



Association of Minnesota Counties

June 1, 2017

Commissioner J. Mark Wedel
Aitkin County Board Chair
515 6th Avenue SE
Aitkin, MN 56431

Re: Wheelage Tax Changes for 2018

Dear Commissioner Wedel:

On behalf of the Association of Minnesota Counties and the Department of Vehicle Services (DVS), we would like to notify you about changes to the wheelage tax that go into effect on January 1, 2018.

The 2013 Minnesota Legislature authorized all counties to collect a \$10 wheelage tax to support local transportation needs and **beginning January 1, 2018, counties may increase the wheelage tax up to \$20 per year (the wheelage tax may be enacted in any amount between \$1 - \$20)**. DVS asked us to share the following information with all counties:

- **Counties intending to start or increase the wheelage tax must notify DVS of their intentions by August 1, 2017**, by submitting a copy of the county board resolution or meeting minutes. The board resolution or meeting minutes must show the board approved the adoption of the wheelage tax and the amount to be collected. **It must be received at DVS by August 1, 2017.**
- This also applies to all counties that currently collect the wheelage tax and wish to change the tax from an amount other than \$10 or intend to end the collection of the wheelage tax altogether.

Any county that currently collects the wheelage tax and does not intend to make a change in the tax amount for 2018 does not need to notify DVS.

Please don't hesitate to contact Emily Pugh, Transportation Policy Analyst, at 651-789-4339 or by email at epugh@mncounties.org if you have any questions.

Sincerely,



Julie Ring, Executive Director
Association of Minnesota Counties

AITKIN COUNTY ADMINISTRATION

Aitkin County Courthouse
217 Second Street N.W., Room 134
Aitkin, MN 56431
218-927-7276
Fax: 218-927-7374

May 24, 2017

COPY

Faye Leach
Daughters of the American Revolution
22309 E. Lake Hubert Drive
Brainerd, MN 56401

Dear Ms. Leach:

On May 23, 2017 the Aitkin County Board reviewed your request to remove the bronze 1936 marker honoring Aitkin County veterans from the boulder located on the corner of the courthouse lawn, restore, and replace it.

The marker reads in part, "In Memory of Those Aitkin County Soldiers Who Lost Their Lives in the World War."

Your request has been approved.

Sincerely,



J. Mark Wedel, Chair
Aitkin County Board of Commissioners

cc: Board Correspondence File

**MONTHLY STATEMENT OF BUSINESS TRANSACTED IN
OFFICE OF COUNTY RECORDER, AITKIN COUNTY
May 2017**

JUN 05 2017

NATURE OF BUSINESS TRANSACTED	FEES RECEIVED
COUNTY RECORDER FEES	\$420.00
MISC RECEIPTS	
COPIES & C/COPIES	\$1,777.40
NOTARY	\$0.00
TORRENS	\$385.00
TORRENS ASSURANCE	*** 9.2031 \$37.50
COUNTY GENERAL FUND	\$7,815.50
STATE TREASURY GENERAL FUND	*** 9.2036 \$5,922.00
LAND RECORDS COMPLIANCE FUND (UNALLOC)	1-100-195-5529 \$6,204.00
RECORDER TECHNOLOGY FUND	1-100-196-5529 \$5,640.00
COUNTY WELL CERTIFICATE	\$247.50
STATE WELL CERTIFICATE	*** 9.2027 \$1,402.50
COUNTY DEATH CERTIFICATE	\$248.00
STATE DEATH SURCHARGE	*** 9.2022 \$244.00
COUNTY BIRTH CERTIFICATES	\$283.00
STATE BIRTH SURCHARGE	*** 9.2022 \$132.00
CHILDREN'S SURCHARGE	*** 9.2024 \$99.00
LEGISLATIVE SURCHARGE (144.226 SUBD 3 (b))	*** 9.2036 \$330.00
TOTAL DEPOSIT OF CASH OR CHECKS TO THE AITKIN COUNTY TREASURER	\$31,187.40

RECORDING DONE FOR WHICH NO PAYMENT WAS RECEIVED

VETERANS HONORABLE DISCHARGES	
AITKIN COUNTY	
AITKIN CO ROAD & BRIDGE	
OTHERS	\$92.00
TOTAL	\$92.00

Michael T. Moriarty

 Michael T. Moriarty, Aitkin County Recorder

By *Pat C Hepper*

 Deputy May 31, 2017

Documents Recorded for Month: 554
 Documents Recorded for Year:

<u>Previous Year Statistics</u>
Documents Recorded for Month: 442
Documents Recorded for Year:
Last Year's Monthly Deposit: \$26,722.40

AITKIN COUNTY ADMINISTRATION

Aitkin County Courthouse
Jessica Seibert, County Administrator
217 Second Street N.W., Rm 134
Aitkin, MN 56431
218-927-3093

June 8, 2017

Ag Society
Kirk Peysar-Aitkin County Courthouse
209 2nd St NW
Aitkin, MN 56431

COPY

Aitkin County is establishing its 2018 budget. As an organization that received funds from Aitkin County in 2017, we are asking for your assistance.

According to our records, in 2017 your organization received appropriations in the amount of \$10,000 and an additional \$10,000 for capital improvements.

Please indicate the project(s) that you intend to fund with the capital appropriations.

There will be very limited availability of funds for appropriations in 2018. In the event your organization is requesting an increase, please be sure to include a statement which justifies the requested increase. Specifically, we would like to know the expenditure or revenue pressure your organization is facing and how any increase granted by the County Board would improve services. Also, please include any steps your organization is taking to control your costs.

