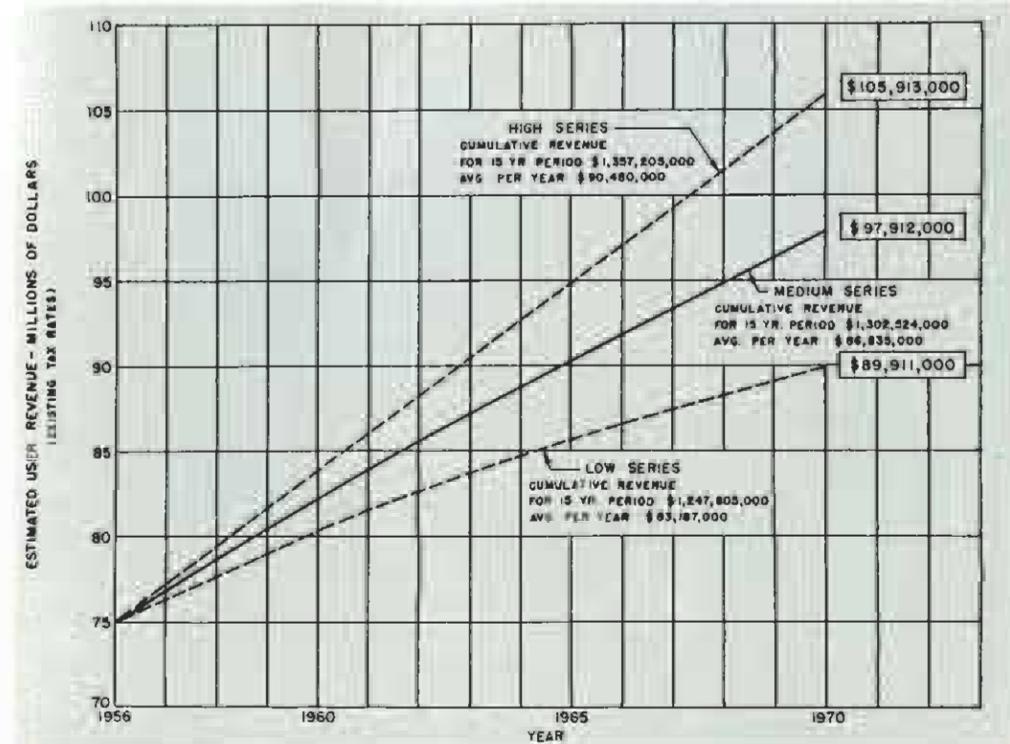
The estimated revenue increases to finance the highway users' share of road costs during the 15 year period were based on traffic projections. The average annual miles of travel by vehicles in Minnesota from 1921 to 1953 is portrayed graphically on the accompanying chart. The estimated future traffic is projected on the chart with a high and low series. The commission in making its calculations for future highway user revenue projected a line at mid-point, between the high and low traffic estimates. It is believed that the traffic estimates used by the commission are conservative. The national trend adds credence to the Automotive Safety Foundation statement that Minnesota traffic will increase 50% within the next twenty years.



