

HOUSE RESEARCH

Bill Summary

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Overview

This bill authorizes \$750 million in trunk highway bonding, with the proceeds spent over the next five years. Proceeds from the bonds would be used for metro-area bottleneck reduction, greater Minnesota interregional corridor improvements, trunk highway-related advantages to transit, and safety and capacity improvements at hazardous locations. The bill also exempts contracts paid from dedicated highway funds from the 2002 moratorium on consultant contracts.

Section

- 1 **Major projects account.** Creates a major project account in the trunk highway fund. Appropriates the money in the account to the department of transportation for construction of major projects, defined as (1) metro bottleneck projects, (2) greater Minnesota at-risk interregional corridor projects, (3) trunk-highway-related advantages to transit, and (4) highway safety and capacity improvements. Provides that for projects under clause (4) the department must select projects submitted by local governments, and that all necessary additional right-of-way, engineering costs, and local cost share are a local responsibility.
Requires that for eligibility for money from the account, projects under clauses (1) to (3) to must have a construction cost in the year construction is planned to begin that is at least 25 percent of the annual construction budget in its district.
Sets out spending for FY 2003:
 - one-third for at-risk interregional corridors
 - one-third for metro-area bottlenecks
 - one-third for safety and capacity improvements (department would have until FY 2005 to spend this amount)Sets out spending for FY 2004 and subsequent years:
 - 47.5% for at-risk interregional corridors

47.5% for metro-area bottlenecks

5% for transit advantages

- 2 **Consultant contract moratorium exemption.** Exempts contracts paid with money from the trunk highway fund, county state-aid highway fund, and municipal state-aid street fund from the moratorium on consultant contracts in the first 2002 budget bill (Laws 2002, chapter 220).
- 3 **Bond sale authorization.** Authorizes sale of \$750 million in trunk highway bonds. Provides that proceeds from the bonds must be placed in the major projects account in the trunk highway fund.
- 4 **Encumbrance limit.** Sets out the following limits on how much of the bond sale proceeds can be encumbered in each fiscal year:
 - FY 2003, \$150 million
 - FY 2004, \$50 million
 - FY 2005, \$150 million
 - FY 2006 and 2007, \$200 million
- 5 **Effective dates.** Makes sections effective July 1, 2002, except that section 2 (consultant contracts) is effective immediately.