2017 Legislative Session Review

Presentation to the Transportation Advisory Board
June 21, 2017
2017 Legislative Session

• $1.65 billion surplus to start the session

• House, Senate, and Governor had different priorities
  – Governor proposed increases to E-12 education funding
  – House and Senate proposed tax cuts and credits
  – Agreed on need for transportation bill; disagreed on funding mechanism
2017 Legislative Session

- Only 5 of 10 budget bills had been passed by the last night of session, with the largest budget areas still outstanding

- Agreement was reached to call a special session with under an hour to go before the midnight constitutional adjournment deadline

- Governor called special session to start at 12:01 a.m. on May 23
2017 Legislative Session

• Scheduled to last one day, the special session ended four days later

• 8 bills were passed during the special session

• Governor signed all omnibus appropriations bills, the tax bill, and the bonding bill
Transit Finance

The transportation bill passed in the special session provides:

• Base level funding PLUS $70 million in additional one-time funding in the FY2018-2019 biennium

• $1 million in FY2018 for a “suburb to suburb demonstration project”

• $211,000 for preparation of an enhanced transit finance report
Transit Policy

• Additional financial assistance (0.35% of MVST revenues) passed through to suburban/opt-out providers in FY18-19

• Eliminates state’s 50% share of net operating costs for Southwest LRT

• Prohibits the Council from issuing certificates of participation backed by MVST for LRT projects

• Expands and renames required components of the fixed guideway report

• Provides liability language for shared right-of-way along the Southwest LRT line
Transit Policy

• Establishes a Metro Mobility Task Force to identify options and methods to increase program effectiveness and explore partnering with transportation network companies and taxi service.

• Eliminates public service corporation exemptions for light rail and bus rapid transit projects in eminent domain law.

• Requires the Council to implement a plan to prevent vibration impacts of SWLRT to the Calhoun Isles property.
Transit Policy

NOT INCLUDED in the final bill:

• Metropolitan Council governance restructuring
• Prohibitions on local units of government and the Council from spending any money to plan, design, engineer, or construct light rail projects
• Additional opt-out/replacement bus service cities
• Retroactive alternatives and benefits analysis for LRT projects already underway
Transit Projects in Bonding Bill

The bonding bill includes:

- $12.1 million for the Orange Line bus rapid transit project
- $8.75 million for the Mall of America Transit Station
Regional Transit Capital Bonds

• In the tax bill
• Authorizes the Council to issue $82.1 million in RTC bonds in 2017 and $43.9 million in 2018.
• Bond proceeds are used for replacement buses and capital improvements for the regional public transit system.
• 2017 amount represents the total of 2016 and 2017 authorizations that were included in the 2016 tax bill that was vetoed.
• Language attached to the authorization in the bill prohibits the RTC bond proceeds from being used to fund a new or expand an existing light rail line.