FUTURE REVENUE ESTIMATES

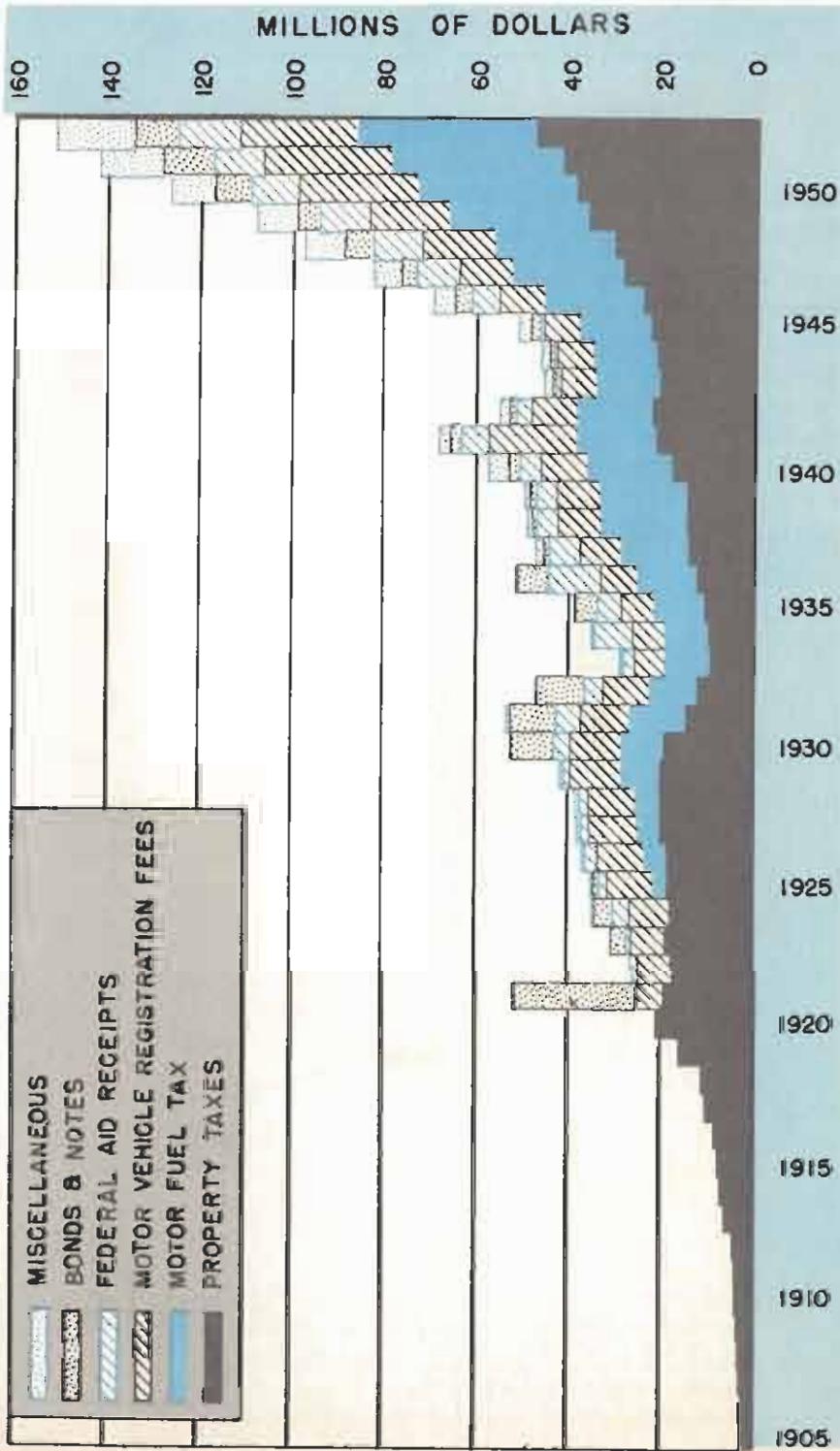
Highway User Revenues Expected to Increase Substantially Without Increasing Tax Rates

The estimated growth of highway user revenue, as shown in the accompanying chart, is projected on a high and low series. Using the same procedure as in the traffic projections (p. 26) the commission extended a line at mid-point to arrive at the anticipated revenues during the 15 year program period. The \$23 million increase in revenues, as estimated, between 1956 and 1970 is likewise considered to be conservative.



The estimated road user revenue for 1965 as shown on the above chart is in excess of \$90,000,000. The 1965 revenue chart on page 32 of this report shows that \$87,500,000 will be available for distribution to the road jurisdictions. The \$87,500,000 is a net amount after costs of collection and supervision by other state departments have been reimbursed.

ALL HIGHWAY REVENUES FROM 1905 TO 1952



How the Commission's Proposals will Affect the Road Jurisdictions

The Proposed Distribution of Highway User Funds will Permit the Development of a Balanced Highway Program for All Road Jurisdictions

The needs of Minnesota's transportation system have for the first time been appraised on the basis of tolerable standards suitable for each class of highways, roads and streets. With the distribution of road user funds now proposed the improvement of these three major systems can progress at a uniform rate.

Direct allocations of highway user funds will be made by the proposed constitutional amendment to the state trunk highway system, the county state-aid system, and the municipal state-aid system in cities of 5,000 population or over. County state-aid extensions and other arterial streets off the trunk highway system in municipalities under 5,000 population will become a county responsibility. Other local roads and streets will benefit indirectly.

The present constitution and statutes do not provide for the direct allocation of any highway user funds to municipalities. The proposed constitutional amendment allocates 8% of the highway user funds directly to cities of 5,000 population and over to pay for construction, maintenance and operation of arterial streets, not including state trunk highway extensions. Present statutes which make the urban trunk highway extensions a part of the state highway system will be retained, and this highway system will continue to be financed by highway user funds. The commission supplemented its proposed statutes with a suggestion that the 1955 legislature might consider a requirement as to the distribution of trunk highway funds between urban and rural projects, which might be in the form of a resolution.

