

**473.4465 REGIONAL TRANSPORTATION SALES AND USE TAX USES.**

Subdivision 1. **Definition.** For purposes of this section, "sales tax revenue" means revenue from the regional transportation sales and use tax under section 297A.9915.

Subd. 2. **Use of funds; Metropolitan Council.** (a) Sales tax revenue allocated to the council under section 297A.9915, subdivision 4, paragraph (a), clause (1), is available as follows:

(1) five percent for active transportation, as determined by the Transportation Advisory Board under subdivision 3; and

(2) 95 percent for transit system purposes under sections 473.371 to 473.452, including but not limited to operations, maintenance, and capital projects.

(b) The council must expend a portion of sales tax revenue under paragraph (a), clause (2), in each of the following categories:

(1) improvements to regular route bus service levels;

(2) improvements related to transit safety, including additional transit officials, as defined under section 473.4075;

(3) maintenance and improvements to bus accessibility at transit stops and transit centers;

(4) transit shelter replacement and improvements under section 473.41;

(5) planning and project development for expansion of arterial bus rapid transit lines;

(6) operations and capital maintenance of arterial bus rapid transit;

(7) planning and project development for expansion of highway bus rapid transit and bus guideway lines;

(8) operations and capital maintenance of highway bus rapid transit and bus guideways;

(9) zero-emission bus procurement and associated costs in conformance with the zero-emission and electric transit vehicle transition plan under section 473.3927;

(10) demand response microtransit service provided by the council;

(11) financial assistance to replacement service providers under section 473.388, to provide for service, vehicle purchases, and capital investments related to demand response microtransit service;

(12) financial assistance to political subdivisions and tax-exempt organizations under section 501(c)(3) of the Internal Revenue Code for active transportation; and

(13) wage adjustments for Metro Transit hourly operations employees.

Subd. 2a. **Use of funds; Metropolitan Council; loan authorizations and requirements; coordinated corridor projects.** (a) For purposes of this subdivision and subdivision 2b, the following terms have the meanings given:

(1) "corridor projects" means roadway improvements and trunk highway construction and reconstruction in coordination with the following projects:

(i) the F Line bus rapid transit project in coordination with marked Trunk Highway 65, also known as Central Avenue, and marked Trunk Highway 47, also known as University Avenue; and

(ii) the Riverview Corridor, also known as the West 7th bus rapid transit project, in coordination with marked Trunk Highway 5, also known as West 7th Street;

(2) "loan agreement" means the contractual and promissory agreement between the Metropolitan Council and the Department of Transportation authorized under this subdivision; and

(3) "project agreement" means the planned and final design of a corridor project.

(b) From the sales tax revenue allocated under subdivision 2, paragraph (a), clause (2), and subject to the requirements of this subdivision and subdivision 2b, the council may authorize up to two loans in an amount up to \$250,000,000 total to the Department of Transportation to advance corridor projects to ensure the trunk highway's compatibility with planned bus rapid transit investments along the route.

(c) A loan authorized under this section must be repaid in full by June 30, 2040, or ten years after construction begins, whichever is later.

(d) Funds from any loan authorized under this subdivision may be used for the costs of predesign, design, engineering, and environmental analysis. The council and the Department of Transportation may use the loan funds for right-of-way acquisition and construction only upon joint submission of a project agreement to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy. A project agreement must provide a proposed design analysis to ensure:

(1) the construction and reconstruction plan for the trunk highway is compatible with future transit and roadway investments along the route; and

(2) safe and accessible facilities for all modes of travel along the entire corridor.

(e) At least 30 days prior to executing a loan agreement, the council must submit a copy of the loan agreement to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy.

(f) Authorization to enter into a loan agreement expires on June 30, 2030.

**Subd. 2b. Repayment of funds from authorized loan.** (a) Funds repaid to the Metropolitan Council from a loan authorized under subdivision 2a must only be used for the purposes under subdivision 2, paragraph (a).

(b) A loan agreement, including repayment terms, cannot provide any financial benefit to either entity and must be mutually agreed to by the council and the Department of Transportation.

(c) Within 30 business days of receiving payment under a loan agreement under subdivision 2a from the Department of Transportation, the council must provide notice to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy. The notice must include the amount repaid and the remaining balance of an outstanding loan.

**Subd. 3. Use of funds; active transportation.** (a) Sales tax revenue allocated to the Transportation Advisory Board under subdivision 2, paragraph (a), clause (1), is for grants to support active transportation within the metropolitan area.

(b) The Transportation Advisory Board must establish eligibility requirements and a selection process to provide the grant awards. The process must include: solicitation; evaluation and prioritization, including technical review, scoring, and ranking; project selection; and award of funds. To the extent practicable and subject to paragraph (c), the process must align with procedures and requirements established for allocation of other sources of funds.

(c) The selection process must include criteria and prioritization of projects based on:

(1) the project's inclusion in a municipal or regional nonmotorized transportation system plan;

(2) the extent to which policies or practices of the political subdivision encourage and promote complete streets planning, design, and construction;

(3) the extent to which the project supports connections between communities and to key destinations within a community;

(4) identified barriers or deficiencies in the nonmotorized transportation system;

(5) identified safety or health benefits;

(6) geographic equity in project benefits, with an emphasis on communities that are historically and currently underrepresented in local or regional planning; and

(7) the ability of a grantee to maintain the active transportation infrastructure following project completion.

Subd. 4. **Use of funds; metropolitan counties.** A metropolitan county must use sales tax revenue in conformance with the requirements under section 174.49, subdivision 6.

Subd. 5. MS 2024 [Repealed, 2025 c 20 s 294]

Subd. 6. **Tracking and information.** (a) The council must maintain separate financial information on sales tax revenue that includes:

(1) a summary of annual revenue and expenditures, including but not limited to balances and anticipated revenue in the forecast period under section 16A.103; and

(2) for active transportation under subdivision 3 and each of the categories specified under subdivision 2 in the most recent prior three fiscal years:

(i) specification of annual expenditures; and

(ii) an overview of the projects or services.

(b) The council must publish the information required under paragraph (a) on the council's website.

**History:** 2023 c 68 art 3 s 34; 2024 c 127 art 3 s 111; 2025 c 20 s 273; 1Sp2025 c 8 art 2 s 103-107