With all requests, regardless of whether or not you are seeking an increase, please include:

- The amount of money you are requesting from Aitkin County and a budget of how the money will be used
- A narrative that includes the services you provide to the taxpayers of Aitkin County
- A list of who these services are rendered to and approximately how many people are served
- Three pieces of information that the County Board believes is necessary:
 - What is your total annual operating budget?
 - What is your year end Fund balance (capital and operating or other)
 - Where else does your funding come from - i.e., grants etc.

Please have this information back to me prior to July 21st for consideration of the County Board.

If you have any questions, please feel free to call me at (218) 927-3093. Thank you for your time and attention to this matter.

Sincerely,



Jessica Seibert
County Administrator

cc: Aitkin County Board of Commissioners
Budget Correspondence

AITKIN COUNTY ADMINISTRATION

Aitkin County Courthouse
Jessica Seibert, County Administrator
217 Second Street N.W., Rm. 134
Aitkin, MN 56431
218-927-3093

June 8, 2017

COPY

Aitkin Airport Commission
109 1st Ave NW
Aitkin, MN 56431

Aitkin County is establishing its 2018 budget. As an organization that received funds from Aitkin County in 2017, we are asking for your assistance.

According to our records, in 2017 your organization received appropriations in the amount of \$14,107.

There will be very limited availability of funds for appropriations in 2018. In the event your organization is requesting an increase, please be sure to include a statement which justifies the requested increase. Specifically, we would like to know the expenditure or revenue pressure your organization is facing and how any increase granted by the County Board would improve services. Also, please include any steps your organization is taking to control your costs.

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County Administrator

cc: Aitkin County Board of Commissioners
Budget Correspondence

AITKIN COUNTY ADMINISTRATION

Aitkin County Courthouse
Jessica Seibert, County Administrator
217 Second Street N.W., Rm. 134
Aitkin, MN 56431
218-927-3093

June 8, 2017

Aitkin County CARE
P.O. Box 212
Aitkin, MN 56431

COPY

Aitkin County is establishing its 2018 budget. As an organization that received funds from Aitkin County in 2017, we are asking for your assistance.

According to our records, in 2017 your organization received appropriations in the amount of \$45,900. The base appropriation of \$37,900, plus an additional \$8,000 was appropriated for 2017 only.

There will be very limited availability of funds for appropriations in 2018. In the event your organization is requesting an increase, please be sure to include a statement which justifies the requested increase. Specifically, we would like to know the expenditure or revenue pressure your organization is facing and how any increase granted by the County Board would improve services. Also, please include any steps your organization is taking to control your costs.

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Jessica Seibert
County Administrator

cc: Aitkin County Board of Commissioners
Budget Correspondence

AITKIN COUNTY ADMINISTRATION

Aitkin County Courthouse
Jessica Seibert, County Administrator
217 Second Street N.W., Rm. 134
Aitkin, MN 56431
218-927-3093

June 8, 2017

East Central Regional Library
244 South Birch Street
Cambridge, MN 55008

COPY

Aitkin County is establishing its 2018 budget. As an organization that received funds from Aitkin County in 2017, we are asking for your assistance.

According to our records, in 2017 your organization received appropriations in the amount of \$225,882.

There will be very limited availability of funds for appropriations in 2018. In the event your organization is requesting an increase, please be sure to include a statement which justifies the requested increase. Specifically, we would like to know the expenditure or revenue pressure your organization is facing and how any increase granted by the County Board would improve services. Also, please include any steps your organization is taking to control your costs.

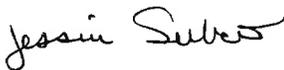
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Jessica Seibert
County Administrator

cc: Aitkin County Board of Commissioners
Budget Correspondence

AITKIN COUNTY ADMINISTRATION

Aitkin County Courthouse
Jessica Seibert, County Administrator
217 Second Street N.W., Rm. 134
Aitkin, MN 56431
218-927-3093

June 8, 2017

Aitkin County Historical Society
PO Box 215
Aitkin, MN 56431

COPY

Aitkin County is establishing its 2018 budget. As an organization that received funds from Aitkin County in 2017, we are asking for your assistance.

According to our records, in 2017 your organization received appropriations in the amount of \$16,500.

There will be very limited availability of funds for appropriations in 2018. In the event your organization is requesting an increase, please be sure to include a statement which justifies the requested increase. Specifically, we would like to know the expenditure or revenue pressure your organization is facing and how any increase granted by the County Board would improve services. Also, please include any steps your organization is taking to control your costs.

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Sincerely



Jessica Seibert
County Administrator

cc: Aitkin County Board of Commissioners
Budget Correspondence

AITKIN COUNTY ADMINISTRATION

Aitkin County Courthouse
Jessica Seibert, County Administrator
217 Second Street N.W., Rm. 134
Aitkin, MN 56431
218-927-3093

June 8, 2017

COPY

McGregor Airport Commission
McGregor City Hall
McGregor, MN 55760

Aitkin County is establishing its 2018 budget. As an organization that received funds from Aitkin County in 2017, we are asking for your assistance.

According to our records, in 2017 your organization received appropriations in the amount of \$13,900.

There will be very limited availability of funds for appropriations in 2018. In the event your organization is requesting an increase, please be sure to include a statement which justifies the requested increase. Specifically, we would like to know the expenditure or revenue pressure your organization is facing and how any increase granted by the County Board would improve services. Also, please include any steps your organization is taking to control your costs.

