



Senate Counsel, Research, and Fiscal Analysis

State of Minnesota

A History of Transportation Amendments to the Minnesota Constitution

Alexis C. Stangl
Senate Counsel

December 2018

The Minnesota State Constitution has included provisions on transportation funding since 1898, when the road and bridge fund constitutional amendment was approved.¹ Since then, funding for roads and bridges has continuously been included in the state constitution in some form. Over the years, state and local road systems were established and funded in the state constitution. This memo explores the 20 constitutional amendments relating to transportation that have been on the ballot, 12 of which were approved by voters and became law.²

Road Funding in Early Years of Statehood (1858-1898)

When Minnesota became a state in 1858, article 9, section 5, of the state constitution prohibited the state from contracting debt for works of internal improvement and from carrying out works of internal improvement.³ Roads were considered an internal improvement and, therefore, the state could not construct roads or contract debt to do so.

From 1858-1860, county boards were responsible for the roads in the state.⁴ In 1860, the Legislature shifted the authority over roads from counties to towns.⁵ Two years later, the Legislature shifted responsibility for roads again. This time counties were responsible for state roads, which were designated by the county, and the towns were responsible for the remaining roads.⁶ In effect, the towns still had authority over the majority of roads in the state.⁷

During this period, automobiles were invented and started being produced around the world. Automobiles were not common in the United States until the 1890's when automobile companies began production in the U.S. The first automobile in Minnesota appears to have been in 1895 at a bicycle show in Minneapolis.⁸

Initial Constitutional Transportation Funding Provisions (1898 – 1919)

From 1898 to 1919, transportation funding was established in the state constitution and was amended to increase funding and lessen restrictions on how those funds could be used on road projects. Additionally, a highway commission was established in the state constitution to oversee road and bridge projects, but was repealed eight years later.

During this period, the number of vehicles in Minnesota increased rapidly. In 1909, there were 7,065 vehicles registered in the state. Two years later, there were 17,960 vehicles registered in

¹ There have been numerous proposed amendments to the state constitution since 1858 relating to railroads and railroad financing; this memo does not discuss these amendments.

² The Legislative Reference Library has developed a website that provides information on all state constitutional amendments that have been considered, including the total number of votes for and against each amendment. <https://www.leg.state.mn.us/lrl/mngov/constitutionalamendments>.

³ There were two very similar state constitutions adopted in 1957. Both documents are available here: <http://www.mnhs.org/library/constitution/>. Article 9, section 5, was substantively the same in each document.

⁴ [County state aid highway system](#). (1985). St. Paul, Minn.: Program Evaluation Division, Office of the Legislative Auditor, State of Minnesota, pages 3-4.

⁵ Id.

⁶ Id.

⁷ Id.

⁸ 50th anniversary [of the Minnesota Department of Highways.]. (1971). St. Paul: Minnesota Dept. of Highways, page 17.

the state. Starting in 1912, the state began registering vehicles for a three-year period instead of a single year. For the 1915-1917 registration period, there were 200,000 vehicles registered. This grew to 330,576 in the registration period from 1918-1920.⁹

In 1898, article 9 of the state constitution was amended by adding section 16, which created the State Road and Bridge Fund for the purpose of constructing or improving roads and bridges.¹⁰ The Legislature was authorized to impose an annual property tax levy not to exceed 1/20 of 1 mill,¹¹ with the proceeds deposited into the fund. In addition to the property tax proceeds, the fund also included income derived from investments in the internal improvement land fund and all funds accruing to any State Road and Bridge Fund.

The amendment further authorized the Legislature to establish the state highway commission, made up of three members appointed by the Governor. The state highway commissioners served without salary or compensation other than personal expenses. The state highway commission was in charge of administration of the construction of roads and bridges in the state and distributed money equitably between counties, with no county receiving more than 3% or less than 0.5% of the total fund. The commission could not spend more than one-third of the fund for bridges in a year, nor could it pay for more than one-third of the total cost of constructing a road or bridge from the state fund. The Legislature could prescribe additional duties of the commission.