A substantial increase in highway user funds has been proposed for the counties. The commission reasoned that if the counties maintain their present property tax levels they will be able to expand their assistance to townships whether in the form of increased services, increased aids or by accepting full responsibility for construction and maintenance of additional mileages of township roads. The county state-aid routes, which are supported by highway user funds, benefit the townships in the same sense that they benefit the municipalities. The needs for these routes in municipalities under 5,000 population (as stated in the comments, Section A-5,

proposed statutes) will amount to 3% of the total highway user funds. This percentage was included as a county need in arriving at the 30% allocation provided for the counties in the proposed constitutional amendment.

When increased highway user funds are made available, directly or indirectly, to the local jurisdictions for their primary road systems, it naturally follows that property taxes or special assessments previously used on these primary roads will be released for use by each jurisdiction for its other roads or streets. The 15 year program is based on present rates of highway user taxes and substantially the same level of property taxes.

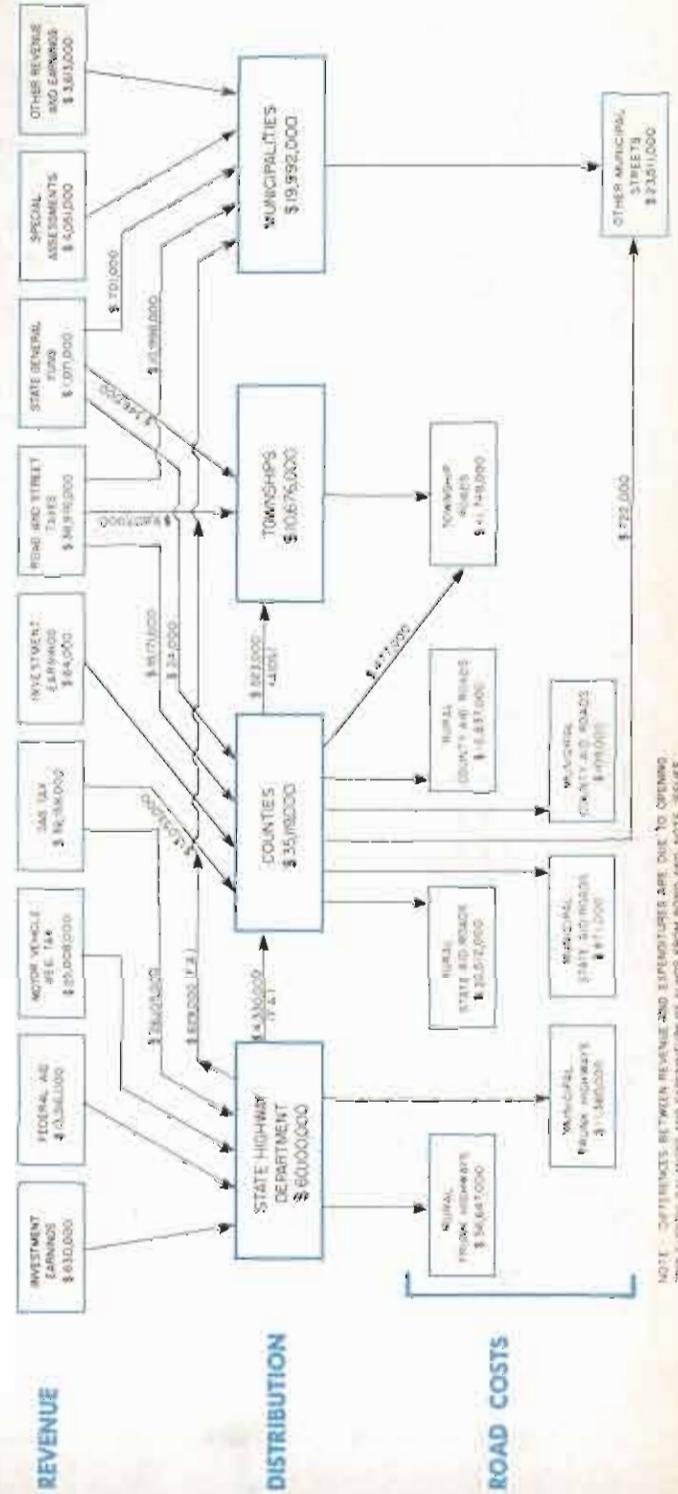
The charts included in this section of the report which compare 1952 revenues and expenditures with the projected revenues and program costs for 1965, the mid-year of the 15 year program, show diagrammatically how the commission's constitutional and statutory proposals will affect each road jurisdiction. The large increase in federal aid to the state highway system, which was programmed this year, is reflected in the 1965 chart. In addition to the increased federal aid this year the state trunk system will continue to receive more than 80% of the highway user funds until the proposed amendment is recommended by the legislature and approved by the voters. If the voters approve the amendment in 1956, the 15 year program, based on the new distribution formulas, could take effect July 1, 1957.