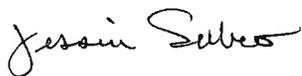
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Jessica Seibert
County Administrator

cc: Aitkin County Board of Commissioners
Budget Correspondence

AITKIN COUNTY ADMINISTRATION

Aitkin County Courthouse
Jessica Seibert, County Administrator
217 Second Street N.W., Rm. 134
Aitkin, MN 56431
218-927-3093

June 8, 2017

COPY

Northern Counties Land Use Coordinating Board
35559 Hill Road
Grand Rapids, MN 55744-4760

Aitkin County is establishing its 2018 budget. As an organization that received funds from Aitkin County in 2017, we are asking for your assistance.

According to our records, in 2017 your organization received appropriations in the amount of \$2,000.

There will be very limited availability of funds for appropriations in 2018. In the event your organization is requesting an increase, please be sure to include a statement which justifies the requested increase. Specifically, we would like to know the expenditure or revenue pressure your organization is facing and how any increase granted by the County Board would improve services. Also, please include any steps your organization is taking to control your costs.

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Jessica Seibert
County Administrator

cc: Aitkin County Board of Commissioners
Budget Correspondence

AITKIN COUNTY ADMINISTRATION

Aitkin County Courthouse
Jessica Seibert, County Administrator
217 Second Street N.W., Rm. 134
Aitkin, MN 56431
218-927-3093

June 8, 2017

Snake River Watershed Management Board
18 N Vine Street #291
Mora, MN 55051

COPY

Aitkin County is establishing its 2018 budget. As an organization that received funds from Aitkin County in 2017, we are asking for your assistance.

According to our records, in 2017 your organization received appropriations in the amount of \$10,079.

There will be very limited availability of funds for appropriations in 2018. In the event your organization is requesting an increase, please be sure to include a statement which justifies the requested increase. Specifically, we would like to know the expenditure or revenue pressure your organization is facing and how any increase granted by the County Board would improve services. Also, please include any steps your organization is taking to control your costs.

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Jessica Seibert
County Administrator

cc: Aitkin County Board of Commissioners
Budget Correspondence

AITKIN COUNTY ADMINISTRATION

Aitkin County Courthouse
Jessica Seibert, County Administrator
217 Second Street N.W.
Aitkin, MN 56431
218-927-3093

June 8, 2017

COPY

Aitkin County Soil and Water Conservation District
Steve Hughes
130 Southgate Drive
Aitkin, MN 56431

Aitkin County is establishing its 2018 budget. As an organization that received funds from Aitkin County in 2017, we are asking for your assistance.

According to our records, in 2017 your organization received appropriations in the amount of \$98,034.

There will be very limited availability of funds for appropriations in 2018. In the event your organization is requesting an increase, please be sure to include a statement which justifies the requested increase. Specifically, we would like to know the expenditure or revenue pressure your organization is facing and how any increase granted by the County Board would improve services. Also, please include any steps your organization is taking to control your costs.

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Sincerely



Jessica Seibert
County Administrator

cc: Aitkin County Board of Commissioners
Budget Correspondence



Handout
3A

2017 Legislative Session Summary

Transportation Bill, Bonding Bill Finally Passed!

After years of advocating and campaigning for a long-term, comprehensive transportation funding bill, we finally have a bill passed that makes progress in addressing the \$600M per year shortfall for roads and bridges in the state. For transit, the legislature did not provide ongoing funding, but did increase the general fund appropriation for Metropolitan Area Transit by \$70 million to prevent cuts in transit service. The dissolution of the Counties Transit Improvement Board (CTIB) will allow those counties to increase the local option sales tax if they choose to do so. Hennepin and Ramsey counties have indicated that they will increase their local sales tax from ¼ cent to ½ cent to keep the Southwest and Bottineau light rail transit projects moving and hopefully secure a full funding grant agreement with the Federal Transit Administration.

The Capital Bonding bill contains more money for transportation than we have seen previously. After many years of lobbying to have consistent funding at higher levels for the Local Road Improvement Program and Local Bridge program, this year's bill provides almost \$116 million for LRIP and \$49 million for local bridges. The transportation bill contains another \$25 million for local bridges for a total of \$74 million for local bridges. The bonding bill also provides funding for two transitways.

Although it took an extra four-day special session to get their work done, legislators were able to work with the governor to pass a two-year budget and avoid a government shutdown. For transportation, we don't have to worry about a special session occurring in June or July – they are done until February 20, 2018.

The transportation bill is a compromise and contains some good provisions and some not so good provisions. While progress was made and we didn't see another year with a "lights on" transportation budget, more work is clearly needed in the future to provide sustainable funding that addresses the needs on the system.

The level of funding provided to transportation from the sales tax on auto parts dropped dramatically from \$307.9M in the original House bill to just \$63M for the next two years in the final bill, illustrating the difficulty of competing with other areas of the state budget for general fund dollars for roads and bridges. The dollar amount in the following biennium (FY20-21) also dropped from \$206M per year or \$412M for the biennium to \$145M per year. We will probably have to fight to maintain that level of funding during the 2019 session.

Here's the Good and Not So Good of the transportation bill:

- **Good: More Money!** The bill provides \$235 million in new revenue for roads and bridges and an additional \$71 million in general fund dollars for Metropolitan Area transit for the next two years. In the following biennium, the estimate is about \$444M or \$222M per year.

Not So Good: The \$235 or \$117.5M per year only begins to address the \$600M per year shortfall. The increase for the Trunk Highway Fund is about \$51 million per year for the next

two years. Of the general fund money provided for roads and transit for the FY18-19 biennium, \$101M is one-time money that is not provided in the following biennium.

The bill does not include any increases in constitutionally dedicated revenue that would provide stable funding for the future. We lobbied for an increase in license tab fees, given the hostility to increasing the fuel tax, but that was strongly rejected by the GOP majority.