Over the next fourteen years, five amendments were proposed to modify article 9, section 16, three of which were adopted. In 1906, an amendment was adopted that increased the tax from 1/20 of one mill to 1/4 of one mill on all taxable property in the state. The commission was repealed, as was the restriction on how much could be spent on bridges.¹² In 1910, an amendment was adopted that allowed up to half the cost of a construction project to be paid from the State Road and Bridge Fund, instead of 1/3 of the cost.¹³ In 1912, this section was amended to increase the amount of the property tax from 1/4 of one mill to one mill per year and the fifty percent limitation on state funding for a road or bridge project was eliminated.¹⁴ The result of these three amendments, taken together, was to increase the property tax from 1/20 of one mill to one mill; to repeal the commission; and to repeal the spending limitations for bridges and construction costs.

During this same period, voters rejected two amendments that would have increased the tax limit and eliminated other restrictions. In 1902, voters rejected an amendment that would have increased the limit on the tax from 1/20 of one mill to 1/10 of one mill on all taxable property and eliminated the state highway commission and the limitations on the distribution of the funds.¹⁵ In 1908, voters rejected a proposed amendment which would have allowed the state unlimited annual taxing authority and would have eliminated all spending limitations on road

⁹ Id. at 20-21.

¹⁰ Laws 1897, chapter [333](#).

¹¹ One mill is equal to one-tenth of one cent. This means that a tax of 1 mill on a property valued at \$1,000 would be \$1.00.

¹² Laws 1905, chapter [212](#).

¹³ Laws 1909, chapter [506](#).

¹⁴ Laws 1911, chapter [390](#).

¹⁵ 1901 House File No. [353](#).

and bridge projects.¹⁶ As indicated above, amendments that were adopted during this same period had similar effects to portions of these rejected amendments.

Increased State Responsibility for Roads; New Funding Sources (1920-1955)

Between 1920 and 1955, the responsibility for construction and maintenance of some roads was shifted from the counties and towns to the state. The trunk highway system was established, for which the state was responsible. Additional sources of revenue were authorized to pay for transportation projects.

During this time period, the number of vehicles continued to grow quickly. In 1921, there were 332,652 motor vehicles registered in the state. This more than doubled to 679,590 vehicles registered in 1928. In 1937, there were 789,000 vehicles registered in the state.¹⁷

In 1920, the trunk highway system was established by adding article 16 to the state constitution.¹⁸ Article 16 included 5 sections. The new article accomplished two primary purposes: (1) it established the trunk highway system; and (2) it authorized additional funds and revenue streams.

This amendment was referred to as the “Babcock plan,” named after the state highway commissioner at the time.¹⁹ This marked a shift from towns and counties bearing the major responsibility for roads in the state to the state becoming responsible for a statewide network of highways. This amendment also helped the state to take advantage of federal funding being provided to states pursuant to the Federal Aid Road Act of 1916.²⁰

The trunk highway system was established in section 1 of the new article. The new trunk highway system was to be constructed and “forever maintained as public highways by the state of Minnesota.” In establishing this system, the state took responsibility of 6,877 miles of roads, of which 183 miles were paved, 5,365 miles were graded or gravel, and the remainder were unsurfaced.²¹ This would grow to 11,882 miles in 1950, with 9,773 of the miles being surfaced.²²

Routes 1 to 70 were described in detail, describing the locations through which each road was required to pass. In addition to these 70 routes, the Legislature was allowed to add routes if a new county was created or a county seat was changed. When at least 75% of the total number of miles in the trunk highway system described had been constructed, the Legislature then had the authority to add new routes to the system. However, no new routes could be added until the funds available for the construction, improvement, and maintenance for the routes were sufficient.

¹⁶ Laws 1907, chapter [478](#).

¹⁷ 50th anniversary [of the Minnesota Department of Highways] at 6,7, 21.

¹⁸ Laws 1919, chapter [530](#).

¹⁹ “[From Ox Carts to Freeways](#),” Minnesota Highways, Volume 7, Number 5, page 4 (March 1958).

