



Minnesota Regional Transit  
Board: Records.

**Copyright Notice:**

This material may be protected by copyright law (U.S. Code, Title 17). Researchers are liable for any infringement. For more information, visit [www.mnhs.org/copyright](http://www.mnhs.org/copyright).



REGIONAL TRANSIT BOARD  
270 Metro Square Building  
St. Paul, Minnesota 55101  
612/292-8789

## MEETING OF THE REGIONAL TRANSIT BOARD

Monday, September 15, 1986  
Council Chambers  
4:00 p.m.

### AMENDED AGENDA

1. Call to Order and Roll Call
2. Approval of Agenda
3. Approval of Minutes of August 18, 1986, Meeting
4. CONSENT LIST
5. Pre-Drafting Notice to the Regional Transit Board, Development Guide, Transportation Chapter
6. REPORT OF THE POLICY COMMITTEE Todd Lefko,  
Chair
7. REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE Ruth Franklin,  
Chair
  - a. Revision of Bylaws - Timing of Regular Meetings
  - b. Resolution Requesting the Metropolitan Council to Certify 1987 Debt Service, Resolution No. 86-19
8. OTHER BUSINESS
  - a. Chairman's Report
    1. Discussion of Upcoming Board Retreat
    2. Participation in "MVET for Transportation Coalition"
  - b. Members' Reports
  - c. Staff Reports
9. PUBLIC COMMENT

Elliott Perovich  
Chairman

REGIONAL TRANSIT BOARD  
ROLL CALL AND ATTENDANCE SHEET

deVries  
Fisher  
Bertrand  
Turnbull  
Rosvold  
Kamigawa  
Andrew  
Brake  
Brecher  
Itsek  
Winkler  
Smoother  
Alderson

DATE: Sept 15, 1986

BOARD OR COMMITTEE Board Mtg

MEMBER NAME	PRESENT	VOTE	86-19 VOTE	VOTE	VOTE	VOTE
Chairman	✓		✓			
Kenneth Bedeau (P)	✓		✓			
Doris Caranicas (P)	✓		✓			
Ruth Franklin (Chair, A & F)						
Alison Fuhr (P)	✓		✓			
Paul Joyce (A & F)	✓		✓			
Edward Kranz (A & F)	✓		✓			
Todd Lefko (Chair, Policy)	✓		✓			
Bernard Skrebes (A & F)	✓		✓			

REGIONAL TRANSIT BOARD

270 Metro Square Building, St. Paul, Minnesota 55101

Minutes of the Meeting of the  
REGIONAL TRANSIT BOARD  
Metropolitan Council Chambers  
September 2, 1986

BOARD MEMBERS PRESENT: Elliott Perovich, Chairman; Doris Caranicas; Ruth Franklin; Alison Fuhr; Paul Joyce; Edward Kranz; Todd Lefko and Bernard Skrebes

MEMBERS ABSENT: Ken Bedeau

OTHERS PRESENT: Greg Andrews, Mary Fitzgerald, Judy Hollander, Katie Turnbull, Ed Kouneski, Jerry Brechlin, Mark Ryan, Cindy Fish, Randy Rosvold, Roane Smothers, Jan Hennings, and Mike Kuehn, Regional Transit Board Staff; Charles Weaver, legal counsel; Karen Lyons, Emil Brandt and Natalio Diaz, Metropolitan Council; Greg Failor and John Capell, Metropolitan Transit Commission; Steve Moon, Mary O'Hare, Michael Ehrlichman, Mary Beth Davidson and Marianne Curry

The meeting was called to order at 4:00 p.m. and roll taken. Fuhr moved approval of the agenda; Skrebes seconded the motion. Motion carried unanimously.

Skrebes moved approval of the minutes of the August 11, 1986, meeting; Caranicas seconded the motion. Motion carried unanimously.

The chairman moved the Metro Mobility item to the first part of the agenda to accommodate the people who had come to hear that discussion. A staff memorandum regarding Metro Mobility fares and the Hardship Policy, dated September 2, 1986, was distributed.

Franklin said one of the reasons the ~~\$1.25~~<sup>1.50</sup> fare was adopted was that it made more trips available than would the ~~\$1.50~~ fare originally proposed. Everyone must realize that there will be fewer trips if the cost is reduced. She expressed concern that the suburban areas would lose most of the trips. Ryan said the total area would be affected. In response to a question by Joyce, Ryan said the daily trip allocation will be based on the annual budget. If the subsidized rate to providers is higher, there will be fewer dollars allocated each day. Franklin said that will be the source of complaints and the impact should be clarified. Ryan said throughout the process we have tried to stress the relationship between the subsidy to providers and the fare from users and its result of fewer trips.

Caranicas said some riders eligible for Metro Mobility could use main line service. With the cost at \$1.00 per rider, which is higher than main line service, the people who really need Metro Mobility will be able to get it more easily.

Lefko said the system is not perfect; none of them are. Most of the issues that came through, such as quality and expansion of service, are still there. He would like a stronger coalition developed before the legislative session. He hopes that the lower base fare will cover some of the people who will not be able to take advantage of the Hardship Policy, which would have been difficult to administer. The board prefers putting funds into service rather than administration. Reevaluation was part of the original concept. Some providers will expect that the \$3.75 charge maximum will become an automatic fare. If it is found that estimates are wrong and more people are effected negatively, it is incumbent on the board to go back and review it at that point.

Fuhr asked if it is possible for Metro Mobility to catch up with itself or will there be consistent subsidies? Lefko said the members discussed this. Metro Mobility is a social need and must be delivered cost effectively, but the more successful the program is, the more it will cost. The question is need in the community and whether the case can be made to the Legislature? Nothing we do is profit-making; the question is whether this is a more efficient way of delivering service.

Kranz said Lefko made an excellent point about a coalition and this is the time to form such a coalition. He favors delaying the process and referring the topic to the upcoming legislative session for complete analysis of the whole system. Franklin said she would oppose delaying it, but regarding the subsidy, it has been as high as \$13 to \$14 per ride and we expect it to drop to \$11.50. She will support the motion, despite her concern over the 17,800 trips lost annually, because we need to move on. The Hardship Policy would be difficult to administer. This is a good, workable plan and staff did a fine job on the whole process. Joyce moved:

That the Regional Transit Board establish a Metro Mobility base fare of \$1.00 per one-way trip along with a maximum charge of \$1.00 per mile and a maximum cost to Metro Mobility users of \$3.75 per one-way trip and eliminate the Metro Mobility Hardship Policy.

Lefko seconded the motion.

Mary O'Hare, Chair of the Council for the Handicapped, said this change goes toward what the handicapped can afford. Kranz' recommendation of going to the Legislature would be the best thing to do. Many people are concerned about the new system without a phase-in period. Providers feel the subsidy is too low and there are a lot of problems here that we need to talk about and take to the Legislature. She would rather be allies. These people cannot function without transit. The \$3.75 maximum is a 450-percent increase. While she still has a lot of concerns, she is more hopeful.

Michael Ehrlichman said he is pleased to see some reconsideration of the options before the board. The issue of going to the Legislature together is important and something that should have been addressed some time ago. With respect to the \$3.75 fare, for people with severely limited income and for seniors it is a severe restriction.

Steve Moon, attorney for Legal Services of St. Paul, said Option F is an improvement but there are still problems. The Minnesota Supplemental Aid budgets have a transportation element of \$11 per month. The maximum charge is a good step, but the board has still not achieved comparability and he suggested that the board consider ways to achieve it.

