162.146 LARGER CITIES ASSISTANCE ACCOUNT.

Subdivision 1. **Larger cities assistance account; appropriation.** (a) A larger cities assistance account is created in the special revenue fund. The account consists of funds under section 174.49, subdivision 3, and as provided by law and any other money donated, allotted, transferred, or otherwise provided to the account.

(b) Money in the account is annually appropriated to the commissioner of transportation for apportionment among all the cities that are eligible to receive municipal state aid under sections 162.09 to 162.14.

Subd. 2. **Allocation formula.** The commissioner must apportion funds in the larger cities assistance account as follows:

(1) 50 percent of the funds proportionally based on each city's share of population, as defined in section 477A.011, subdivision 3, compared to the total population of all cities that are eligible to receive municipal state aid under sections 162.09 to 162.14; and

(2) 50 percent of the funds proportionally based on each city's share of money needs, as determined under section 162.13, subdivision 3, compared to the total money needs of all cities that are eligible to receive municipal state aid under sections 162.09 to 162.14.

Subd. 3. **Use of funds.** (a) Funds distributed under this section are available only for construction and maintenance of roads located within the city, including:

(1) land acquisition, environmental analysis, design, engineering, construction, reconstruction, and maintenance;

(2) road projects partially located within the city;

(3) projects on municipal state-aid streets located within the city;

(4) projects on county state-aid highways located within the city;

(5) cost participation on road projects under the jurisdiction of another unit of government; and

(6) debt service for obligations issued by the city in accordance with chapter 475, provided that the obligations are issued for a use allowable under this section.

(b) Except for projects under paragraph (a), clauses (3) and (4), funds distributed under this section are not subject to state-aid requirements under this chapter, including but not limited to engineering standards adopted by the commissioner in rules.

History: *2023 c 68 art 3 s 2; 2024 c 127 art 3 s 27*