

BONDING

- General Obligation (GO) Bonding: \$225 million for local bridges
- General Obligation (GO) Bonding: \$225 million for local roads
- Trunk Highway Bonds: \$2.2 billion over ten years
Priority bridge replacement: Hastings and Stillwater¹
- Constitutional Amendment; along with a requirement that for the next 25 years, 1/2 the bonding dollars authorized must be for transportation purposes. If the Constitutional amendment passes, the trunk highway bonds authorized above and not issued could be issued as GO bonds starting next biennium.

**HF2665 (McNamara) General obligation bonds authorized as additional revenue source for trunk highway funding; and Constitutional amendment proposed.*

- The Mankato Mn/DOT headquarters, the St. Paul Mn/DOT building exterior and proposed truck stations should be done with GO bonds, not THF bonds.

GENERAL FUNDS

- Understand that only .7 percent of the general fund goes toward transportation.
- 2.5 cents equivalent of general fund transferred to trunk highway fund to pay-off bonds for additional state roads (\$80 million/year).
- A general fund contribution of \$160 million per year to the HUTDF
 - This is the equivalent of a 5 cent gas tax.
 - \$317 million for the current biennium goes to the GF from the MVST. This declines as more is phased in. For the current biennium dedicating all of the MVST not already transferred to the HUTDF would benefit roads and bridges.
 - Human Services and state agency budget reductions would make up the GF contribution
 - K-12 and nursing homes exempt from contributing
- Use the sales tax on leased vehicles for transportation. Use the voter approved and legislatively approved model of a 60/40 split of the dollars. (Approximately \$36 million roads and \$24 million transit per year.)
- Exempt Mn/DOT from state sales tax

OTHER FUNDS

- \$50 million of surplus state property (Dept. of Administration) should be sold and the dollars deposited in the HUTDF.
- Raise Mn/DOT's spending authority so they can use all of the federal funds coming to the state for the I-35W bridge.

OTHER REFORM ISSUES

- Repeal best value law, and use the lowest responsible bidder for Mn/DOT construction projects.
- Authorize a study of the construction and betterment safe roads (in other states/countries) and analyze price consequences.

¹ (HF2800) Article 6, Section 5
2/18/2008

Item	\$ amount for transportation	\$ over ten years
(GO) Bonding for local bridges	\$225 million	\$225 million
(GO) Bonding for local roads	\$225 million	\$225 million
Trunk Highway Bonds	\$500 million first two years, \$150 million/ year for the following eight years	\$2,200 million
Constitutional Amendment authorizing GO bonding for state roads and bridges with 1/2 the total bonding dollars required to be for transportation purposes for 25 years.	Finance estimates \$965,000,000 in general obligation bonding each even numbered year and \$120,000,000 general obligation bonding in each odd numbered year. Half those figures would be \$482.5 million in even years and \$60 million in odd years.	\$2,700 million
GF equivalent to 2.5 cents for THF bond repayment	\$80 million	\$800 million
GF equivalent to 5 cent gas tax	\$160 million	\$1,600 million
sales tax on leased vehicles. Split 60/40 between roads and transit	Ave of \$36 million for roads, \$24 million for transit	\$487 million
Exempt Mn/DOT from state sales tax	\$4.8 million	\$48 million
Excess property sale	\$50 million total	\$50 million

Total:

\$7.535 billion