Vera Johnson, a law student, said the consumer is interested in driver training; Metro Mobility drivers each have 100 hours of training. She asked about vehicle inspection and audits of the providers. Ryan said standards for training and inspection of providers are the same as current requirements. We went further with drivers of taxicabs; they will be required to have training. Safety inspections are the same for wheel chair securement devices. This will include taxicabs.

O'Hare said much of the problem is fear of what will happen. The current system has failed a lot of people and they do not want that to happen again. Vehicle inspection is very important and drivers must be trained. The contracts are not in place and the overnight change is a big concern. The chairman said those are also the concerns of the board. The board intends to work with the users and will be reviewing the system to work through the bugs. He agreed that there are problems with the current system. The board is sensitive to input at any time. We will monitor the program and make adjustments as problems arise. O'Hare said they heard throughout the process that consumers would have choices; now they have been assigned to a provider for a minimum of six weeks. That has caused some concern. Ryan said the key to successful transition is the 40 percent of the riders who have standing requests. They will be assigned to a provider, but after a six week period the rider can stay with that provider or select a new provider. This will help bring about a smooth transition.

O'Hare asked what the consumer's recourse will be if the system does not work. The chairman said there will be an advocate center staffed eight hours a day to respond to problems. Lefko said a provider's authorization can be withdrawn if there is a pattern of complaints. Skrebes asked the consumer groups to assist in dispelling untrue statements. When the Metro Mobility program started there were a lot of problems and the new program should receive a fair trial. Many of the providers have experienced personnel. This is one of the best programs in the United States.

Ehrlichman said the handicapped have seen many programs pulled out in the past few years. The data base is skewed because the elderly use the program for social trips not related to work. The data should be broken out on that basis. The use of the program might change if the service was reliable.

O'Hare said communications with users and the timing of the report have been problems. The handicapped groups are willing to cooperate.

Moon said the board should consider options that eliminate the wide disparity because that is the appropriate way to approach this.

Perovich said this is a bigger issue than transit alone; we must work together to get the decision-makers to recognize the need.

Kranz said in the overall history of Metro Mobility and its future, six months would not mean much. He cannot imagine why it cannot be delayed before making such a drastic move. Vote was taken; motion carried (Kranz voted "no").

PRESENTATION AND DISTRIBUTION OF TRANSIT SERVICE NEEDS ASSESSMENT, PHASE II,  
FINAL REPORT

Katie Turnbull noted that the draft and executive summary were distributed to the members. She acknowledged the many late hours worked by Cindy Fish, Randy Rosvold and Roane Smothers. She thanked them, and the staff of Strgar-Roscoe-Fausch, Inc. The Policy Committee will review the report at its next few meetings and there will be a review process into the month of October. The business plan will become the implementation plan, the next key document. Detailed subarea technical analyses are available for anyone interested in the in-depth analysis of each area. The chairman commented that we have come a long way in a year and he commended Turnbull and her staff.

Lefko moved:

That the Regional Transit Board accept the Transit Service Needs Assessment, Phase II Draft Final Report for purposes of receiving public comment.

Skrebes seconded the motion; the motion carried unanimously.

REPORT OF THE POLICY COMMITTEE

Committee Chair Lefko said the committee will meet on September 10.

REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE

METRO MOBILITY PROVIDER APPLICATIONS

Committee Chair Franklin reviewed the committee report dated August 26, 1986, and moved:

That the Regional Transit Board authorize the executive director to enter into contracts, subject to compliance with the Metro guidelines, with the following organizations to provide Metro service effective October 4, 1986:

Blue & White Taxi/Wheelchair Express	DARTS
The Ebenezer Society	Handicabs
North Memorial Medical Service	Commuter Express
Osseo-Brooklyn School Bus Company	Red & White Taxi
Twin City Mobility	

Joyce seconded the motion; the motion carried unanimously.

In response to Caranicas' question on whether any contracts had been signed, Hollander said it is true that none are complete, but the board authorized staff to enter into contracts and staff is working on a standard form.

FINANCIAL STATEMENTS FOR JUNE 1986

Committee Chair Franklin reviewed the committee report dated August 26, 1986, and noted that the committee is pleased with the new format. She moved:

That the Regional Transit Board accept the Financial Statements for June 1986 and direct that they be placed on file.

Caranicas seconded the motion; the motion carried unanimously.

DELOITTE HASKINS & SELLS MANAGEMENT LETTER

Committee Chair Franklin reviewed the committee report dated August 26, 1986 and moved:

That the Regional Transit Board accept the Deloitte Haskins & Sells Management Letter and direct that it be placed on file.

Skrebes seconded the motion; the motion carried unanimously.

There being no other business, Joyce moved that the meeting be adjourned. Kranz seconded the motion; the motion carried unanimously. The meeting adjourned at 5:45 p.m.

Respectfully submitted,

Mary Fitzgerald  
Secretary

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, St. Paul, MN 55101  
292-8789

DATE: September 15, 1986  
TO: Regional Transit Board  
FROM: Gregory L. Andrews, Director of Administration  
SUBJECT: Resolution Requesting the Metropolitan Council to  
Certify 1987 Debt Service

BACKGROUND

The Metropolitan Council has legislative authorization (Minnesota Statute 473.39, Subd. 1a) to issue \$8.5 million of general obligation certificates of indebtedness for the purpose of financing the RTB capital development program. The 1987 capital budget, which is currently under review by the Council, anticipates that the \$8.5 million will be needed in the second quarter of 1987. In accordance with Minnesota statutes, the bond sale is contingent upon Council approval of the Board's Implementation Plan.

The tax levy that will be certified by the Board on September 29, 1986 for collection in 1987 includes debt service levies on outstanding indebtedness of the Metropolitan Transit Commission (MTC). Because those levies will be collected in the second half of 1987, we must anticipate principal and interest payments that come due in the second half of 1987 and the first half of 1988. Since the Council will issue the \$8.5 million in mid-1987, debt service tax money would be needed prior to receipt of 1988 tax levies as a preferred alternative to setting aside a portion of the bond proceeds to meet the debt service costs.

To allow maximum flexibility, a schedule has been developed with the assistance of Mr. Robert Pulscher, Springsted, Inc., that provides for uniform debt service payments over ten years, which generally corresponds to the life of the assets identified in the capital budget. The combined debt levy for Council and MTC bonds is estimated to be approximately .35 mills for the 1986/87 tax levy. The schedule of principal and interest payments for 1987 certificates of indebtedness will be discussed with the Management Committee of the Council on September 23, 1986.

RECOMMENDATION

That the Regional Transit Board adopt the attached resolution requesting that the Metropolitan Council certify 1987 debt service on the 1987 Certificates of Indebtedness at its meeting of September 25, 1986.

Attachment  
ch

CERTIFICATION OF MINUTES

Municipality: Regional Transit Board

Meeting: A meeting of the Regional Transit Board held on the \_\_\_\_\_ day  
of \_\_\_\_\_, 1986, at \_\_\_\_\_ m. at 270 Metro  
Square Building, St. Paul, Minnesota 55101.

Members  
present:

Members  
absent:

Documents: A copy of a resolution adopted by the Regional Transit Board  
at said meeting.