- **Good: transit cuts and prohibitions on building light rail transit are gone.** The final bill provides \$70 million for the biennium for Metropolitan Area Transit to prevent service cuts and another \$1 million to suburban systems for a demonstration project. Policy language preventing work on future light rail lines unless a project was specifically approved by the legislature was removed from the bill.

Not So Good: The money is one-time funding only. Metro Transit projects a shortfall in the FY20-21 biennium of \$110 million and a fare increase will be needed this year. Also – the bill includes a cut of almost \$17 million in the general fund appropriation for Greater Minnesota Transit. Language remains in the bill specifying that all operating costs must be paid by nonstate sources for the Southwest LRT project.

- **Good: \$940 million in additional trunk highway bonds** are authorized for the Corridors of Commerce program (\$300M) and the State Road Construction program (\$640M) along with \$25M per year in cash from the Trunk Highway Fund for Corridors of Commerce for the next four years.
- **Not So Good: Much more of the funding is provided in FY20 and FY21.** For the '18-19 biennium, \$100M is provided in bonding for Corridors of Commerce and \$200M in bonding is provided for the State Road Construction program. MnDOT tends to split the money with 50% for the Metro District (\$50M Corridors of Commerce, \$100M SRC) and 50% for the Greater Minnesota districts (\$50M Corridors of Commerce, \$100M SRC). **The interest payments on \$940M in trunk highway bonds will be \$470M in trunk highway funds over the 20-year life of the bonds.**
- **Good: Dedication of the Motor Vehicle Lease Sales Tax (MVLST) and sales tax on rental vehicles.** We will finally have the \$32M per year that had been deposited in the general fund from the MVLST going to transportation as well as all of the sales tax from rental vehicles. Some of the MVLST funding (13%) will be used for the Local Bridge program so that it will not be totally dependent on the capital bonding bill for funding and will provide more consistent and reliable funding for local bridges. There is a partial dedication of the sales tax on auto parts to the Highway User Tax Distribution Fund.

Not So Good: The sales tax on auto parts is estimated to generate about \$250 million per year and will grow in the future. This bill provides \$31.5 million per year in the FY18-19 biennium of general fund dollars attributable to the sales tax on auto parts and \$145M per year in the FY20-21 biennium. The amount is capped at \$145M in each fiscal year thereafter so there is no growth in the revenue and **no point in time at which all of the revenue from the sales tax on auto parts must be deposited in the HUTDF.**

- **Good: The bill includes an increase in the motor vehicle registration tax for all-electric vehicles of \$75 per year,** proving that electric vehicles do not have to avoid paying into the Highway Trust Fund even though owners don't purchase fuel that is taxed at the pump.

Not So Good: The amount of revenue generated is only \$40,000 for the FY18-19 biennium and \$105,000 for the FY20-21 biennium.

	FY18	FY19	Biennium	FY20	FY21
Final Transportation Bill - Increased Funding					
Sales tax transfer - Auto parts (PARTIAL) HUTDF	\$31,532	\$31,532	\$63,064	\$145,644	\$145,644
Sales tax transfer - leased vehicle	\$32,000	\$32,000	\$64,000	\$32,000	\$32,000
<i>Allocation to HUTDF</i>	<i>\$10.3M</i>	<i>\$10.9M</i>	<i>\$21.3M</i>	<i>\$11.3M</i>	<i>\$11.4M</i>
<i>Allocation to local bridges</i>	<i>\$12.2M</i>	<i>\$12.9M</i>	<i>\$25.1M</i>	<i>\$13.3M</i>	<i>\$13.5M</i>
<i>Allocation to GM Transit</i>	<i>\$ 1.96M</i>	<i>\$ 1.23M</i>	<i>\$ 3.19M</i>	<i>\$.7M</i>	<i>\$.4M</i>
<i>Allocation to Metro Counties</i>	<i>\$ 1.96M</i>	<i>\$ 1.23M</i>	<i>\$ 3.19M</i>	<i>\$.7M</i>	<i>\$.4M</i>
General Fund appropriation to Small Cities	\$8,000	\$8,000	\$16,000		
General Fund appropriation to Metro Counties	\$5,000	\$5,000	\$10,000		
General Fund appropriation to Town Roads	\$2,000	\$2,000	\$4,000		
Sales tax transfer - rental vehicles to HUTDF	\$17,200	\$19,700	\$36,900	\$20,500	\$21,300
Registration fee electric vehicles \$75 to HUTDF	\$10	\$30	\$40	\$45	\$60
Motor Vehicle rental tax to HUTDF	\$24,400	\$27,900	\$52,300	\$29,000	\$30,200
MVLST Legacy Change	-\$5,400	-\$5,700	-\$11,100	-\$5,900	-\$6,000
TOTAL	\$120,142	\$120,462	\$235,204	\$221,289	\$223,204
Total to HUTDF	\$83,346	\$89,843	\$173,189	\$206,256	\$208,416
General Fund Metro Transit (\$70M over base)	\$30,000	\$40,000	\$70,000		
General Fund Suburban Demonstration	\$1,000		\$1,000		
Safe Routes to School/Passenger Rail	\$1,000	\$1,000	\$2,000		
TOTAL	\$31,000	\$40,000	\$73,000		
General Fund Greater MN Transit (one-time cut)	-\$16,825				
Trunk Highway Cash - Corridors of Commerce	\$25,000	\$25,000	\$50,000	\$25,000	\$25,000
Trunk Highway Bonds - Corridors of Commerce	\$50,000	\$50,000	\$100,000	\$100,000	\$100,000
Trunk Highway Bonds - State Road Construction	\$100,000	\$100,000	\$200,000	\$220,000	\$220,000
TOTAL	\$175,000	\$175,000	\$350,000	\$345,000	\$345,000
Regional Bonds (Met Council)	\$82,100	\$43,900	\$126,000		\$940,000