The distribution of revenues in the 1952 chart (opposite page) may be compared with the proposed distribution of revenues in the 1965 chart on the following page. The road user revenue (\$87,500,000) shown in the 1965 chart is based on the traffic and revenue projections on pages 26 and 27 of this report. It is not known to what extent other revenues, including federal aid, may increase during the 15 year period, but for the sake of this study the commission has assumed there will be no increase above current levels.

The average annual program costs for the 15 year program, shown in detail on page 25 of this report, are included in the 1965 chart for comparison with the proposed distribution to each road jurisdiction. It should be remembered, however, that Automotive Safety Foundation classified all streets (off the trunk system) as municipal needs. The commission, as stated previously, classified the arterial streets in cities under 5,000 population as county needs. The program costs shown in the 1965 chart, therefore, reflect the counties' responsibility for state aid roads in these smaller municipalities to the extent of \$3,135,000 annually.

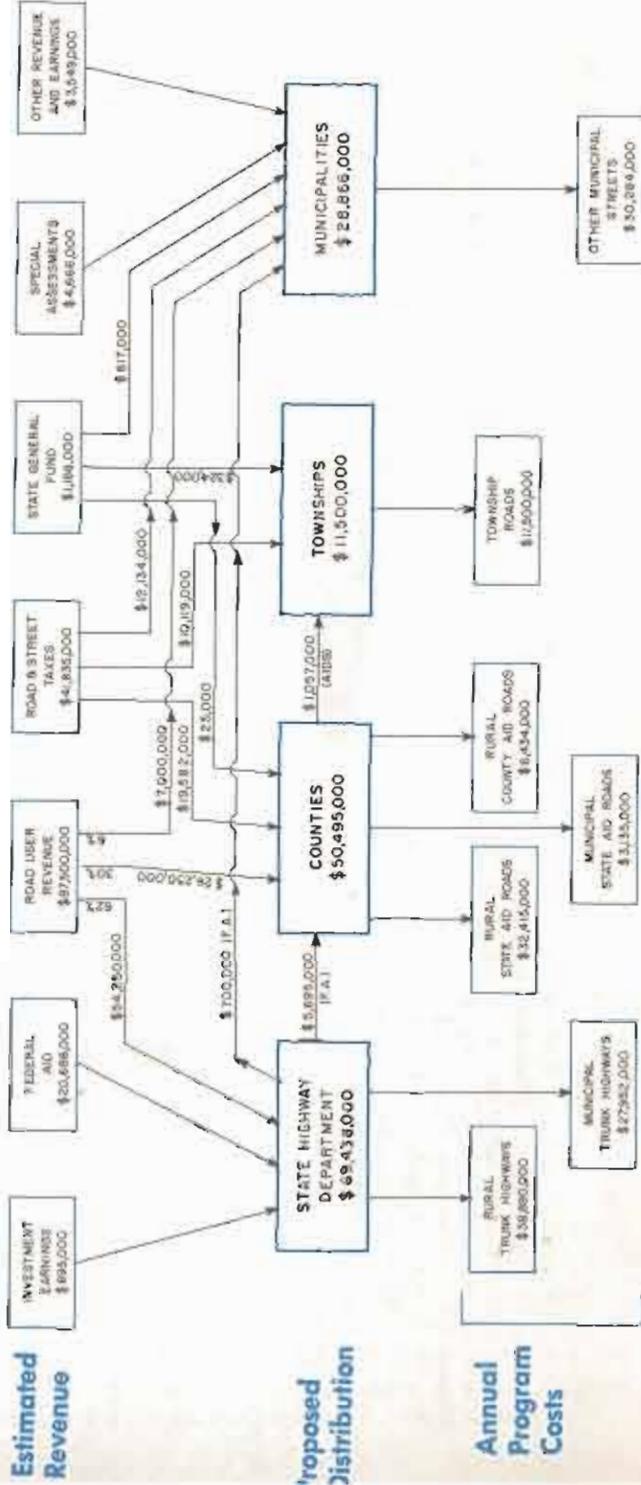
Distribution of Highway Revenues in 1952

It is difficult, to say the least, for the average citizen to understand the problems inherent in taxing for highway purposes and distributing the funds equitably to the road jurisdictions. This chart for 1952 and the chart for 1965 on the following page are not intended to over-simplify these problems, but we believe they will enable the citizens of Minnesota to understand generally how their taxes for highways have been and will be expended. The motor vehicle registration tax and the gas tax on the chart below are shown on the 1965 chart as road user revenue. The distribution of the revenues in the 1952 chart below is self-explanatory.