²⁰ “[Before the Interstate: The Minnesota Highway Department from 1921-1956](#)” by Michael T. Morris, pages 32-37, MNDOT Library; “[Federal Aid Road Act of 1916: Building the Foundation](#)” by Richard F. Weingroff, Public Roads magazine, volume 60, number 9, summer 1996.

²¹ 50th anniversary [of the Minnesota Department of Highways] at 25.

²² Id. at 8.

The Trunk Highway Sinking Fund and the Trunk Highway Fund were established in article 16, section 2; these new funds were in addition to the road and bridge fund that was established in 1898. The Trunk Highway Sinking Fund was to be used for payment of the principal and interest on bonds issued pursuant to the new article. This fund consisted of the proceeds of newly authorized taxes imposed on motor vehicles. Funds in the Trunk Highway Sinking Fund that were not needed to pay bonds were transferred to the Trunk Highway Fund. The Trunk Highway Fund was to be used “solely for the purposes specified in section 1” and to reimburse counties for improvements made to roads before January 1, 1919, that became trunk highways.

In article 16, sections 3 and 4, the Legislature was authorized to raise or borrow money for transportation projects. In section 3, the Legislature was authorized to tax motor vehicles that use the public streets and highways on a more onerous basis than other personal property; this tax was in lieu of all other taxes except wheelage taxes²³ which may be imposed by counties. The Legislature was also authorized to provide tax exemptions for vehicles owned by nonresidents and those that were temporarily using the roads. The proceeds of this tax were paid into the new Trunk Highway Sinking Fund.

In article 16, section 4, the Legislature was authorized to fund trunk highway projects by issuing and selling bonds. The state imposed several limitations on the authority to issue and sell bonds: (1) the amount of bonds issued in a year could not exceed ten million dollars; (2) the total amount of bonds issued and unpaid could not exceed 75 million dollars; (3) bonds could not be for a term exceeding 20 years; (4) bonds had to be sold at least at par value; and (5) bonds could not bear an interest rate greater than 5%. Proceeds of the sale of these bonds were paid into the state treasury and credited to the Trunk Highway Fund. If funds in the Trunk Highway Sinking Fund were not adequate to pay the interest and principal, the Legislature could levy a property tax or appropriate money to the Trunk Highway Sinking Fund from the state treasury.

In 1924, article 9, section 5, was amended. Article 9, section 5 allowed the state to contract for public debt to pay for state projects; this is also known as issuing bonds or “bonding” for a project. This amendment accomplished two primary purposes: (1) it allow the state to contract debt for works road and bridge construction and improvements that were authorized by article 9, section 16, and article 16; and (2) it impose what is now commonly referred to as a “gas tax.”²⁴

The “gas tax” language was not specific to gas, but rather also allowed the tax on “any substance, material, fluid, force or other means or instrumentality, or the business of dealing in, selling or producing any or all thereof, used or useful, in producing or generating power for propelling motor or other vehicles used on the public highways of this State...” The proceeds of the tax were deposited into the Trunk Highway Fund. The same section was further amended in 1928 so that the proceeds of the gas tax were deposited as follows: 2/3 of the proceeds in the Trunk Highway Fund and 1/3 in the State Road and Bridge Fund.²⁵

²³ A wheelage tax is an optional tax levied by a county on vehicles in that county. The tax is collected with the annual registration tax, but the proceeds are kept by the county.

²⁴ Laws 1923, chapter [447](#).

²⁵ Laws 1927, chapter [445](#).

In 1932, the first amendment to article 16 was adopted.²⁶ This amendment to section 3 allowed the Legislature to impose a tax on the vehicles of companies that pay taxes under the gross earnings system of tax. The proceeds were deposited into the Trunk Highway Sinking Fund. This was in addition to the existing tax on motor vehicles.

In 1934, the voters rejected an amendment to article 16, section 1, which would have constitutionally recognized 141 additional trunk highways approved by the Legislature in 1933.²⁷ The proposed amendment also eliminated the requirement that additional routes be funded before being built.