Certification:

I, \_\_\_\_\_, \_\_\_\_\_ of the Regional Transit  
Board do hereby certify the following:

Attached hereto is a true and correct copy of a resolution on file and of  
record in the offices of the Regional Transit Board, which resolution was adopted  
by the Regional Transit Board, at the meeting referred to above. Said meeting was  
a \_\_\_\_\_ meeting of the Regional Transit Board, was open to the public, and  
was held at the time and place at which meetings of the Regional Transit Board are  
regularly held. Member \_\_\_\_\_ moved the adoption of the attached  
resolution. The motion for adoption of the attached resolution was seconded by  
Member \_\_\_\_\_. A vote being taken on the motion, the following voted  
in favor of the resolution:

and the following voted against the resolution:

Whereupon said resolution was declared duly passed and adopted. The attached  
resolution is in full force and effect and no action has been taken by the Regional  
Transit Board, which would in any way alter or amend the attached resolution.

Witness my hand officially as the \_\_\_\_\_ of the  
Regional Transit Board of St. Paul, Minnesota, this \_\_\_\_\_ day of \_\_\_\_\_,  
1986.

---

## RESOLUTION

### REGIONAL TRANSIT BOARD

WHEREAS, the Regional Transit Board (the "Board") has heretofore approved an interim implementation plan prepared by it pursuant to the requirements of Minn. Stat. §473.377 and on November 3, 1986 will review its implementation plan (the "Plan") and thereafter submit the Plan to the Council; both the interim implementation plan and the implementation plan provide for the expenditure by the Board of moneys in an amount exceeding \$8,500,000 for purposes of acquisition and betterment of property and other improvements of a capital nature; and

WHEREAS, the Board has heretofore approved the proposed 1987 Regional Transit Board Capital Budget (which includes the 1987 Metropolitan Transit Commission Capital Budget) for submission to the Metropolitan Council (the "Council") for its review and approval, which capital budget contemplates the issuance by the Council in 1987 of \$8,500,000 bonded indebtedness to provide moneys to the Board to finance the acquisition and betterment of property and other improvements of a capital nature; and

WHEREAS, pursuant to Minn. Stat. §473.39, the Council, if requested by vote of at least two-thirds of the members of the Board, may issue its general obligation bonds in an amount not exceeding \$8,500,000 to provide funds to the Board for expenditure to implement the Board's approved implementation plan; and

WHEREAS, pursuant to Minn. Stat. §473.446, the Board is authorized to levy a transit tax consisting in part of an amount necessary to provide full and timely payment of bonds or other obligations issued or to be issued under Section 473.39 by this council for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the Council or the Board has pledged tax levies; and

WHEREAS, the Board desires that the Council issue its general obligation bonds pursuant to Section 473.39 in the aggregate principal amount equal to \$8,500,000 to provide funds to the Board to implement the Plan, following approval of the Plan by the Council with any amendments or revisions required by the Council; and

WHEREAS, the Board intends to levy in 1986 a transit tax pursuant to Section 473.446, Subd. 1(c), in order to minimize the amount of interest required to be capitalized in the bond issue and accordingly maximize the proceeds of such bonds which can be applied to the purposes specified in the Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE REGIONAL TRANSIT BOARD AS FOLLOWS:

1. The Board hereby requests that, following approval by the Council of the Plan, with any amendments or revisions required by the Metropolitan Council, the Council issue its general obligation bonds in the amount of \$8,500,000 to provide funds to the Board for expenditure to implement the Plan.

2. The Board further requests that the Metropolitan Council give preliminary approval to the issuance of such bonds, subject to final approval of the Plan, and concurrently with such preliminary approval, pledge to the payment of such bonds the taxes to be levied by the Board pursuant to Section 473.446, Subd. 1(c).

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: September 8, 1986  
TO: Regional Transit Board  
SUBJECT: Consent List

The following referral has been reviewed by the staff and chair of the Regional Transit Board. In my opinion the referral meets the standards of consent referral adopted by the board in its bylaws.

Project Development Report and Location and Design Study Report for 10th Avenue from County State Aid Highway 17 to Trunk Highway 300 in Shakopee, Minnesota

The Minnesota Department of Transportation has compiled this report to determine the project development path necessary to resurface a 2.10 mile stretch of urban street within the City of Shakopee. The proposed improvements consist of repairing isolated problem areas, providing a minimum bituminous overlay, some minor areas of curb and gutter replacement, installation of new handicap ramps where needed, placement of crosswalk signs, pavement markings, and designated pedestrian walkways.

The RTB has been asked to comment on the Project Development Report by the Minnesota Department of Transportation. The RTB has reviewed this worksheet in accordance with the Interim Implementation Plan and finds no significant impact on transit services.

Elliott Perovich,  
Chairman

EP/mf  
BDLAS2

Handout 9/15/86

\*\*\*\*\*TRANSIT POLICY PLAN PREDRAFTING NOTICE\*\*\*\*\*

PREDRAFTING NOTICE:

- REQUIRED BY NEW METRO GOVERNANCE LAW
- ALERTS RTB THAT COUNCIL WILL BE REVISING ITS TRANSIT POLICY PLAN\*
- LISTS ISSUES TO BE ADDRESSED IN POLICY PLAN
- GIVES RTB 90 DAYS (UNTIL NOV. 15) TO REVIEW AND COMMENT
- PROVIDES TAC/TAB CONCURRENT REVIEW PERIOD

\*New terminology: In 1987, the Council's "Transportation Policy Plan" will be revised as the "Transportation Chapter of the Metropolitan Development Guide". This transportation guide chapter will contain a "Transit Policy Plan" as well as a highway component.

MAJOR TRANSIT ISSUES TO BE EXAMINED:

• SERVICE RELATED ISSUES

- ROLE OF TRANSIT
- MARKET NEEDS
- TYPE OF SERVICE
- WHO PROVIDES WHAT

• FISCAL/FINANCIAL ISSUES

- SUBSIDY RECOVERY
- WHO PAYS

• MONITORING ISSUES

- CONTENT OF RTB'S IMPLEMENTATION PLAN
- STANDARDS AND CRITERIA FOR EVALUATING IMPLEMENTATION PLAN

OTHER STUDIES UNDERWAY:

- TRANSIT SERVICE NEEDS ASSESSMENT
  
- RTB'S IMPLEMENTATION AND FINANCIAL PLANS
  
- OTHER RTB STUDIES
  
- COUNCIL'S LONG-RANGE TRANSIT STUDY
  
- METRO HIGHWAY SYSTEM EVALUATION
  
- TRANSPORTATION CORRIDOR STUDIES

Revised 7/16/86  
7/22/86

PRE-DRAFTING NOTICE TO THE  
REGIONAL TRANSIT BOARD

1. Preface

Periodically, the Metropolitan Council updates the various chapters of the region's long-term plan, the Development Guide, in response to changes in trends and the availability of new information. In 1987, the Council intends to update the Transportation Chapter, including its transit portion, the transit policy plan. A number of reasons exist for this update. First, the new Metro Governance Act changes the emphasis to be placed in the regional transit and sewers policy plans. More attention is to be paid to services rather than facilities and to monitoring the progress achieved by the implementing agencies. Second, significant transportation issues have been raised since the last full update of the Transportation Chapter in 1983. Third, the Council is completing a new Metropolitan Development and Investment Framework. Fourth, a number of transportation studies currently under way are bringing new information into the regional transportation debate.