HF3 – Special Session

Policy Highlights (not exhaustive):

- Clarifies distribution of funds in the flexible account to set 16% for Metro Counties since the CSAH fund changed to a set 68/32 split between the excess and apportionment sums. The flex highway account encourages a 50/50 split between metro and greater MN. The 16% is half of 32% which is directed to the metro counties.
- Highway Sponsorship Program – creates a program to encourage business, civic groups or individuals to voluntarily assist with the improvement and maintenance of the trunk highway system including trails and historic sites.
- Highway project selection process – MnDOT must establish a process to identify, evaluate and select projects that is consistent with eligibility requirements. The list of projects must be made public and must include the score of each project. MnDOT must report on the project selection process under the Corridors of Commerce program including a list of projects evaluated and results for each criterion.
- MnDOT must maintain information on expenditures by local road authorities from local funding sources for the trunk highway system.
- Weight Limits – **A road authority** may issue an annual permit authorizing a vehicle or combination of vehicles with 6 or more axles to haul road construction materials and be operated with a gross vehicle weight of up to 90,000 pounds with six axles and up to 97,000 pounds with seven axles. Permit fees must be deposited in the bridge inspection and signing account. A local road authority may identify local preferred routes and permit holders are encouraged to make reasonable efforts to operate on the preferred routes.
- Creates an Active Transportation account for construction and maintenance of bicycle, trail and pedestrian infrastructure.
- Creates a new Major local bridges account for bridges in which the grant award is \$7M or more. Prohibits grants from the Local Bridge program with a total project cost of \$7 million or more unless every other local bridge project on the priority list of less than \$7 million has been fully funded.
- MnDOT must implement efficiencies equal to at least 15 percent of the appropriations made annually from the trunk highway fund that are above base appropriations for FY18-19.
- In a fiscal year in which MnDOT expends more than 110 percent of the established biennial expenditure level for snow and ice management, the commissioner may use an additional amount that does not exceed 50 percent of the unappropriated balance in the trunk highway fund.
- Changes the statutory dedication of the motor vehicle lease sales tax so that the \$32 million currently being deposited in the general fund is no longer deposited in the general fund and the total amount of revenue collected from the lease vehicle sales tax is distributed: 38% to CSAH, 38% to Greater Minnesota Transit Account, 13% to Minnesota state transportation fund (for a new local bridge program) and 11% to HUTDF.

- Requires that after July 1, 2017, a portion of the estimated amount of taxes collected from the sale and purchase of motor vehicle repair parts in a given month be credited to the highway user tax distribution fund. For remittances between July 1, 2017 and June 30, 2019, the monthly deposit is \$2,628,000. (\$31.5M annually) For remittances in each subsequent fiscal year, the monthly deposit is \$12,137,000. (\$145.6M annually)
- Requires Dept. of Revenue to provide a report on state general sales taxes attributable to motor vehicle repair and replacement parts by January 15, 2019.
- Requires MnDOT to contract for a study on highway construction costs, inflation and cost estimating. The report must provide specific recommendations for road authorities and legislative changes to reduce highway construction costs. The report is due February 15, 2018.
- Requires MnDOT to report on MnPASS lanes and tolling to reduce congestion and raise revenue.
- Requires MnDOT to report on turnbacks including the current list of proposed turnback projects, a description of the work to be completed, which entity the highway will be turned back to and total estimated cost related to all aspects of the turnback. It must also include a description of the turnback process and the amount of money accrued to the turnback accounts for each of the past five years.
- Requires the Metropolitan Council to prepare a report on comprehensive transit finance in the Metropolitan Area. The report must summarize the status of busways in operation and under development and identify total ridership, farebox recovery ratio and per-passenger operating subsidy.
- Prohibits the Metropolitan Council from issuing certificates of participation for light rail transit secured by a pledge of motor vehicle sales tax revenue.
- Limits liability for a railroad that is operating in the same corridor as a light rail transit line.
- Establishes a Metro Mobility Task Force to examine the Metro Mobility program and identify methods to increase efficiency including partnerships with taxi service providers and transportation network companies.

How Does the 2017 bill Compare to 2016 Proposals?

Last biennium we had a divided legislature with a DFL governor who all promised to increase funding for transportation. Toward the end of the 2016 Legislative Session, proposals were traded back and forth, but ultimately, no agreement was reached. Here is what was on the table with the estimated revenue increase for FY2017 (one year):

Senate	House	Governor
Fuel tax: 12 cents over 3 years \$360M	Sales tax auto parts \$300M	Fuel tax: 5 cents \$150M
License tab fee increase \$107M	License tab fee increase \$100M	License tab fee increase \$200-\$400M
GO Bonding \$193M	GO Bonding \$227M	GO Bonding \$200M
Trunk Highway Bonding \$1 billion	Trunk Highway Bonding \$200M	Trunk Highway Bonding \$200M
Metro Sales Tax \$388M		Metro Sales Tax \$280M