From 1948 to 1952, voters rejected three amendments that would have changed the allocation of the gas tax and motor vehicle tax. The amendment rejected in 1948 proposed amending article 9, section 5, to deposit half of the gas tax in the Trunk Highway Fund and the other half in the State Road and Bridge Fund.²⁸ The 1950 amendment would have amended article 9, section 5, to deposit gas tax proceeds as follows: 50% to Trunk Highway Fund; 6% for road and street purposes for cities over 100,000 population, and 44% to the State Road and Bridge Fund.²⁹ The rejected amendment in 1952 proposed an amendment to article 16, section 3, that would have apportioned motor vehicle tax proceeds as follows: 65% to the Trunk Highway Sinking Fund; 10% to cities, villages and boroughs, based on population; and 25% to the counties, based both on the population and total mileage of roads. The proceeds apportioned to local governments were for construction, maintenance, and repair of highways, streets, bridges, and public roads.³⁰

Responding to Increasing Needs; Streamlining and Modernizing (1956-1979)

During this time period, the increasing demand for more and better roads led to a major constitutional amendment in 1956 that overhauled the road systems and road and bridge funding. This was followed by an amendment in 1974 to update and modernize the whole state constitution.

As in previous time periods, the number of vehicles continued to grow, as did the number of roads. In 1960, the number of all motor vehicles registered in the state was about 1.76 million.³¹ In 1970, that number had grown to about 2.24 million registered vehicles.³²

In 1956, voters approved an amendment that overhauled the transportation provisions in the state.³³ This amendment was in response to the recommendations of the Highway Study Commission. The commission was established by the Legislature in 1953 to investigate and study highway issues “including, but not limited to, the adequacy of existing highways, the need for additional highways in the future, the use of available funds, the need for additional funds,

²⁶ Laws 1931, chapter [418](#).

²⁷ Laws 1933, chapter [439](#).

²⁸ Laws 1947, chapter [639](#).

²⁹ Laws 1949, chapter [747](#).

³⁰ Laws 1951, chapter [725](#).

³¹ 50th anniversary [of the Minnesota Department of Highways] at page 21.

³² [Minnesota Motor Vehicle Crash Facts, 2017](#), by the Office of Traffic Safety, Minnesota Department of Public Safety.

³³ Laws 1955, chapter [882](#).

the adequacy of present taxes for highway purposes, the need for new or increased taxes for highway purposes, weights and lengths of trucks and wear and tear cause by the use of trucks and buses upon public highways in the state, toll roads and turnpikes, the present distribution of taxes for highway purposes, and the need for revision thereof.”³⁴ When the commission reported back to the Legislature, it recommended an amendment to the state constitution and several statutory changes.³⁵ The amendment proposed by the commission was very similar to the amendment that was eventually approved by the voters.

The constitutional amendment revised article 16 by updating and incorporating portions of the former article 9, section 5 (gas tax), article 9, section 16 (road and bridge funding), and article 16 (trunk highway system). Article 16 also included some new provisions. The new article generally authorized the state to construct and maintain roads; continued the trunk highway system and established county and municipal state-aid systems; established the highway user tax distribution fund and the Trunk Highway Fund and eliminated other funds; and provided for various taxes and bonding authority to pay for road projects.

In sections 1 and 11, the Legislature was authorized to “establish, locate, construct, reconstruct, improve and maintain public highways” and to assist political subdivisions in the same work. The Legislature could authorize political subdivisions to aid the state in this work.

The previously established trunk highway system was continued in section 2. The routes were no longer described in detail in the state, but were incorporated by reference to the 1920 amendment and to legislation authorizing additional routes. The Legislature was authorized to add new routes, but the entire system could not exceed 12,200 miles except that the Legislature could add additional trunk highways beyond this limit if the Legislature determined it to be necessary or expedient to take advantage of federal aid. The constitutionally described routes 1 to 70 could be changed or relocated by law, but the points specified in the state could not be changed. Any route added by the Legislature could be altered, amended, or removed from the system.

Sections 3 and 7 created and funded the county state-aid highway (“CSAH”) system. This system was to be constructed and maintained by the counties as public highways. The system included streets in cities, villages, and boroughs of less than 5,000 people, where necessary “to provide an integrated and coordinated highway system.” The system could include similar streets in other cities, villages, and boroughs. This system could not exceed 30,000 miles, except that the legislature could be increase or decrease this limit.