Minn. Stat., Sec. 473.146, subd. 2, as amended in 1986 as part of the new Metro Governance Act, requires that the Council publish a Pre-drafting Notice requesting comments from the public before beginning to prepare a substantial revision of the transit portion of the Transportation Chapter. The new chapter, however, will be an integrated document addressing not only transit but also the highway system even though the pre-drafting notice only applies to the transit portion.

At least 90 days before publication of the transit pre-drafting notice, the Council shall submit a draft of it to the Regional Transit Board (RTB) for review and comment. The notice must include a statement of the subjects to be covered by the Council's Policy Plan and the RTB's Implementation Plan (to be subsequently prepared in response to the policy plan by the RTB), a summary of issues and matters to be addressed and a summary of the studies and information to be used as input to the plans.

The concept of a pre-drafting notice is consistent with the public involvement process required under federal legislation, 23 USC 134. This legislation establishes a long-range planning effort for the highway and the transit systems to be carried out by the Council as the designated Metropolitan Planning Organization for the Twin Cities Area. Participation by local units of government in the transportation planning process is ensured through the involvement of the Transportation Advisory Board (TAB) and the Technical Advisory Committee (TAC) which provide advise to the Council.

2. Policy Plan Content

The Policy Plan will contain the items required in Minn. Stat., Sec. 473.146, subd. 1, as amended in 1986. The new legislation places special emphasis on services rather than facilities, on a detailed fiscal component of the plan and on a tracking procedure to monitor and evaluate the progress achieved by the RTB in the implementation of the Council's plan.

### 3. Relationship to Metropolitan Development and Investment Framework

The planning and investment strategy, geographic policy area recommendations, and forecasts of population, households and employment of the 1986 revisions of the Council's Metropolitan Development and Investment Framework will be evaluated for their impacts on transit planning. Resultant changes, additions and deletions will be made in the revised transit plan.

### 4. Problem Statement

Major transportation and land-use changes have taken place since the 1983 adoption of the Transportation Chapter. Changes in demographic and socio-economic forecasts are being included in the new MDIF. Significant increases in travel have been observed regionwide, mainly because suburban development is taking place at a faster pace than anticipated. Transportation funding sources are being reexamined at the federal and state levels. The role of transit in the overall transportation scene is being reassessed. These and other problems translate into a series of issues that need to be dealt with in the upcoming update of the Transportation Chapter. This pre-drafting notice addresses those related to the transit system.

### 5. Major Issues To Be Examined

- a) What is the role of transit in serving the transportation needs of the metropolitan area? Is it a full-fledged alternative to the automobile, a complement to it or a service mainly structured to satisfy the need of the transit dependent? What are the trade-offs between the highway and the transit systems?
- b) How does the transit system relate to other metropolitan systems? What role does it play in containing urban sprawl and shaping development? Can it be used as an economic development tool?
- c) What are the impacts of existing and future demographics (e.g. aging of the population) and socioeconomic characteristics of the region on transit needs?
- d) What transit needs can be satisfied for different major market groups (i.e. central city oriented travel, suburban based travel, University of Minnesota travel, transit dependent travel)? Is there a dichotomy between urban and suburban needs? If so, should RTB consider different policies in addition to different service mechanisms/providers?
- e) What are the service delivery options and levels of service that better satisfy the transit needs identified above in a cost-effective manner? What is the potential for travel behavior changes through incentives and inducements? What is the role of major capital investment vs. service improvements? How do the transit and highway systems relate?
- f) What is the role of the private sector in the delivery of transit services? How should new development proposals include transit provisions? Does competition among providers foster improvements in cost-effectiveness?

- g) What are the appropriate subsidy levels to support the metropolitan transit system? What proportion of the cost of providing the service should be recovered from passengers fares? Should that proportion vary for different types of services? What general policy principles should the fare structure and fare increases follow?
- h) What should be the role of metropolitan area residents in paying for transit services? What are the transit benefits to non-transit users? What should be the state and federal roles in paying a portion of the transit deficit?
- i) Is the property tax the most equitable and effective vehicle to raise regional funds for transit? Should a more direct relationship between who benefits and who pays be proposed (i.e. development fees, levels of taxation tied to transit levels of service,...)? Should a metropolitan-wide sales tax be considered? Should an employer/employee tax be used? Should other funding sources be explored?
- j) What should the role of the motor vehicle excise tax be in transit funding? What should be the relationships between highway and transit funding?
- k) What standards, criteria and procedures should the Council use in monitoring and evaluating the RTB's Implementation Plan?
- l) What should be the content of the Implementation Plan submitted by the RTB in response to the Council's policy plan?

Many of the issues raised are for re-examination to determine if past positions are to be reaffirmed or changed. In other cases, issues are new or extensions of past positions.

## 6. Work Under Way

The following studies and documents will be considered in the update of the policy plan:

- The existing Transportation Chapter of the Development Guide adopted in January of 1983, as amended.
- The RTB's Transit Service Needs Assessment mandated by the Legislature to conduct a comprehensive evaluation of the short and mid-range transit needs and services in the region.
- The RTB's Implementation Plan and Financial Plan to be prepared every two years in response to the Transit Policy Plan, which will be submitted to the Council in November, 1986.
- Other RTB's studies (i.e. Privatization, Metro Mobility) currently under way to address specific transit issues.
- The Long-Range Transit Study conducted by the Council to assess the potential for transit capital investments in major Twin Cities transportation corridors.

- The Metropolitan Highway System Evaluation currently undertaken by the Council in cooperation with the Minnesota Department of Transportation (Mn/DOT) to reassess needs and priorities within the regional system of freeways and expressways.
- Transportation Corridor Studies (i.e. I-494 Study, I-35W Study) currently underway to address specific transportation issues related to those two corridors.
- Council's analysis of alternative funding sources
- Council's analysis of the fiscal implications of the Policy Plan

#### 7. Contact for Public Response

The Metropolitan Council requests information and comments concerning the subjects, issues and direction of the Policy and Implementation Plans. Interested or affected persons or groups may submit data or views in writing to Sandra Gardebring, Chair, Metropolitan Council, 300 Metro Square Building, St. Paul, MN 55101. Questions on the pre-drafting notice may be directed to Natalio Diaz at (612)291-6341. Comments may be submitted until February 2, 1987. Policy Plan drafting will begin in early 1987, with final adoption of the plan expected at the end of 1987. Public hearing input will likely occur in the late fall of 1987.

ND025A

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, St. Paul, MN 55101  
292-8789

DATE: September 9, 1986  
TO: Regional Transit Board  
FROM: Administration and Finance Committee  
SUBJECT: Revision of Bylaws - Timing of Regular Meetings

At its meeting September 4, 1986, the Administration and Finance Committee reviewed, discussed and moved to the full board for approval the proposed bylaw change relating to scheduling of regular meetings of the board. As required by Article VIII of the bylaws, board members must receive written notice of amendments to the bylaws at a prior meeting of the board. Final adoption will be at the meeting of September 29, 1986.

Recommendation

That the Regional Transit Board approve the proposed amendment to Article II, Paragraph A of the RTB Bylaws as follows:

Regular meetings of the board shall be held on the first and third Mondays of each month, except that if such meeting date is a national or state holiday, the meeting shall be held on the Tuesday following such holiday, unless the board designates another date for its regular meeting. The time and place of regular board meetings shall be determined by the board chair.

Ruth Franklin  
Chair

RTBTX1-BRD9/9

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: September 15, 1986  
TO: Regional Transit Board  
SUBJECT: Participation in "MVET for Transportation Coalition"

The attached letter from Minnesota Good Roads, Inc. is a request for RTB participation in the MVET for Transportation Coalition. The coalition was formed to work toward saving the Motor Vehicle Excise Tax for transportation purposes.