2017 Capital Bonding Bill HF5 – Special Session

Project	Governor	Senate SF210	House HF892	Special Session bill
Local Bridge Replacement Program	\$70M	\$ 90M	\$ 59M	\$ 49.212M ⁵
Local Road Improvement Program	\$70M	\$141.196M ¹	\$107.691M ³	\$115,932M ⁶
Stone Arch Bridge	\$ 2.5M			
I694/Rice St Interchange – Ramsey	\$20.5M			
Highway 4 – City of St. James	\$ 3.443M		\$ 3.443M	
Highway 53 Utility Relocation	\$ 4.9M			
Bloomington Transit Station Mall of America		\$ 8.75M		\$8.75M
Met Council Orange Line BRT		\$ 12.1M		\$12.1M
35W/Lake Street Transit Project – Hennepin	\$25M			
Gateway Corridor – Washington	\$ 3M			
Rail Grade Separation on Crude Oil Lines	\$69.624M	\$ 26.749M ²	\$57.024M ⁴	\$71.124M ⁷
Highway/Rail Grade Crossing Warning	\$ 5M	\$ 1M	\$ 1M	\$ 1M
State Rail Quiet Zone Program	\$10M			
Ramsey County Rail Grade Separation	\$ 1M			
Passenger Rail Program	\$ 1M			
Hugo Short Line Railway		\$ 1.1M		\$ 1.1M
Minnesota Valley Regional Rail Authority		\$ 4M	\$ 4M	\$ 4M
Minnesota Rail Service – Grand Rapids	\$ 1M	\$ 1M		
Grade Separation Westminster & Division Ramsey	\$ 1M			
City of Hugo Shortline track			\$ 1.1M	\$ 1.1M
MN Rail Service Improvement Grant				\$ 1M
Port Development Assistance	\$10M	\$ 5M	\$ 5M	\$ 5M
MnDOT Facilities Capital Program	\$40MTHB			
City of Grand Rapids Pedestrian Bridges	\$.75M	\$.75M	\$.75M	\$.75M
Safe Routes to School				\$ 1M
Eden Prairie Rail Crossing				\$ 1.4M
Int'l Falls – Koochiching Co Airport	\$ 3M Air	\$ 3M	\$ 3M	\$ 3M
BWSR Local Road Wetland Replacement	\$ 10M	\$ 5M	\$ 5M	\$ 5M
DEED – Transportation Economic Development	\$ 10M	\$ 7M	\$ 7M	\$ 3.5M
Proposal TOTAL Bill	\$1.5B GO/ GO/ \$16M GF	\$972.7M GO/ \$201.9M GF	\$620M GO	\$987,939 GO GF \$11,033
	\$40MTHB	\$197M THB/ \$143.4M THF		

- 5 – Local Bridge Program
 - City of Isle – Malone Island Bridge [\$.800]
 - City of Minneapolis – 10th Avenue Bridge [\$31,875]

TOTAL: \$32,675

- 6 – Local Road Improvement Program
 - Appleton Township 100th Street [\$1,000]
 - Anoka County Lake Drive and I-35 Interchange [\$9,000]
 - City of Baxter – Cypress Drive [\$6,000]
 - City of Blaine – 105th Avenue [\$3,246]
 - Hennepin County – I-35W/CSAH 3 [\$25,000]
 - Hennepin County – US Highway 12 interchange [\$11,300]
 - Chaska – US212 Interchange [\$10,500]

- City of Inver Grove Heights Broderick Blvd [\$1,000]
 - Ramsey County I-694 and Rice Street interchange [\$20,500]
 - Redwood County Veterans Cemetery Road [\$.700]
 - McLeod County CSAH15 [\$2,350]
- TOTAL: \$90,596

- 7 – Rail Grade Separation
 - Moorhead [\$42,262]
 - Anoka County Hanson Blvd [\$14,100]
 - City of Red Wing Sturgeon Lake Road [\$14,762]
- TOTAL: \$71,124

The \$49.2 million in the Local Bridge Program provides \$32.675M for specific bridges, leaving \$16.537 million in non-earmarked funds. Combined with the \$25 million in HF3 for local bridges, this provides \$41 million in funds for local bridges on the waiting list.

For the Local Road Improvement Program, there are \$90.5 million in earmarked projects out of the \$115.9 million in funds leaving \$25.3 million in non-earmarked funds for a solicitation.

Other Transportation Bills Passed Into Law

2017 Session Laws, Chapter 7 – Funding for Local Road Wetland Replacement Program

This law provides an appropriation of \$5 million from the general fund for the Local Road Wetland Replacement Program, effective March 11, 2017. This is a one-time appropriation available until June 30, 2019.

2017 Session Laws, Chapter 14 – Modifying the State Road Construction Appropriation

This law increases the appropriation for State Road Construction for FY2017 by \$105 million to accommodate an increase in federal funds. The appropriation is increased from \$744,166,000 to \$849,166,000. The increase is effective April 4, 2017.

2017 Session Laws, Chapter 15 – Governing Mowing and Haying in Trunk Highway right-of-way

This law states that the commissioner of transportation must implement a moratorium until April 30, 2018, on enforcing permits to mow or bale hay in right-of-way of a trunk highway. No later than March 1, 2018, the commissioner of transportation must recommend to the legislative committees with jurisdiction over transportation, agriculture, and natural resources establishment of a permit or notification system to mow or hay in trunk highway right-of-way. The recommendation must be developed with input from agriculture and environmental groups.

2017 Session Laws, Chapter 86 – Increasing the weight limit for vehicles transporting milk

Establishes a ten percent vehicle weight limit increase (including per-axle and gross vehicle weights) for single-unit vehicles to transport milk from the point of production to another point of production or the first point of processing.

2017 Session Laws, Chapter 94 – Jobs, Energy and Economic Development Budget Bill

Signs must be affixed on retail petroleum dispensers: "The price for each gallon of gasoline includes the current state gasoline tax of 28.5 cents per gallon and federal gasoline tax of 18.4 cents per gallon. Revenue from the state fuel tax may be used only for roads and bridges, according to the Minnesota Constitution."

Handout
Board Discussion



Minnesota Rural Counties 2017 Legislative Summary

In its 20th year of organizational operation, Minnesota Rural Counties emerged in 2017 from an internal restructuring with a streamlined administrative profile that paved the way for strong results on its legislative agenda for the year.