Distribution of Estimated 1965 Highway Revenues and Annual 15-Year Program Costs

This chart for 1965 represents the mid-year or "average" year of the proposed 15-year program. It shows (1) the estimated revenues, (2) the proposed distribution of funds to the road jurisdictions, and (3) the annual program costs for the 15-year period as reported by Automotive Safety Foundation. The chart distributes the estimated 1965 road user revenues (motor vehicle registration fees and gas taxes) in accordance with the proposed constitutional formula, 62% to the state highways, 30% to the counties and 8% to the municipalities. All other distributions are made on the basis of 1953 revenues except federal aid, which is the amount allocated in 1954. Further explanations are below the chart.



Explanation of Distribution of Revenues on Above Chart

Listed for each jurisdiction is the net amount of revenue estimated to be available in 1965 with the proposed distribution of road user revenue, present distribution and amount of federal aid, and using 1953 level for all other revenues. The \$69,438,000 for the state, \$50,495,000 for the counties, \$11,500,000 for the townships, and \$29,832,000 for municipalities would be net amounts available to meet the annual 15 year program costs compiled by Automotive Safety Foundation. The total estimated revenue is \$150,299,000. It will be noted that aid in the amount of \$1,057,000 must be extended by the counties to the townships if they are to meet their annual program costs.

Explanation of Annual 15 Year Program Costs on Above Chart

The lower portion of the chart shows the distribution of the annual 15 year program costs among the various road and street systems in accordance with the assignment of the jurisdictional responsibilities set forth in the proposed constitutional amendment. These annual program cost responsibilities are \$66,842,000 for the state, \$41,984,000 for the counties, \$11,500,000 for the townships, and \$30,284,000 for the municipalities, a total of \$150,610,000. The upper tier of boxes shows the program costs on rural roads and the lower tier the program costs on municipal streets. The annual program costs are explained on page 25 of this report. Refer to the Automotive Safety Foundation report for supporting data.

Explanation of Revenue Sources on Above Chart

Federal Aid represents federal aid allotted to Minnesota under the 1954 Federal Aid Highway Act and includes primary, secondary, urban and interstate funds. Under present policy the Commissioner of Highways makes available to the coun-

ties federal aid secondary funds in the amount of \$5,695,000. An estimated \$700,000 of federal aid urban funds is allotted to municipalities for improvement of approved urban routes off the trunk highway system.

Road User Revenue represents 1965 estimated net revenue from motor vehicle registration tax and motor fuel tax if the present rates are continued. This estimate is based on future population growth, increased vehicle ownership and increased vehicle use. The year 1965 was selected because that would be the mid-point of a proposed 15 year program period starting July 1, 1967.

Road and Street Taxes represents 1953 receipts from the mill rates levied on real and personal property by the counties, townships and municipalities for road and street purposes.

State General Fund represents portions of state cigarette and liquor tax receipts which were returned to townships and municipalities during 1953. Also included are returns to counties and municipalities from gross earnings tax as well as flood relief, other emergency aids, and earnings from the Internal Improvement Land Fund which went to the counties. Special Assessments represents assessments against benefited property for street improvements.

Other Revenue and Earnings includes revenue from licenses, fees, fines, etc., and earnings from municipal-owned utilities and enterprises.

General: The above nonspecific road and street revenues are arbitrary supplements to taxes and special assessments. In the municipalities which finance these activities out of a general appropriation fund these revenues are used in the portion which their ratio bears to specific taxes and special assessments. The continued use of such revenues for road and street purposes is anticipated.