RECOMMENDATION;

That the Regional Transit Board become a member of the MVET for Transportation Coalition.

Elliott Perovich  
Chairman

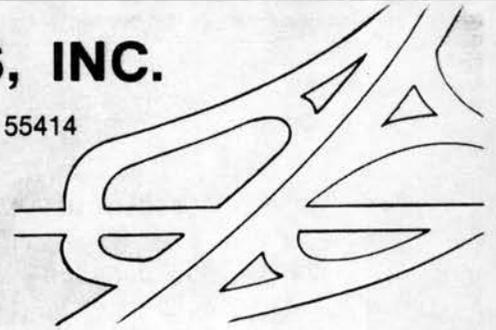
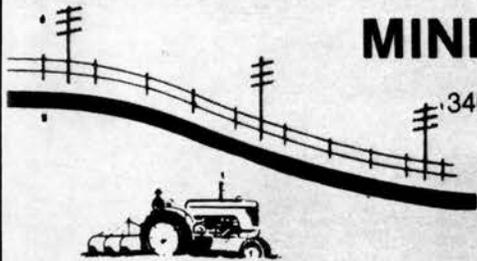
EP/mf  
Att.

# MINNESOTA GOOD ROADS, INC.

3402 UNIVERSITY AVE. S.E., MINNEAPOLIS, MINN. 55414

(612) 379-7227

THE CITIZENS' VOICE FOR GOOD ROADS



## OFFICERS

JOHN M. BAILEY, JR.  
President  
Minneapolis  
RAY FOSLID  
Vice President  
Minneapolis  
RAY LAPPEGAARD  
Vice President  
St. Paul  
HERBERT O. KLOSSNER  
Vice President  
Hopkins  
ROBERT J. MCFARLIN  
Secretary  
Minneapolis  
ROBERT F. PUERINGER  
Treasurer  
Anoka

## BOARD OF DIRECTORS

DELBERT F. ANDERSON  
Starbuck  
ROY ASPHAUG  
St. Louis Park  
L. R. BARTLEY  
St. Paul  
G. DUANE BELL  
St. Louis Park  
JOHN R. BORCHERT  
Eagan  
ROBERT R. CLEMENS  
St. Paul  
M. K. (Dutch) CRAGUN  
Brainerd  
WILLIAM ELSHOLTZ, JR.  
Roseville  
LITTON E. S. FIELD  
St. Paul  
DAN FRENTRESS  
Minneapolis  
DOROTHY GROTT  
Fairmont  
DAN GUSTAFSON  
St. Paul  
KENNETH R. HALL  
Maple Grove  
H. B. (Bud) HAYDEN, JR.  
Plymouth  
JOHN V. HOENE  
West St. Paul  
LEW HUDSON  
Worthington  
BOB JENSEN  
Farmington  
ELLSWORTH JOHNSON  
Golden Valley  
WILLIAM KONIARSKI  
Belle Plaine  
JOHN A. KUETHER  
Milaca  
WES LANE  
Minneapolis  
JAMES P. LOANEY  
North Mankato  
VERNON J. MAAS  
Canby  
GEORGE W. MATTSON  
Shafer  
CHARLES McCROSSAN  
Osseo  
ARLYN NELSON  
Buffalo  
THOMAS D. O'FALLON  
Willmar  
HARMON T. OGDahl  
Minneapolis  
J. W. (Bill) OSWALD  
St. Paul  
KENNETH PAULSON  
Little Falls  
JERRY PETERMEIER  
Grand Rapids  
E. J. RENIER  
Minneapolis  
WILLIAM A. RICE  
St. Cloud  
RAY RICHELSEN  
St. Paul  
WAYNE RISER  
Morris  
A. J. (Marty) ROMANO  
Minneapolis  
LARRY SCHAUB  
Morris  
SENATOR ROBERT J. SCHMITZ  
Jordan  
CHARLES J. SWANSON  
Stillwater  
JANE TSCHIDA  
St. Louis Park  
N. TED WALDOR  
St. Paul  
CARL WYCZAWSKI  
New Ulm

September 10, 1986

ROBERT M. JOHNSON  
Executive Director

cc Bd Member

Elliott Perovich, Chairman  
Regional Transit Board  
Metro Square Building, Suite 270  
Saint Paul, Minnesota 55101

Dear Mr. Perovich:

We have put together a coalition of about forty groups, with the single purpose of saving the Motor Vehicle Excise Tax (MVET) for transportation purposes. This coalition includes most of the agricultural associations, the Minnesota Trucking Association, all of the construction associations and some labor organizations, including the Minnesota AFL-CIO and the Teamsters' Minnesota DRIVE..

The official name of the group is "MVET for Transportation Coalition".

We would be very pleased if we could include the Regional Transit Board along with the other members on our letterhead.

Sincerely,

Robert M. Johnson

enclosed: memo dated 7/2/86, with list of associations involved

RECEIVED

SEP 11 1986

REG TRANS BOD

July 2, 1986

TO: Association Executives (see enclosed list).

FROM: Bob Johnson, MGRI  
 John Hoene, MAPA  
 Dan Foth, ABC  
 Jim Staebler, MN Trucking Assn.  
 Darrel Bunge, MN Petroleum Assn.  
 Vern Ingvalson, MN Farm Bureau

Jake Crandall, AAA  
 Don Dean, AGC of Minnesota  
 Dan Frentress, Concrete Paving Assn.  
 Mike Rhyner, Assn. of MN Counties  
 Brian Ettesvold, MN Service Station Assn.

RE: A Coalition to save and protect the Motor Vehicle Excise Tax  
 for Highway Use

We believe the Motor Vehicle Excise Tax should be used for highway funding. Transfer of these funds was delayed again and used in the General Fund.

All highway programs - both state and county - were predicated on receiving this revenue.

It also is rumored that the transfer to the Highway Fund may be repealed, or delayed again.

Because of this threat, we are forming a coalition to save and protect the Motor Vehicle Excise Tax FOR HIGHWAY PURPOSES.

Please attend a meeting -

Thursday, July 10, 1986  
11:00 AM

ZIEGLER INC.  
94th St. & 35W South  
Bloomington.

The cost of the luncheon will be \$9.00, including tax and gratuity.

*please clip & return*

OR - call MGRI (612) 379-7227. (RSVP REQUIRED)

Minnesota Good Roads, Inc.  
3402 University Avenue SE  
Minneapolis, MN 55414

\_\_\_\_\_ I WILL attend the M.V.E.T. meeting at Ziegler Inc. on July 10th.

\_\_\_\_\_ I cannot attend, but want to be part of the Coalition.

