Overview

This bill dedicates 54 percent of revenues from the motor vehicle sales tax to the highway user tax distribution fund (to make up for revenue lost from auto license tax cuts in the governor's tax proposals). It dedicates the remaining 46 percent to the general fund.

The bill also authorizes regional bonding by the metropolitan council for transit purposes and directs a study of performance-based funding for transit.

1. **Motor vehicle sales tax.** Dedicates 54 percent of revenues from the motor vehicle sales tax to the highway user tax distribution fund. Dedicates the remaining 46 percent to the general fund. The dedication would take effect July 1, 2001.

2. **Metropolitan council borrowing.** Allows the metropolitan council to borrow for transit capital improvements after July 1, 2001. Allows total borrowing up to $40 million in 2002, adjusted for inflation in subsequent years. Allows limited carryover of unused borrowing authority from one year to the next.

3. **Performance -based funding.** Directs the commissioner of finance, in consultation with the chair of the metropolitan council, to submit a recommendation for performance-based funding for metropolitan transit operations as part of the 2001 budget.

4. **Effective date.** Makes the motor vehicle sales tax statutory dedication effective July 1, 2001.