HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 1985 **DATE:** March 30, 2001
Version: With amendment #1985A1

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Subject: Dedicating a portion of the sales and use tax for city transportation funding

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Overview

Establishes a city transportation account in the general fund to provide aid to cities to pay for local transportation projects, including transit. The fund is financed by 15.3 percent of the general sale and use tax revenues. Establishes a formula for distributing the money among the cities. Effective for sales made after June 30, 2001.

Section

1 **Deposit of revenues.** Requires that 15.3% of the general sales and use revenues be deposited in a city transportation account in the general fund. The funds from this account shall be paid out quarterly to cities to fund local transportation projects, including transit.

The money is allocated among the cities based on the share of total state sales tax revenue collected in each city. If the data is not available to assign shares to individual cities with a population less than 10,000, then the share of the revenue going to those cities shall be allocated on a per capita basis.

Effective for sales made after June 30, 2001.