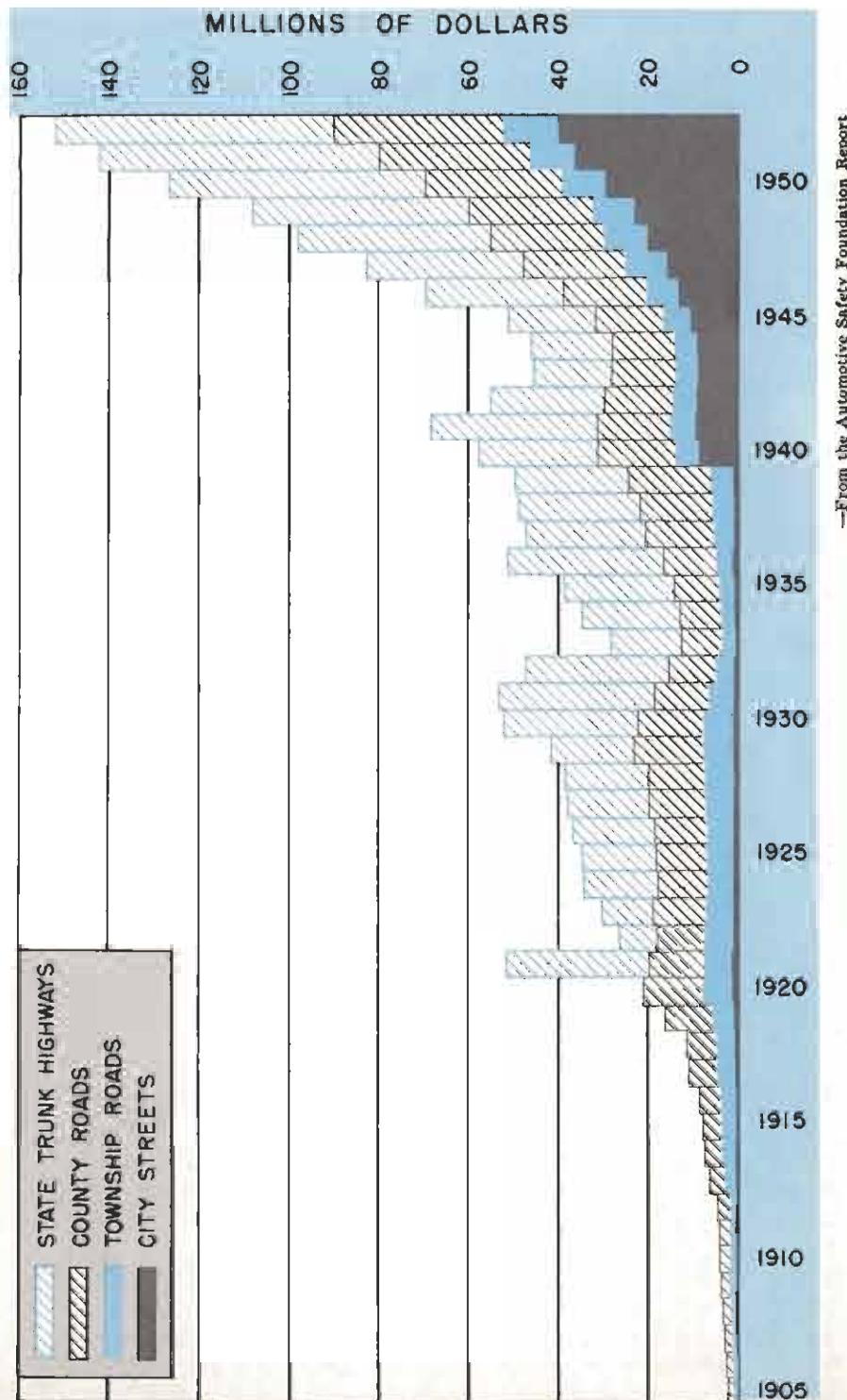
Brief Summary

The foregoing report is intended to explain in a concise manner the commission's proposals for a constitutional amendment and necessary legislation. The commission concentrated its efforts primarily on the major problem of distribution of highway user funds fairly to the governmental jurisdictions. Reference has been made to the reports of Automotive Safety Foundation and Public Administration Service, which have been reviewed and considered by the commission. It was not believed necessary, however, to attempt to explain in this report of the commission the pros and cons of the consultants' numerous recommendations. Their reports with conclusions and supporting data have been distributed to the governmental officials concerned with highways, including the legislators and the governor, as well as other interested citizens and organizations throughout the state. Copies may be obtained from the Minnesota Highway Department, 1246 University Avenue, St. Paul.

Supplementary Statement

The undersigned concur in many of the recommendations of the commission's report but desire to make several comments on certain of the recommended policies which are of vital concern to the municipalities, particularly the larger municipalities of the state.

In its proposal to give a 30% share of the highway user taxes to the county state aid system and an 8% share to the municipal state aid system, we believe the commission has not given adequate weight to the factor of travel on the various systems, and that the proposed 8% share is not a fair share for the municipalities. While the general and economic welfare of the state admittedly justify some general revenue or even highway user tax support for the lightly used highways which are of a "community connection" character, there is merit to the principle that the highway users should support the highways which they use in proportion to the extent and intensity of such use. This factor was emphasized by the commission's fiscal consultants. To illustrate the point, there are in the municipalities many miles of streets carrying from 1,000 to 15,000 vehicles per day which are excluded from highway user support under the commission's proposal. In contrast, the 30,000 mile county-state aid system (which is to be supported almost fully from the highway user taxes) contains 5,000 miles of roads which carry from 50 to



100 vehicles per day and over 7,000 miles which carry less than 50 vehicles per day.