The county state-aid highway fund was established to fund the system. This fund was made up of funds distributed to it from the highway user tax distribution fund (discussed below) and all money accruing from the income derived from investments in the internal improvement land fund. Additionally, there was a one-time transfer of funds from the Road and Bridge Fund, established in 1898, to the CSAH fund because the Road and Bridge Fund was eliminated.

³⁴ Laws 1953, [chapter 692](#), section 2.

³⁵ A copy of the Highway Study Commission’s complete report to the Legislature is available online: <https://www.dot.state.mn.us/stateaid/programlibrary/1954-rpt-leg.pdf>.

The Legislature was required to apportion funds from the CSAH fund to counties for highway purposes. The counties were to use the funds to aid in constructing and maintaining the CSAH system. The Legislature could authorize the counties to use part of the funds to assist in construction or maintenance of other county, town, municipal, or public roads, including trunk highways and municipal state-aid streets within the county.

Sections 4 and 8 established and funded the municipal state-aid streets (“MSAS”) system. This system was authorized in cities, villages, and boroughs with a population of 5,000 or more and was required to be constructed and maintained by those local entities. This system was not authorized to exceed 1,200 miles, except that the legislature could be increase or decrease this limit.

The municipal state aid fund was created to provide funding for the system. The Legislature apportioned the fund to cities, villages, and boroughs with a population of 5,000 or more. The local governments were to use the funds to aid in constructing and maintaining the MSAS system. The Legislature could authorize cities, villages, and boroughs to use part of the funds to assist in constructing and maintaining other municipal or public streets within the local jurisdiction, including trunk highways and county state-aid highways.

Sections 5 and 6 created two new funds. The highway user tax distribution fund (“HUTDF”) was established in section 5. The purpose of this fund was to “be used solely for highway purposes as specified in this article.” The fund consisted of taxes authorized in sections 9 and 10, discussed below. After deduction for collection costs and payments of refunds authorized by law, the net proceeds were distributed: 62% to the trunk highway fund; 29% to the CSAH fund; and 9% to the MSAS fund. After January 1, 1963, the Legislature was authorized to set aside 5% of the net proceeds and apportion the proceeds to one or more of the three foregoing funds. The 5% distribution could be changed every 6 years. After the 5% was set aside, the remaining balance was distributed as described above.

The Trunk Highway Fund was established in section 6 to “be used solely for the purposes specified in section 2 of this article” and for payment of principal and interest on bonds issued under section 12 (and bonds issued for trunk highway purposes before July 1, 1957). Bond payments were a first charge on the fund. This section transferred funds from the Trunk Highway Sinking Fund to the Trunk Highway Fund and eliminated the Trunk Highway Sinking Fund; any obligations that would have been paid for out of the Trunk Highway Sinking Fund were paid from the Trunk Highway Fund.

Sections 9 and 10 authorized the Legislature to impose taxes and use the proceeds to pay for road projects. The Legislature was authorized to tax motor vehicles using the public streets and highways of the state on a more onerous basis. The tax was in lieu of all other taxes, except: (1) wheelage taxes imposed by political subdivisions solely for highway purposes; and (2) a tax on the vehicles of companies that pay tax under the gross earnings system of taxation.

The Legislature could provide exemptions for vehicles owned by a resident of another state that is properly licensed in another state for temporary use on the roads of the state. Additionally, the Legislature was authorized to impose a gas tax. The language describing the substances to be

taxed remained unchanged since the 1924 amendment. The proceeds of both taxes were paid into the HUTDF.

The Legislature was authorized by section 12 to issue and sell bonds in an amount necessary to carry out the provisions of section 2, which established the trunk highway system. The total amount of bonds issued and unpaid could not exceed \$150 million. Bonds were required to mature serially over a term not exceeding 20 years. Bonds could not be sold for less than par and could not bear an interest rate of more than 5%. The proceeds of the bond sales were paid into the Trunk Highway Fund. If the Trunk Highway Fund was not adequate to pay the bonds, the Legislature was authorized to levy a property tax or appropriate money to the fund from the state treasury.