NAME \_\_\_\_\_

ORGANIZATION \_\_\_\_\_

**YES** Aggregate Ready-Mix of Minn.  
Jerry Kastner  
P.O. Box 27102  
Minneapolis, MN 55427

**YES** Concrete Paving Association  
of Minnesota  
Dan Frenness  
P.O. Box 26338  
Minneapolis, MN 55426

**YES** Minnesota Asphalt Pavement  
Association  
Dave Holt  
555 North Wabasha  
St. Paul, MN 55102

**YES** Minnesota Farm Bureau  
Vern Ingvalson  
1976 Wooddale Drive, Box 64370  
Woodbury, MN 55164

**YES** Minnesota Rural Electric Assn.  
Richard Lemke  
4901 West 77th St.  
Minneapolis, MN 55435

**YES** Minnesota D.R.I.V.E.  
Wes Lane  
3001 University Avenue SE  
Minneapolis, MN 55414

**YES** Associated Builders &  
Contractors-MN Chapter  
Dan Foth  
6989 Washington Ave. S., #200  
Edina, MN 55435

**YES** Consulting Engineers Council  
of Minnesota  
Earl Oxley  
5407 Excelsior Boulevard  
St. Louis Park, MN 55416

Minnesota Association of  
Cooperatives  
Alan Gerber  
55 Sherburne Ave.  
St. Paul, MN 55103

**YES** Minnesota Farmers Union  
Willis Eken  
1717 University Ave.  
St. Paul, MN 55104

**YES** Minnesota Service Station  
Association  
Brian Ettesvold  
2700 Rice St.  
St. Paul, MN 55113

Minnesota Turkey Growers Assn  
John Hausladen  
786 Transfer Road  
St. Paul, MN 55114

**YES** Associated General Contractors  
of Minnesota, Inc.  
Donald Dean  
111 East Kellogg Boulevard  
St. Paul, MN 55101

**YES** Farm Equipment Association of  
Minnesota & South Dakota  
Kenneth L. Austin  
129 East Broadway  
Owatonna, MN 55060

Minnesota Association of  
Campground Operators  
Al Brodie  
1000 E. 146th St.  
Burnsville, MN 55379

**YES** Minnesota Good Roads, Inc.  
Robert Johnson  
3402 University Ave. SE  
Minneapolis, MN 55414

Minnesota Society of  
Professional Engineers  
Don Hassenstab  
555 Park, Suite 130  
St. Paul, MN 55103

**YES** Motor Vehicle Manufacturers  
Assn. of U.S., Inc.  
Dan Besaw  
411 Main St.  
St. Paul, MN 55102

**YES** Association of Minnesota  
Counties  
Mike Rhymer  
555 Park St.  
St. Paul, MN 55103

Farmers Elevator Association  
of Minnesota  
Robert Zelenka  
Grain Exchange Building  
Minneapolis, MN 55415

**YES** Minnesota Association of  
Townships  
David Fricke  
P.O. Box 246  
St. Michael, MN 55376

Minnesota Limestone Producers  
Association  
Lee Jeffries  
1000 West 122nd St.  
Burnsville, MN 55378

**YES** Minnesota State Building &  
Construction Trades Council  
William R. Peterson  
411 Main St., Room 206  
St. Paul, MN 55102

M.A.P.A.  
John V. Hoene  
1090 Cherokee Ave.  
West St. Paul, MN 55118

The Asphalt Institute  
Earl Angell  
6100 Golden Valley Road  
Minneapolis, MN 55422

**YES** Highway Users Federation  
Carol Bartel  
1450 Energy Park Drive, #117C  
St. Paul, MN 55108

Minnesota Automobile Dealers  
Association  
Louis Claeson  
277 University Ave.  
St. Paul, MN 55164

**YES** Minnesota Manufactured Housing  
Association  
Joan Archer  
222 E. Little Canada Road  
Little Canada, MN 55117

**YES** Minnesota Timber Producers Assn.  
M. Russell Allen  
208 Phoenix Building  
Duluth, MN 55082

**YES** MN Agri-Dealers Assn., Inc.  
Thomas Cashman  
Box 698  
Mankato, MN 56002

Automotive Service Councils  
of Minnesota  
Al Brodie  
1000 E. 146th St.  
Burnsville, MN 55379

League of Minnesota Cities  
Joel Jammik  
183 University Ave. E.  
St. Paul, MN 55101

**YES** Minnesota Broadcasters Assn.  
Ray Foslid  
7400 Metro Boulevard  
Minneapolis, MN 55435

Minnesota Motel Association  
Al Brodie  
1000 East 146th St.  
Burnsville, MN 55379

**YES** Minnesota Transport Services  
Association  
Abe Rosenthal  
Griggs Midway Building  
St. Paul, MN 55104

Northwest Petroleum Assn.  
Robert Krogman  
2345 Rice St., Suite 173  
St. Paul, MN 55113

**YES** CENEX *RUSS THOMPSON*  
~~Box 43089~~  
St. Paul, MN 55164

Metropolitan Inter-County Assn.  
Robert Orth  
114 Metro Square Building  
St. Paul, MN 55101

**YES** Minnesota County Highway  
Engineers Association  
Ken Paulson, Highway Engineer  
Morrison County  
Courthouse  
Little Falls, MN 56345

**YES** Minnesota Petroleum Council  
Darrel Bunge  
1025 Northern Federal Bldg.  
St. Paul, MN 55102

**YES** Minnesota Trucking Association  
Jim Staebler  
Griggs-Midway Bldg.  
1821 University Ave.  
St. Paul, MN 55104

Portland Cement Association  
Dick Schmickle  
6600 France Ave., Suite 455  
Minneapolis, MN 55435

Richard P. Braun  
Commissioner of Transportation  
Mn/DOT  
411 Transportation Building  
St. Paul, MN 55155

<sup>YES</sup>  
Minnesota Plant Food &  
Chemicals Association  
Craig Sallstrom  
1821 University Ave.  
St. Paul, MN 55104

Jim Nichols  
Commissioner of Agriculture  
900 West Plato Boulevard  
St. Paul, MN 55107

Red River Valley Potato  
Growers Association  
Lloyd Schmidt  
Business Highway 2 East  
P.O. Box 301  
East Grand Forks, MN 56721

Agri-Growth Council  
John Ainley  
8030 Cedar Ave. South  
Bloomington, MN 55420

Minnesota Pork Producers Assn.  
Don Paulson  
216 East Main  
Albert Lea, MN 56007

Minnesota Association of  
Wheat Growers  
Merle Hedland  
P.O. Box 602  
Red Lake Falls, MN 56750

Minneapolis Grain Exchange  
Paul Tattersall  
400 South 4th St., Suite 150  
Minneapolis, MN 55415

Red River Valley Sugar Beet  
Growers Association  
Richard Fitzsimons  
1701 - 38th St. S.W.  
 Fargo, ND 58102

<sup>YES</sup>  
Minnesota AFL-CIO  
Dan Gustafson  
175 Aurora Ave.  
St. Paul, MN 55103

Minnesota Soybean Growers Assn.  
Jim Palmer  
360 Pierce Ave., Suite 116  
North Mankato, MN 56001

<sup>YES</sup>  
CONSTRUCTION BULLETIN/Chapin Publishing Co.  
Joe Wicke  
7216 Boone Ave. N.  
Brooklyn Park, MN 55428

<sup>YES</sup>  
Minnesota School Bus Drivers Assn.  
Joe Beaton  
3109 Hennepin Ave. South  
Minneapolis, MN 55408

Minnesota Corn Growers Assn.  
President  
Box 3291  
Mankato, MN 56001

## Transfer of excise tax funds supported by Farm Bureau

Farm Bureau is on record in support of the transfer of the Motor Vehicle Excise Tax (MVET) dollars from the General Fund to the funds used for transportation spending.

The MVET is a tax paid on the sale or transfer of all motor vehicles in Minnesota. The tax is based on the sale or transfer price, but is described by law as an excise tax, not a sales tax. Currently, the dollars generated by the MVET are deposited in the General Fund.

