

HOUSE RESEARCH

Bill Summary

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Subject: Bonding for local road improvement program

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Overview

This bill authorizes \$125 million in state general obligation bonding for the local road improvement program, including \$50 million for a new "rural road safety account." It also makes the local road improvement program an all-grant program rather than a mixture of loans and grants.

The local road improvement program was established in 2002 to provide funds for local roads that might not be eligible for county or municipal state-aid funds. It established two categories for funding:

- a "trunk highway corridor projects account" to assist counties, cities, and towns in paying for local road improvement projects that are related to a state highway project that are not fully funded from state or federal sources
- a "local road account for routes of regional significance" to assist counties, cities, and towns to pay for improving local streets and highways that are of regional significance but which are not fully funded from other sources

The rural road safety account would be a third account in the local road improvement fund.

Section

- 1 **Trunk highway corridor projects account.** Deletes loans from the assistance that may be given from the account, leaving it an all-grant program.
- 2 **Local road account for routes of regional significance.** Deletes loans from the assistance that may be given from the account, leaving it an all-grant program.
- 3 **Rural road safety account.** Establishes a new rural road safety account in the local road improvement fund, to be spent as grants to counties for improvements to county state-aid highways intended to reduce crashes, deaths, injuries, and damage. Requires MnDOT to establish criteria for funding, in consultation with the Association of Minnesota Counties. Requires money in the account to be allocated one-half in MnDOT's metropolitan district (the seven metropolitan counties plus Chisago) and one-half in the rest of the state.
- 4 **Grant procedures.** Specifies that the grant procedures and criteria that apply to the other two accounts in the local road improvement fund do not apply to the rural road safety account.
- 5 **Appropriation.** Appropriates \$125 million from the bond proceeds fund to the local road improvement fund, for allocation as follows:
 - \$25 million for the trunk highway corridor account
 - \$50 million for the local road account for routes of regional significance
 - \$50 million for the rural road safety account
- 6 **Bond sale authorization.** Authorizes sale of \$125 million in general obligation bonds to provide the funds appropriated under section 0.