The overly liberal sharing of the highway user taxes with the counties makes possible a substantial reduction in property tax support for roads in the rural areas. It will necessitate increased property taxes in the urban areas to meet their anticipated needs.

Attention is also called to the fact that the gross annual needs of approximately \$8,500,000 for off-trunk arteries in cities over 5,000 population (which will presumably be financed from 8% municipal state aid fund) is offset substantially by the recommended repeal of the present policy of mandatory extension of county roads inside municipal limits. The annual cost of these county extensions in the places over 5,000 population is estimated by Automotive Safety Foundation to total approximately \$2,000,000. Put in terms of "betterment of position", this means that the improvement for cities over 5,000 population would not be an increase in highway user tax sharing from nothing to 8%. Rather it would be an increase from about 2% (the indirect benefit from the present county extension policy) to 8%.

In addition, the urbanization trend which is particularly noticeable in the metropolitan area points to a lessening of rural highway needs and an increase in the number of incorporated places as well as urban population and urban motor vehicles, resulting in additional streets and traffic congestion. For example, in 1930 there were 34 municipalities in Minnesota over 5,000 population and in 1954 there are at least 56 in this category. A continuation of this trend will make the 8% fund less and less sufficient as the years go by.

Because property is now so heavily taxed in cities and non-property tax sources are either not available or are inadequate, it is an error to provide in the constitutional amendment a ban against city or county wheelage taxes for highway purposes. Many municipalities throughout the country have, and use such authority for self-help of this kind for their local street purposes.

We are also concerned in having real assurance that the urban projects in the trunk system (estimated by Automotive Safety Foundation to constitute 42% of the total trunk system needs) will be given the first priority recommended by both consultants.

Gordon Conklin	B. G. Novak
C. C. Ludwig	George Shepard
Robert B. Morris	William P. Steven

Appendix

Organization and Procedures of the Commission

Soon after the close of the 1953 legislative session the members appointed to the Minnesota Highway Study Commission met (May 25) and selected the following officers: A. O. Sletvold Chairman; John A. Hartle, Vice Chairman; C. C. Ludwig, Secretary. An executive committee of seven members was appointed. In addition to the officers this committee included Aubrey W. Dirlam, George Shepard, E. L. Murphy, Jr., and James Morton.

After four meetings of the executive committee to consider engaging the services of impartial, out of state consultants and an executive secretary, the commission met on July 2, and approved Automotive Safety Foundation, Washington, D. C., to conduct the physical needs study and Public Administration Service, Chicago, Illinois, to conduct the fiscal needs study. Lloyd F. Wilkes, Minneapolis, was engaged as executive secretary.

Plans were made to finance the studies by the consultants on a three-way basis with the Federal Bureau of Public Roads contributing \$20,000, the Department of Highways \$20,000, and the commission \$20,000. The Attorney General ruled that trunk highway funds, except those funds appropriated to the commission by the legislature, could not be used to pay for the consultants' services. The Federal Bureau of Public Roads, however, agreed to match commission funds on a 60-40 basis to pay for the consultants' services and the printing of their reports. Contracts were signed with the consultants on August 17, 1953.

The commission held two-day public hearings in October and November for governmental officials and highway users, which were well attended. Subsequently, five regional meetings were held in Marshall, Detroit Lakes, Mankato, Rochester and Duluth, with an average of approximately 100 persons in attendance at each hearing. Verbatim transcripts and summaries of the discussions at the hearings are on file with other commission records in the State Capitol.

Including the seven public hearings, the commission and its committees held 42 meetings between May 25, 1953, and December 22, 1954. The whole commission of 28 members held 17 meetings, the executive committee held 11 meetings, and the sub-committees appointed to study constitutional and statutory provisions held 7 meetings.

Both consultants also conducted numerous meetings with governmental officials, particularly the engineers, who gave generously of their time and furnished valuable assistance. Automotive Safety Foundation held many meetings with the advisory committees of the state, county and municipal engineers to prepare procedural manuals for measuring road deficiencies and determining needed improvements. Additional meetings included those with the committee to assist in development of a major thoroughfare plan for the Twin City area and the committee to advise in shaping up a program for strengthening traffic safety activities in Minnesota.

The legislature appropriated \$60,000 to the commission to investigate and study all matters relating to highways. The cost of the services of the consultants and the printing of their reports totalled \$71,267.92. M. J. Hoffmann, Commissioner of Highways, acted as agent of the commission in order that an agreement could be entered into whereby the Federal Bureau of Public Roads paid 60% of these costs and the commission paid 40% on a matching basis. Under this cooperative arrangement an agency account was established, and the commission was obligated to pay \$28,507.17 for costs attributable to the consultants' studies. Copies of the contracts with the consultants and the agreement with Commissioner Hoffmann are on file with commission records in the State Capitol.

