



Dedicated Fund Expenditures Task Force

Minnesota House of Representatives Transportation Finance and Policy
Committee

May 12, 2022

Task Force - Purpose

- **Laws 2021, 1st Special Session, Chapter 5, Article 4, Section 146**
- **Subd. 2. Task force established.**
- A dedicated funds expenditures task force is established to review and make recommendations regarding the permissible uses of expenditures from the trunk highway fund and the highway user tax distribution fund.

Constitutional Restriction on State Trunk Highway Spending: (Article 14 §§ 2, 6).

Minnesota Constitution, Article 14.

- **Sec. 2. Trunk highway system.**
- There is hereby created a trunk highway system which shall be constructed, improved and maintained as public highways by the state.
- **Sec. 6. Trunk highway fund.**
- There is hereby created a trunk highway fund which shall be used solely for the purposes specified in section 2 of this article

Minnesota Supreme Court:

“It would be unreasonable to hold that the proceeds of the highway fund may not be expended for whatever is reasonably necessary to the complete accomplishment of all the basic purposes for which a highway exists.”

Task Force Members

Representative John Petersburg
(co-chair)

Senator Scott Dibble (co-chair)

Senator Scott Newman

Senator Julia Coleman

Senator Ann Johnson Stewart

Representative Steve Elkins

Representative Frank Hornstein

Representative Marion O'Neill

Commissioner Margaret Anderson
Kelliher

Liz Connor/Casey Mock,
Minnesota Management and
Budget

Shawn Kremer, Department of
Public Safety

Angelica Klebsch, Office of
Attorney General

Task Force Information Gathering Phase

- House, Senate, and Agency staff provided background details on funding, existing reporting requirements.
- Constitutional scholars Professors David Schultz (Hamline) and Fred Morrison (U of M) and state legal experts presented on 'highway purpose' constitutional language and precedent.
- AASHTO Director of Policy and Government Relations Joung Lee reviewed dedicated transportation funding policies in other states.



Key Task Force Takeaways

- The fundamental question addressed: What does the term “highway purposes” mean when determining constitutionally valid expenditures of dedicated funds?
 - Highway User Tax Distribution Fund and Trunk Highway Fund
- **The 200+ page report assembles key information** and policy options **in one place**, a repository of information for the legislature, the executive branch, and stakeholders.

Task Force Conclusions

From p.2 of the report:

“While the task force found both points of consensus and disagreement in addressing the question, it did not formally adopt any specific findings or recommendations.”

However...

- There was general agreement on the value of continued engagement and partnership between the legislature and executive branch.
- The task force report reflects 6 months of thoughtful consideration of the dedicated funds issue and will be a valued resource for any similar future effort.

Task Force Website

Dedicated funds expenditures task force

Dedicated funds expenditures task force

- [Dedicated Funds Expenditures Task Force Report- Final Copy \(PDF\)](#)
- [Dedicated Funds Expenditures Task Force Report with Transmittal Letter- Final Version: April 5, 2022 \(PDF\)](#)

Task Force Co-Chairs

- Rep. John Petersburg, GOP
- Sen. Scott Dibble, DFL

Task force members

- Former Commissioner Margaret Anderson Kelliher, MnDOT
- Executive Budget Coordinator Casey Mock, Minnesota Management and Budget
- Chief Financial Officer Shawn Kremer, Department of Public Safety

Meeting records

- [Journal of minutes](#)
- [Meeting materials](#)

Contact

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New Restrictions in Law

In 2021, 1st Special Session, the Legislature adopted Chapter 5, Article 4, Section 11

Funding shifted to General Fund (effective July 1, 2025):

- Office of Aeronautics
- Office of Transit and Active Transportation
- Office of Passenger Rail
- Purchase and maintenance of soft body armor
- Tourist information centers
- Parades, events, or sponsorships of events
- Rent and utility expenses for MnDOT central office building
- Installation, construction, expansion, or maintenance of public electric vehicle infrastructure
- Statewide notification center for excavation services
- Manufacturing license plates.

Thank you!

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