In 1974, the state constitution was revised in its entirety.³⁶ According to the question that appeared on the ballot, the changes were “to improve its clarity by removing obsolete and inconsequential provisions, by improving its organization and by correcting grammar and style of language, but without making any consequential changes in its legal effect.” This concept is further explained in the severability section of the amendment, which says “If a change included in the proposed amendment is found to be in violation of the constitution or other than inconsequential by litigation ... the change shall be without effect and severed from the other changes. The other changes shall be submitted or remain in effect as though the improper change were not included.” The Minnesota Supreme Court has indicated that it defers to the intent that the changes were “not intended to change the interpretation” of the section in question, but rather were made “only to make the Constitution more readable and stylistically correct.”³⁷

Pursuant to this amendment, article 16 became article 14, “Public Highway System.” Further, the following three sections were omitted from the new article: section 11 (authorizing local governments to aid in trunk highway work); section 13 (repealer); and section 14 (effective date). Former section 12 on bonding authority was renumbered as section 11. With the exception of two more recent amendments described below, the 1974 language is the current language in the state constitution. (See Appendix A for a summary of the current Article 14.)

In 1976, voters rejected an amendment to article 14, sections 5, 10, and 11.³⁸ The proposed amendment would have required the gas tax to be deposited into the general fund instead of into the HUTDF. The \$150 million cap on issued and unpaid bonds would have been eliminated, as would the 20-year maturation period and the 5% interest rate cap.

Increased Bonding Capacity; Additional Revenue (1980-2018)

There have been only three amendments since 1980, two of which were adopted. Both amendments allowed for additional funds to be spent on road and bridge construction and maintenance.

³⁶ Laws 1974, chapter [409](#).

³⁷ *City of Golden Valley v. Wiebesick*, 899 N.W.2d 152, 159 (Minn. 2017), quoting *Butler Taconite v. Roemer*, 282 N.W.2d 867, 868 n.1 (1979) (original quotes omitted).

³⁸ Laws 1985, chapter [203](#).

While there continued to be growth in both the number of vehicles and the miles of road in the state in this period, the growth was slower than in previous period. In 2005, there were 135,294,841 miles of roads in the state.³⁹ In 2017, there were 139,448 miles of roads in Minnesota.⁴⁰ Of all the states, only four states (California, Illinois, Kansas, and Tennessee) have more road miles than Minnesota.

The number of miles driven in Minnesota increased greatly in this period. This measurement does not reflect the number of miles of road, but rather the number of miles people are driving each year on the roads. In 1980, the total number of vehicle miles traveled was 28.5 billion miles. In 1990, this number increased to 38.8 billion miles. In 2000, the number was 52.4 billion miles. Since 2000, the pace has slowed slightly so that in 2010 the number of miles traveled were 56.8 billion miles and 59.1 billion miles in 2017.⁴¹

The number of vehicles in the state has also grown during this period. In 1980, there were just over 3 million registered vehicles in the state. In 1990, there were just over 3.5 million vehicles registered in the state. In 2000, there were about 4.2 million vehicles registered in the state. In 2017, there were about 5.23 million vehicles registered in the state.⁴²

In 1980, voters rejected an amendment to article 14, section 11, that would have eliminated the \$150 million cap on bonds issued and unpaid.⁴³ The 5% interest cap would also have been eliminated. In 1982 the same amendment was on the ballot again and this time it was approved by the voters.⁴⁴

In 2006, article 14 was amended by adding two sections that allowed the Legislature to impose a dedicated tax on the sale of a new or used vehicle.⁴⁵ This is often referred to as the “motor vehicle sales tax” or MVST. Section 12 required, starting on July 1, 2007, 63.75 percent of the revenue from the tax imposed on the sale of a new or used vehicle must be apportioned for transportation purposes as described in section 13. The revenue apportioned was increased by 10% each subsequent year until 100% was apportioned in 2011. Section 13 allocates the revenue apportioned in section 12 as follows: not more than 60% deposited into the HUTDF and not less than 40% deposited in a fund dedicated solely to public transit assistance.

