

Aitkin County Board of Commissioners
Request for County Board Action/Agenda Item Cover Sheet



To: Chairperson, Aitkin County Board of Commissioners Date: 3-6-13
Via: Patrick Wussow, County Administrator
From: John Welle
Title of Item: Legislative Update

Requested Meeting Date: 3-12-13 Estimated Presentation Time: 30 minutes
Presenter: John Welle

Type of Action Requested (check all that apply)

- For info only, no action requested
- For discussion only with possible future action
- Let/Award Bid or Quote (attach copy of basic bid/quote specs or summary of complex specs, each bid/quote received & bid/quote comparison)
- Approve/adopt proposal by motion
- Authorize filling vacant staff position
- Request to schedule public hearing or sale
- Request by member of the public to be heard
- Item should be addressed in closed session under MN Statute _____
- Approve under Routine Business
- Adopt Ordinance Revision
- Approve/adopt proposal by resolution (attach draft resolution)
- Other (please list) _____

Fiscal Impact (check all that apply)

- Is this item in the current approved budget? Yes No (attach explanation)
- What type of expenditure is this? Operating Capital Other (attach explanation)
- Revenue line account # that funds this item is: _____
- Expenditure line account # for this item is: _____

Staffing Impact (Any yes answer requires a review by Human Resources Manager before going to the board)

- Duties of a department employee(s) may be materially affected. Yes No
- Applicable job description(s) may require revision. Yes No
- Item may impact a bargaining unit agreement or county work policy. Yes No
- Item may change the department's authorized staffing level. Yes No



Supporting Attachment(s)

- Memorandum Summary of Item
- Copy of applicable county policy and/or ordinance (excerpts acceptable)
- Copy of applicable state/federal statute/regulation (excerpts acceptable)
- Copy of applicable contract and/or agreement
- Original bid spec or quote request (excluding complex construction projects)
- Bids/quotes received (excluding complex construction projects, provide comparison worksheet)
- Bid/quote comparison worksheet
- Draft County Board resolution
- Plat approval check-list and supporting documents
- Copy of previous minutes related to this issue
- Other supporting document(s) (please list) HF931 Summary

AITKIN COUNTY COMMISSIONER'S MEMO

TO: Aitkin County Commissioners
Patrick Wussow, County Administrator

FROM: John Welle

DATE: March 5, 2013

Regular Agenda Item: Legislative Update

Summary:

A transportation funding bill, HF931, was introduced on February 25, 2013. This bill contains a number of items related to transportation funding including a 10% increase in motor vehicle registration fees, a 5-cent gas tax increase, an additional 4.5-cent gas tax phased in over the next three years, a new sales tax on motor vehicle repair that would be dedicated to transportation, exempting most, but not all, sales tax paid by highway departments, an expanded wheelage tax, and a local option 0.5% sales tax. While this bill is certainly viewed favorably by transportation advocates, there is some language in the bill that will generate discussion. I therefore would like to discuss this bill to gain Board direction.

H.F. XXXX – Transportation Finance Proposal 931 Major Features

➤ Invests over \$3 Billion for needed highway and transit improvements over the next 4 years.

- Authorizes a total of \$800 million in trunk highway bonds with \$200 million authorized each year. Funds are distributed to the Transportation Economic Development Fund (TED) and the Corridor Investment Management Strategies (CIMS) Fund.

- \$100 M in FY2014, FY2015, FY2016, FY2017 for TED
- \$100 M in FY2014, FY2015, FY2016, FY2017 for CIMS

- Raises the state gas tax by 5 cents per gallon 2013.
- Increases the fuel surcharge by 1.5 cents per gallon each year for 3 years. *2008 bill has original \$*
- Provides additional dedicated revenue through the license tab fees by increasing the tax rate from 1.25% of vehicle value to 1.375% and increases the flat tax paid all vehicle owners by \$10.
- Extends the state sales tax to all automobile parts and services and dedicates the revenue to transportation with $\frac{1}{2}$ of the revenue deposited in the CSAH fund, $\frac{1}{4}$ of the revenue deposited in the Metropolitan Transit Account and $\frac{1}{4}$ of the revenue deposited in the Greater MN Transit Assistance Account.
- Dedicates all of the sales tax collected from leased vehicles to transportation with the current distribution of the revenue: 50% to Greater MN Transit and 50% to metro county highways. Adds Hennepin and Ramsey to the counties receiving highway funds.
- Increases the current $\frac{1}{4}$ cent Metropolitan Area transportation sales tax by ~~.50%~~^{.50%} to a $\frac{3}{4}$ cent sales tax. The proposal doubles the current $\frac{1}{4}$ cent sales tax for transit to $\frac{1}{2}$ cent for transit and provides $\frac{1}{4}$ cent for metro county highways. Participation would be by county board approval. The plan provides at least \$100M per year in additional revenue for CTIB and \$100M for county highways.
- Authorizes the wheelage tax statewide and removes the current \$5 cap per vehicle.

- Authorizes the counties in Greater MN to levy the current local option sales tax for transportation by county board resolution.
 - Authorizes cities to create Street Improvement Districts.
 - Imposes a fine for paying license tab fees late. A fine of 5% of the registration tax owed would be charged with the revenue deposited in the Highway User Tax Distribution Fund.
 - Exempts any purchases of materials or services made with dedicated dollars (trunk highway funds, CSAH funds, MSA funds, MVST funds) for transportation projects from payment of the state sales tax.
 - Closes some loopholes in existing law related to payment of the motor vehicle sales tax (MVST). Gifts between individuals and vehicles purchased outside the state prior to residency in Minnesota would no longer be exempt from paying the tax. The flat fee for collector vehicles would be increased from \$90 to \$150.
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- The bill provides about \$2.5 billion in new funding for state highways, county highways and city and township roads over the next 4 years.
 - The bill provides over \$700 million for transit systems statewide over the next 4 years.
 - The bill represents a balanced approach that will provide additional revenue for state highways both in the metropolitan area and in Greater Minnesota, county highways in the metropolitan area and in Greater Minnesota, city streets statewide, township roads and bridges, Metropolitan Area transitways and bus service and Greater Minnesota transit service.