After funds to pay the commission's obligations under the contracts were transferred to the agency account there were not sufficient funds remaining of the original \$60,000 to pay for other expenses of the commission. It was necessary, therefore, to request the Legislative Advisory Committee to advance an additional \$10,000 to the commission on a loan basis. The request was granted with the understanding that legislative members of the commission will request the 1955 legislature to reimburse the \$10,000 to the Legislative Advisory Committee.

Financial Summary

The commission's obligations which have been paid to date are as follows:

Consultants' services	
Automotive Safety Foundation, Washington, D. C.	\$15,390.47
Public Administration Service, Chicago, Ill.	10,000.00
Printing consultants' reports	
Automotive Safety Foundation's two reports	2,720.70
Public Administration Service's report	396.00
Commission members' expenses in attending meetings	9,112.07
Office salaries and expenses	24,986.66
Miscellaneous expenses	788.40
Total	\$63,394.30

The commission's obligations which were budgeted but have not been paid to date are as follows:

Printing of commission's final report	\$ 1,800.00
Estimated additional expenses to be paid	2,800.00
Total	\$ 4,600.00

A complete financial report will be made as soon as all of the expenses have been paid.

A 1953 Legislative Act Established the Commission

The 1953 legislature established the Minnesota Highway Study Commission (Chapter 692, Session Laws) when it adopted an act creating a commission to investigate and study all matters relating to highways and appropriating money therefor, as follows.

Section 1. A commission to investigate and study all matters relating to highways is hereby created to consist of seven members of the Senate, and seven citizens of Minnesota who are not officers or employees of the state, all to be appointed by the Committee on Committees, and seven members of the House of Representatives and seven citizens of Minnesota who are not officers or employees of the state, all to be appointed by the Speaker. The appointment of such committee shall be made upon the passage of this act. Any vacancy that may occur in the membership of the commission shall be filled by the appointing power.

Sec. 2. The commission shall make a comprehensive, detailed and complete investigation and study of all the factors contributing to a sound highway policy for this state, including, but not limited to, the adequacy of existing highways, the need for additional highways in the future, the use of available funds, the need for additional funds, the adequacy of present taxes for highway purposes, the need for new or increased taxes for highway purposes, weights and lengths of trucks and wear and tear caused by the use of trucks and buses upon public highways in the state, toll roads and turnpikes, the present distribution of taxes for highway purposes, and the need for revision thereof. For the purposes of this act, highways shall include trunk highways, state aid roads, county roads, county aid roads, town roads, and streets and roads within municipalities.

Sec. 3. The commission may hold meetings at such times and places as it may designate. It shall select a chairman, a vice-chairman and such other officers from its membership as it may deem necessary.

Sec. 4. The commission may subpoena witnesses and records, employ such assistance as it deems necessary to effectually perform its duties. It may do all things necessary and convenient to enable it to adequately accomplish its purposes.

Sec. 5. Every state, county, town and municipal officer is hereby authorized and directed to cooperate with the Commission on Highways and to make available to the commission, upon request by it, all records and information which is under his control relating to the subject matter of this act.

Sec. 6. The commission shall make a report to the legislature not later than March 15, 1954, setting forth its findings relating to the distribution of the proceeds of the tax upon motor vehicles as a result of such investigation and study and not later than December 15, 1954, a final and complete report setting forth its findings, and shall make such recommendations as it deems proper in an effort to assist the legislature in the formulation of a stable and fair policy for the maintenance and expansion of the highways within the State of Minnesota.

Sec. 7. The members of the commission shall be reimbursed for all expenses actually and necessarily incurred in the performance of their duties.

Sec. 8. The sum of \$40,000 is hereby appropriated from the trunk highway fund in the state treasury and \$20,000 is hereby appropriated from the state road and bridge fund in the state treasury, or, proportionately, so much thereof as may be necessary, all to the Commission on Highways for use in performing the duties imposed under the provisions of this act. The payment of such expenses shall be approved on behalf of the commission by the chairman and at least two other members of the commission and then paid in the manner provided by law. A general summary or statement of expenses incurred by the commission and paid shall be included with the commission's report.

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MINNESOTA. HIGHWAY STUDY COMMISSION.

Report to the Legislature of the State
of Minnesota, Dec. 22, 1954.

Rural traffic volumes depicted on this traffic flow map of the Trunk Highway System add up to 4.2 billion vehicle miles of travel per year. This is 40 per cent of the total travel in the State. Daily volumes range from less than 100 vehicles shown by the narrowest bands to 15,000 vehicles.

—From the Automotive Safety Foundation Report