As the only organization advocating specifically for rural county concerns, MRC achieved success on key member-generated priority issues relating to taxes, capitol investment, transportation funding, and natural resources as an outcome of the session.

The membership recognized three issues within its priorities for enhanced advocacy, and built targeted programs and messaging around the long-term value of dedicated funding for transportation, the necessity to fund County Program Aid with at least \$25.5 million to trigger the AMC formula, and a land use program designed to raise awareness and slow the tide of public revenues purchasing private lands in deep rural regions of the state. Attached are links to MRC op/ed commentary pieces on transportation funding and CPA.

<http://www.grandforksherald.com/opinion/op-ed-columns/4244400-minnesota-rural-counties-chairman-states-local-roads-need-dedicated>

<http://www.grandforksherald.com/opinion/op-ed-columns/4269807-rural-minnesota-leader-lawmakers-please-support-county-program-aid>

The legislative priorities and targeted advocacy programs were enhanced and supported by the first-ever MRC Survey of Greater Minnesota Counties, which gained statewide attention and broadened the MRC message while enhancing support for its legislative priorities.

The following is a summary of 2017 Legislative outcomes as they pertain to MRC priorities:

Transportation Funding:

2017 Session Laws, 1st Special Session Chapter 3 – HF3

After years of advocating for a long-term, comprehensive, transportation funding bill, legislation was passed this year that makes some progress in addressing the \$600M per year shortfall for roads and bridges in the state.

The bill provides \$235 million in new revenue for roads and bridges, and an additional \$71 million in general fund dollars for Metropolitan Area transit for the next two years.

The \$235 million or \$117.5 million per year in new road and bridge money only begins to address the \$600 million per year shortfall. The increase for the Trunk Highway Fund is about \$51 million per year over the next two years. Of the general fund money provided for roads and transit for the FY18-19 biennium, \$101 million is one-time money that is not provided in the following biennium.

The bill does not include any increases in constitutionally dedicated revenue that would provide stable funding for the future. We lobbied for an increase in license tab fees, given the hostility to increasing the fuel tax, but that was strongly rejected by the GOP majority.

Additional revenues in the two-year transportation funding bill to the HUTDF over the biennium is \$21.3 million, and local bridges get an additional \$25.1 over the same two year funding cycle.

The bonding bill provides nearly \$116 million for the Local Road Improvement Program, and \$49 million for local bridges. The bonding and transportation funding appropriations for local bridges total \$74 million.

The level of funding provided to transportation from the sales tax on auto parts dropped dramatically from \$307.9M in the original House bill to just \$63M for the next two years in the final bill, illustrating the difficulty of competing with other areas of the state budget for general fund dollars for roads and bridges.

The dollar amount in the following biennium (FY20-21) also dropped from \$206M per year or \$412M for the biennium to \$145M per year. We will probably have to fight to maintain that level of funding during the 2019 session.

The \$32 million per year in Motor Vehicle Lease Sales Tax (MVLST) that had been deposited in the general fund, as well as all of the sales tax from rental vehicles now goes to transportation. Some of the MVLST funding (13%) will be used for the Local Bridge program so that it will not be totally dependent on the capital bonding bill for funding and will provide more consistent and reliable funding for local bridges. There is a partial dedication of the sales tax on auto parts to the Highway User Tax Distribution Fund.

The dissolution of the Counties Transit Improvement Board (CTIB) will allow those counties to increase the local option sales tax if they choose to do so. Hennepin and Ramsey counties have indicated that they will increase their local sales tax from 1/4 cent to 1/2 cent to keep the Southwest and Bottineau light rail transit projects moving and hopefully secure a full funding grant agreement with the Federal Transit Administration.

The sales tax on auto parts is estimated to generate about \$250 million per year and will grow in the future. This bill provides \$31.5 million per year in the FY18- 19 biennium of general fund dollars attributable to the sales tax on auto parts and \$145M per year in the FY20-21 biennium. The amount is capped at \$145 million each fiscal year thereafter so there is no growth in the revenue and no point in time at which all of the revenue from the sales tax on auto parts must be deposited in the HUTDF.

The bill includes a \$75 annual increase in the motor vehicle registration tax for all-electric vehicles of \$75 per year. Proceeds from the tax will be nominal at \$40,000 in the FY18-19 biennium and \$105,000 for the FY20-21 biennium.

	FY18	FY19	Biennium	FY20	FY21
Final Transportation Bill - Increased Funding					
Sales tax transfer - Auto parts (PARTIAL) HUTDF	\$31,532	\$31,532	\$63,064	\$145,644	\$145,644
Sales tax transfer - leased vehicle	\$32,000	\$32,000	\$64,000	\$32,000	\$32,000
Allocation to HUTDF	\$10.3M	\$10.9M	\$21.3M	\$11.3M	\$11.4M
Allocation to local bridges	\$12.2M	\$12.9M	\$25.1M	\$13.3M	\$13.5M
Allocation to GM Transit	\$1.96M	\$1.23M	\$3.19M	\$.7M	\$.4M
Allocation to Metro Counties	\$1.96M	\$1.23M	\$3.19M	\$.7M	\$.4M
General Fund appropriation to Small Cities	\$8,000	\$8,000	\$16,000		
General Fund appropriation to Metro Counties	\$5,000	\$5,000	\$10,000		