Between 1978 and 1981, Farm Bureau urged policy makers that the MVET dollars should be used for road construction and repair, rather than spent in other matters.

The 1981 Legislature decided the revenues generated by the MVET should more appropriately be earmarked for transportation purposes. They passed a four-stage schedule that gradually transferred the MVET revenue from the General Fund. Further, this legislature directed that 75 percent would go to the HUTDF and 25 percent to the Transit Assistance Fund (TAF).

However, the transfer of the fund has been delayed by practically every legislature since 1981. Only during one year, fiscal year 1985, was there a transfer. That year, 25 percent of MVET revenues were transferred from the General Fund according to schedule. Consequently, the repair and construction of highways in Minnesota did not receive the funding that was expected. Farm Bureau believes that action is needed during the 1987 session to eliminate the possibility that the MVET will be delayed again.

The Minnesota Constitution mandates that the dollars in the HUTDF must be distributed in the following manner: 62 percent to state highways, 29 percent to county highways, and 9 percent to city streets. If the transfer had occurred, an additional \$52 million would have been available for transportation purposes in 1986. If the transfer goes through, an additional \$261 million will be available for transportation purposes in 1992.

*The transfer has been delayed by nearly every legislature since 1981*

Transfer of the MVET from the General Fund to the HUTDF so that the dollars can be used for transportation is an issue which the legislature has already decided is good public policy. "Farm Bureau says let the transfer occur," said MFBE President Marilyn Lokengard.

*Minnesota  
Farm Bureau*

# "THE CITIZEN'S VOICE"

BULLETIN - AUGUST 1986

## DELAYED TRANSFER OF MOTOR VEHICLE EXCISE TAX THREATENS ROADWORK PLANS IN MINNESOTA

Local, county and state highway officials are working hard to adjust their highway construction programs after facing a two year delay in the transfer of the motor vehicle excise tax (MVET). The MVET is a tax currently paid on the sale of all motor vehicles in Minnesota.

In an effort to bring stability to Minnesota's highway construction fund, state legislators made a commitment in 1981 to phase in the transfer of the MVET from the state's general revenue fund to its highway construction fund. The transfer was to have been phased in over the course of eight years in increments of 25% every two years beginning July 1, 1983. Since then, that schedule has been changed three times - most recently during last year's legislative session, due to general revenue fund shortfalls.

The delay in the transfer of MVET revenues has caused serious concerns among local, county and state highway managers. That is because of the nature of roadwork. Projects that will occur anywhere from five to eight years from now are being planned for today. Construction and reconstruction plans are based on a forecast of what revenue will be available to do highway work. An unstable funding source means the postponement of highway projects that may have been long planned for, and that local communities, motorists and businesses have counted on.

One example of how the delayed MVET transfer schedule has impacted road funding in Minnesota is reflected in how much money local, county and state highway agencies will lose as a result of the delay. Highway funds are divided among those three units of government according to a constitutionally mandated formula. That

formula says 62% of available funds goes to the state, 29% to the counties and 9% to local municipalities. Based on that distribution, a two year delay of the MVET transfer already has cost local municipalities approximately \$7 million, counties \$23 million and the state \$49 million. Further delays of the MVET transfer would mean additional losses.

Transferring the motor vehicle excise tax from the general revenue to the highway construction fund would provide for some much needed stability in the area of highway funding. Barring any additional unforeseen scheduling changes, the transfer of the MVET is scheduled to "turn back on" starting July 1, 1987. The key point is that the MVET is NOT a new tax; it is one currently paid on the sale or transfer of motor vehicles in Minnesota.

Legislators have logically concluded that proceeds from the MVET belong in the highway construction fund, helping provide for a constant and, in great measure, stable source of highway funding dollars. All that remains now is to get back to completing that transfer.

### DETAILED BREAKDOWN OF MVET SCHEDULING CHANGES AND DISTRIBUTION FORMULA

#### MOTOR VEHICLE EXCISE TAX

The Motor Vehicle Excise Tax (MVET) is a tax paid on the sale or transfer of all motor vehicles in Minnesota. The tax is based on the sale or transfer price, as is described in statute as an excise tax, not a sales tax.

The 1981 Legislature decided that the revenues generated by the MVET should more appropriately be returned to transportation purposes. They therefore passed into law a 4-phase schedule whereby increasing increments of the MVET would be credited to transportation.

Of the amounts transferred to Transportation, 75% goes to the Highway Users Tax Distribution Fund (HUTDF) and 25% to the Transit Assistance Fund (TAF).

The 1981 legislation provided for the following schedule:

86-88 biennium: 25% to Transportation - 75% remained in General Fund  
88-89 biennium: 50% to Transportation - 50% remained in General Fund  
89-91 biennium: 75% to Transportation - 25% remained in General Fund  
91-93 biennium and thereafter: 100% to Transportation

The 1983 Legislature, reacting to the state's general fund shortfall, delayed the MVET transfer and pushed the schedule back by two years. The net result was:

86-87 biennium: 25% to Transportation - 75% remained in General Fund  
88-89 biennium: 50% to Transportation - 50% remained in General Fund  
90-91 biennium: 75% to Transportation - 25% remained in General Fund  
92-93 biennium and thereafter: 100% to Transportation

The 1984 Legislature again modified the schedule by advancing the first phase of the transfer by one year. The first phase, the 25% transfer of the MVET, now started in FY 85 and was to continue through FYs 86 and 87. The remainder of the schedule remained the same, as follows:

FY 85: 25% to Transportation - 75% remained in General Fund  
86-87 biennium: 25% to Transportation - 75% remained in General Fund  
88-89 biennium: 50% to Transportation - 50% remained in General Fund  
90-91 biennium: 75% to Transportation - 25% remained in General Fund  
92-93 biennium and thereafter: 100% to Transportation

The 1986 Legislature, however, acted to eliminate the transfer of MVET funds for FYs 86-87. The transfer is to resume in FY 88 at the previously planned 50% rate. Therefore, the current schedule is as follows:

FY 85: 25% was transferred to Transportation - 75% remained in General Fund  
86-87 biennium: 0% to Transportation - 100% remained in General Fund  
88-89 biennium: 50% to Transportation - 50% remained in General Fund  
90-91 biennium: 75% to Transportation - 25% remained in General Fund  
92-93 biennium and thereafter: 100% to Transportation

As can be seen from the above schedules, there have been three separate changes made to the initial legislation passed in 1981.



3402 UNIVERSITY AVENUE, S.E.  
MINNEAPOLIS 55414

(612) 379-7227

ROBERT M. JOHNSON  
Executive Director

# Delays in MVET Transfer Create Jams in Highway Projects

Local, county, and state highway officials are adjusting their highway construction programs to accommodate a two-year delay in the transfer of the motor vehicle excise tax (MVET) from the state's general fund to the highway construction fund.

The motor vehicle excise tax is a tax paid on the sale or transfer of all motor vehicles in Minnesota. The tax is based on the sale or transfer price, but is described in statute as an excise tax, not a sales tax.

In an effort to bring stability to Minnesota's highway construction fund, the 1981 Legislature decided that the revenues generated by the MVET should be spent on transportation. The transfer was to have been phased in over eight years in increments of 25 percent every two years beginning July 1, 1983. Since then, that schedule has been changed three times — most recently during last year's legislative session — due to general revenue fund shortfalls.

