

S.F. No. 583 – Prohibiting Specified Uses of Highway Funds

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Section 1 states that existing authority for the Department of Transportation (MNDOT) to develop software products or services with trunk highway funds may not violate the restrictions on highway fund spending specified in statutes (and as further amended in **section 5** of this bill).

Section 2 prohibits trunk highway funds from being used to pay for workers' compensation insurance premiums for MNDOT employees doing work on roads other than trunk highways, in excess of the amount deposited into the trunk highway fund for this purpose by the relevant political subdivision.

Section 3 makes an open general fund appropriation to the commissioner of transportation to reimburse expenses incurred by the final route layout appeal board and removes a direction to pay these costs out of the trunk highway fund.

Section 4 prohibits trunk highway funds from being used to pay legal fees for copies of necessary records relating to a road that has become or may become a trunk highway and makes an open general fund appropriation to the commissioner of transportation for this purpose.

Section 5 amends the section of statute that prohibits appropriations from the trunk highway fund for certain activities or programs that do not further a highway purpose. It adds the highway user tax distribution fund as a prohibited source of funds for these activities, and adds the following to the list that may not be funded from either fund:

- tourist information centers;
- parades, events, or sponsorship of events;
- bikeways;
- Department of Public Safety administrative offices;
- the statewide notification center for excavation services;
- rent and utilities for the MNDOT central office building;
- cost of manufacturing license plates;
- the cost of collecting highway user taxes;
- public electric vehicle infrastructure; and

- various entities within MNDOT.

Section 6 prohibits trunk highway funds from being used to reimburse fire departments for costs of extinguishing grass fires within trunk highway rights-of-way and makes an open general fund appropriation to the commissioner of transportation for this purpose.

Section 7 prohibits trunk highway funds from being used to pay for operation and maintenance costs of MNDOT's central office building and makes an open appropriation from the general fund to the commissioner for this purpose.

Section 8 makes an open appropriation from the general fund to the commissioner of public safety to pay for the costs of manufacturing license plates.

Section 9 makes an open appropriation from the general fund to the commissioner of public safety for refunds for overpayment of vehicle registration taxes by intercity bus operators. This replaces an open appropriation from the highway user tax distribution fund.

Section 10 makes an open appropriation from the general fund to the commissioner of transportation to pay for costs of administering the special products vehicle permits for transport of paper products, finished forest products, or iron ore tailings. This replaces an open appropriation from the trunk highway fund.

Section 11 makes an open appropriation from the general fund to the commissioner of transportation to pay for costs of administering the special canola-hauling vehicle permit. This replaces an open appropriation from the trunk highway fund.

Section 12 states that MNDOT salaries and expenses paid from the trunk highway fund may not violate the restrictions on highway fund spending specified in statutes (and as further amended in **section 5** of this bill).

Section 13 prohibits trunk highway funds from being used to pay for the costs of administering existing motor carrier provisions.

Section 14 repeals **Minnesota Statutes, section 16A.60**, which directs the commissioner of revenue to transfer money from the highway user tax distribution fund to the general fund when authorized by law in order to reimburse the general fund for costs of highway user tax collection.

Section 15 sets the effective date of this act as July 1, 2021.