General Fund appropriation to Town Roads	\$2,000	\$2,000	\$4,000		
Sales tax transfer - rental vehicles to HUTDF	\$17,200	\$19,700	\$36,900	\$20,500	\$21,300
Registration fee electric vehicles \$75 to HUTDF	\$10	\$30	\$40	\$45	\$60
Motor Vehicle rental tax to HUTDF	\$24,400	\$27,900	\$52,300	\$29,000	\$30,200
MVLST Legacy Change	-\$5,400	-\$5,700	-\$11,100	-\$5,900	-\$6,000
TOTAL	\$120,142	\$120,462	\$235,204	\$221,289	\$223,204
Total to HUTDF	\$83,346	\$89,843	\$173,189	\$206,256	\$208,416
General Fund Metro Transit (\$70M over base)	\$30,000	\$40,000	\$70,000		
General Fund Suburban Demonstration	\$1,000		\$1,000		
Safe Routes to School/Passenger Rail	\$1,000	\$1,000	\$2,000		
TOTAL	\$32,000	\$41,000	\$73,000		
General Fund Greater MN Transit (one-time cut)	-\$16,825				
Trunk Highway Cash - Corridors of Commerce	\$25,000	\$25,000	\$50,000	\$25,000	\$25,000
Trunk Highway Bonds - Corridors of Commerce	\$50,000	\$50,000	\$100,000	\$100,000	\$100,000
Trunk Highway Bonds - State Road Construction	\$100,000	\$100,000	\$200,000	\$220,000	\$220,000
TOTAL	\$175,000	\$175,000	\$350,000	\$345,000	\$345,000
Regional Bonds (Met Council)	\$82,100	\$43,900	\$126,000		

Other Transportation Bills Passed Into Law:

Local Road Wetland Replacement Program Funding

2017 Session Laws, Chapter 7

Provides \$5 million from the general fund for the Local Road Wetland Replacement Program, effective March 11, 2017. This is a one-time appropriation available until June 30, 2019.

Governing Mowing and Haying in Trunk Highway right-of-way

2017 Session Laws, Chapter 15

Requires Mn/DOT to implement a moratorium until April 30, 2018, on enforcing permits to mow or bale hay in the right-of-way of a trunk highway. No later than March 1, 2018, the commissioner of transportation must recommend to the legislative committees with jurisdiction over transportation, agriculture, and natural resources establishment of a permit or notification system to mow or hay in trunk highway right-of-way. The recommendation must be developed with input from agriculture and environmental groups.

Increasing the weight limit for vehicles transporting milk

2017 Session Laws, Chapter 86

Establishes a ten percent vehicle weight limit increase (including per-axle and gross vehicle weights) for single-unit vehicles to transport milk from the point of production to another point of production or the first point of processing.

Taxes and State Aids:

2017 Session Laws, 1st Special Session -Tax Bill (HF1)

Included in the \$648 million tax bill were the following items of county interest:

- •A \$25.5 million permanent increase in CPA with the AMC formula change. Every county receives an actual (not projected) increase because the formula factors are now lagged an additional year and thus are known now instead of in the middle of July when the 2018 aid will be officially certified.
- • The exemption of the first \$100,000 of commercial-industrial property from the state property tax as well as freezing of that levy and the state levy on cabins by eliminating its annual inflation.
- • \$6 million in 2017 and \$8 million a year thereafter in riparian aid (plus \$2 million annually in the environment bill)
- • \$5 million a year in aid to pay a portion of the out of home placement costs for children under the Indian Child Welfare Act
- • \$3.45 million for a \$.50/acre PILT increase for other acquired natural resources land
- • A property tax credit for agricultural property of 40% of the school debt levy,
- • Removing the prohibition against property greater than 60,000 acres with a conservation easement from participating in the Sustainable Forest Incentive Program which will facilitate settlement of a major property tax valuation suit in the northeastern counties.

Buffer Changes:

2017 Session Laws, Chapter 93- Environment and Natural Resource Finances (SF 844)

On May 30, 2017 Governor Dayton signed two bills (tax bill and environment omnibus bill) authorizing Riparian Aid to counties and watershed districts that elect jurisdiction to enforce the Riparian Protection (Buffer) Law. In fiscal year 2018 (which begins July 1, 2017) the amount available is \$8 million and in fiscal year 2019, and annually thereafter, the amount is \$10 million.

A formula for distribution of riparian aid is established in the environment bill to fund counties and watershed districts electing to accept enforcement jurisdiction.

The Board of Water and Soil Resources (BWSR) must certify to the commissioner of revenue, on or before July 1 of each year, which counties and watershed districts have affirmed their jurisdiction under Minnesota Statutes section 103F.48. As a part of that process BWSR must identify the proportional miles of public waters and public drainage ditches on the buffer protection map, within each county and each watershed district. Within each watershed district BWSR needs to know the miles of public drainage ditches that lie within each overlapping county. If a county or watershed district does not elect jurisdiction, then the law specifies the State of Minnesota, through BWSR must enforce the buffer law.

Broadband:

2017 Session Laws, Chapter 94 – Jobs, Energy and Economic Development Budget Bill (SF1456)

The Legislature appropriated \$20 million in FY2018 to the Border-to-Border broadband account, and funded the Office of Broadband Development at \$250,000 each year.

The Office of Broadband Development estimates an annual appropriation of \$35 million is necessary to keep pace with established speed and access goals. The current appropriation (2016-17 biennium), is \$10 million in 2016, and \$35 million in 2017.

A recent data analysis by the Office of Broadband Development shows that more than 22% (197,000) of non-metro households do not have access to broadband service that meets the State's 2022 statutory speed goal of 25Mbps download by 3Mbps upload. The estimate of unserved households is 10% state-wide, which equates to 206,000 households without access to service. State-wide households considered as underserved, or not meeting the 2026 goal of 100Mbps download by 20Mbps upload is 605,000 or 29%.

*FY18-19 Governor's Budget Recommendations (Jan. 24, 2017)