The delay in the transfer of MVET revenues has caused serious concerns among local, county, and state highway managers because of the nature of roadwork projects that will occur anywhere from five to eight years from now are being planned for today. Construction and reconstruction plans are based on a forecast of what revenue will be available to do highway work. An unstable funding source means the postponement of highway projects that may have been long planned for, and upon which local communities, motorists, and businesses have counted.

One example of how the delayed MVET transfer schedule has affected road funding in Minnesota is reflected in how much money local, county, and state highway agencies will lose as a result of the delay. Highway funds are divided among those three units of government according to a constitutionally mandated formula. That formula provides 62 percent of available highway revenues to the state, 29 percent to the counties, and 9 percent to local municipalities. Based on that distribution, a two-year delay of the MVET transfer has already cost local municipalities approximately \$7 million, counties \$23 million, and the state \$49 million. Further delays of the MVET transfer would mean additional losses.

Of the amounts transferred to transportation, 75 percent goes to the Highway Users Tax Distribution Fund (HUTDF) and 25 percent to the Transit Assistance Fund (TAF).

The 1981 legislation provided for the following schedule:

- 84-85 biennium: 25 percent to transportation, 75 percent remains

in general fund.

- 86-87 biennium: 50 percent to transportation, 50 percent remains in general fund.

- 88-89 biennium: 75 percent to transportation, 25 percent remains in general fund.

- 90-91 biennium and thereafter: 100 percent to transportation.

The 1983 Legislature, reacting to the state's general fund shortfall, delayed the MVET transfer and pushed the schedule back two years. The net result was:

- 86-87 biennium: 25 percent to transportation, 75 percent remains in general fund.

- 88-89 biennium: 50 percent to transportation, 50 percent remains in general fund.

- 90-91 biennium: 75 percent to transportation, 25 percent remains in general fund.

- 92-93 biennium and thereafter: 100% to transportation.

The 1984 Legislature again modified the schedule by advancing the first phase of the transfer by one year. The first phase, the 25 percent transfer of the MVET, started in fiscal year 85 and was to continue through fiscal years 86 and 87. The remainder of the schedule remained the same, as follows:

- FY 85: 25 percent to transportation, 75 percent remained in general fund.

- 86-87 biennium: 25 percent to transportation, 75 percent remains in general fund.

- 88-89 biennium: 50 percent to transportation, 50 percent remains in general fund.

- 90-91 biennium: 75 percent to transportation, 25 percent remains in general fund.

- 92-93 biennium and thereafter: 100 percent to transportation.

The 1986 Legislature, however, acted to eliminate the transfer of MVET funds for fiscal years 86-87. The transfer is to resume in fiscal year 88 at the previously planned 50 percent rate. Therefore, the current schedule is as follows:

- FY 85: 25 percent was transferred to transportation, 75 percent remained in general fund.

- 86-87 biennium: 0 percent to transportation, 100 percent remained in general fund.

- 88-89 biennium: 50 percent to transportation, 50 percent remains in general fund.

- 90-91 biennium: 75 percent to transportation, 25 percent remains in general fund.

- 92-93 biennium and thereafter: 100 percent to transportation.

Transferring the Motor Vehicle Excise Tax from the general revenue to the highway construction fund would provide some stability in highway funding. Barring any additional unforeseen schedule changes, the transfer of the MVET is scheduled to resume July 1, 1987.

The following table shows the amount of money counties have lost as a result of delaying the

transfer.

Counties and cities received their 1986 state aid allotment, including the Motor Vehicle Excise Tax. The Legislature delayed transfer of this tax retroactively to January 1, 1986. Therefore, the losses

shown on the table are for two years, 1986 and 1987. These amounts will be subtracted from the 1987 allotment.

The figures are from the State Aid Division of the Minnesota Department of Transportation.

COUNTY	1986		1987	
	TOTAL ALLOTMENT	M.V.E.T. LOSS	TOTAL ALLOTMENT	M.V.E.T. LOSS
Aitkin	2,047,141	248,180		
Anoka	2,019,563	266,658		
Becker	1,799,287	218,132		
Beltrami	2,398,303	290,752		
Benton	1,086,902	131,768		
Big Stone	1,035,165	125,496		
Blue Earth	2,722,880	330,102		
Brown	1,625,466	197,060		
Carlton	1,645,277	199,462		
Carver	1,598,960	193,846		
Cass	2,458,281	298,024		
Chippewa	1,285,244	155,814		
Chisago	1,472,661	178,534		
Clay	2,478,046	300,420		
Clearwater	1,495,104	181,256		
Cook	1,347,996	163,422		
Cottonwood	1,681,979	203,910		
Crow Wing	2,113,449	256,220		
Dakota	2,897,964	351,328		
Dodge	1,448,193	175,568		
Douglas	1,716,407	208,084		
Faribault	2,265,633	274,668		
Fillmore	2,906,848	352,404		
Freeborn	2,352,683	285,222		
Goodhue	2,069,018	250,832		
Grant	1,035,165	125,496		
Hennepin	9,561,578	1,159,176		
Houston	1,859,188	225,394		
Hubbard	1,470,355	178,256		
Isanti	1,254,940	152,140		
Itasca	3,197,136	387,598		
Jackson	2,210,023	267,926		
Kanabec	1,130,996	137,114		
Kandiyohi	2,087,514	253,074		
Kittson	1,790,550	217,074		
Koochiching	1,940,195	235,216		
Lac Qui Parle	1,559,805	189,100		
Lake	1,469,868	178,196		
Lake of the Woods	1,322,087	160,280		
Le Sueur	1,544,789	187,278		
Lincoln	1,120,699	135,864		
Lyon	1,746,423	211,724		
McLeod	1,530,287	185,520		
Mahnomen	1,035,165	125,496		
Marshall	2,735,492	331,630		
Martin	2,208,228	267,710		
Meeker	1,332,904	161,592		
Mille Lacs	1,316,430	159,594		
Morrison	1,859,990	225,492		
Mower	2,016,960	244,522		
Murray	1,496,281	181,398		
Nicollet	1,334,807	161,822		
Nobles	2,010,042	243,682		
Norman	1,902,781	230,680		
Olmsted	2,417,510	293,082		
Otter Tail	3,885,900	471,098		
Pennington	1,184,771	143,632		
Pine	2,974,667	360,626		
Pipestone	1,215,329	147,338		
Polk	3,855,485	467,410		
Pope	1,289,629	156,346		
Ramsey	5,015,428	608,034		
Red Lake	1,035,163	125,496		
Redwood	1,813,518	219,858		
Renville	2,502,987	303,444		
Rice	1,616,466	195,968		
Rock	1,300,366	157,646		
Roseau	2,053,281	248,924		
St. Louis	9,627,261	1,167,138		
Scott	1,474,446	178,750		
Sherburne	1,035,164	125,496		
Sibley	1,564,613	189,682		
Stearns	2,999,099	363,588		
Steele	1,557,982	188,878		
Stevens	1,144,030	138,694		
Swift	1,482,264	179,698		
Todd	1,837,638	222,782		
Traverse	1,035,163	125,496		
Wabasha	2,012,571	243,990		
Wadena	1,040,064	126,090		
Waseca	1,564,225	189,636		
Washington	1,790,530	217,070		
Watonwan	1,386,900	168,138		
Wilkin	1,389,467	168,448		
Winona	2,086,791	252,988		
Wright	2,340,892	283,792		
Yellow Medicine	1,654,267	200,552		
Totals	\$176,412,995	\$21,387,014		



*Association of Minnesota Counties*