Prior to this amendment being adopted, all sales tax proceeds, including those on the sale of a new or used vehicle, were deposited into the general fund and used for various purposes. By inserting this language into the state, the proceeds of this particular tax were dedicated only to the specific transportation uses outlined in the state constitution, instead of being used for other purposes, as it could have been when the proceeds were deposited into the general fund.

³⁹ [Miles and Lane Miles by Basic Pavement Type for each County, 2005](#), Minnesota Department of Transportation.

⁴⁰ [Miles and Lane Miles by Basic Pavement Type for each County, 2017](#), Minnesota Department of Transportation.

⁴¹ [Minnesota Motor Vehicle Crash Facts, 2017](#), by the Office of Traffic Safety, Minnesota Department of Public Safety.

⁴² Id.

⁴³ Laws 1980, chapter [549](#).

⁴⁴ Laws 1982, chapter [510](#).

⁴⁵ Laws 2005, chapter [88](#).

Appendix A - Summary of the current Article 14 of the Minnesota Constitution ⁴⁶

Public Highway System.

Section 1 allows the state to “construct, improve and maintain public highways” and to assist political subdivisions in the same work. The Legislature may authorize political subdivisions to aid in highway work within the boundary of the political subdivision.

Section 2 creates the trunk highway system “which shall be constructed, improved and maintained as public highways by the state.” The trunk highways are incorporated by reference to the 1920 constitutional amendment that described the routes and to legislation authorizing additional routes. The Legislature is authorized to add new routes, but the entire system must not exceed 12,200 miles except that the Legislature may add additional trunk highways as the Legislature determines is necessary or expedient to take advantage of federal aid. Any route added by the Legislature may be altered, amended, or removed from the system. The constitutionally described routes 1 to 70 may be changed or relocated by law, but the points named in the state cannot be changed. The locations of routes are determined as prescribed by law.

Section 3 requires a county state-aid highway (“CSAH”) system to “be constructed, improved and maintained by the counties as public highways” in a manner provided by law. The system must include streets in municipalities of less than 5,000 people, where necessary “to provide an integrated and coordinated highway system.”

Section 4 requires a system of municipal state-aid (“MSAS”) streets to be “constructed, improved, and maintained as public highways by municipalities having a population of 5,000 or more.”

Section 5 creates the highway user tax distribution fund (“HUTDF”) to “be used solely for highway purposes as specified in this article.” The fund consists of taxes authorized in sections 9 and 10. The net proceeds are apportioned as follows: 62% to the trunk highway fund; 29% to CSAH; and 9% to the MSAS. The Legislature may set aside 5% of the net proceeds and apportion the proceeds to one or more of the three foregoing funds. The remaining balance is distributed as described above. The 5% distribution may be changed every 6 years.

Section 6 establishes the Trunk Highway Fund to “be used solely for the purposes specified in section 2 of this article” and for payment of principal and interest on bonds issued under section 12 (and bonds issued for trunk highway purposes before July 1, 1957). Bond payments are a first charge on the fund.

Section 7 establishes a county state-aid highway fund. The Legislature must apportion funds to counties for highway purposes. The funds apportioned to counties “shall be used by the counties as provided by law for aid in the construction, improvement and maintenance of county state-aid highways.” The Legislature may authorize the counties to use part of the funds to “aid in the construction, improvement and maintenance of other county highways, township roads,

⁴⁶ Article 14 in its entirety is available here: https://www.revisor.mn.gov/constitution/#article_14.

municipal streets, and any other public highways” including trunk highways and municipal state-aid streets within the county.

Section 8 establishes the municipal state-aid street fund. The fund is apportioned by the Legislature to municipalities with a population of 5,000 or more. The apportioned funds are to be used by municipalities “for construction, improvement and maintenance of municipal state-aid streets.” The Legislature may authorize municipalities to use part of the funds for “construction, improvement and maintenance of other municipal streets, trunk highways, and county state-aid highways within the counties” where the municipality is located.

Section 9 authorizes the Legislature to tax motor vehicles using the public streets and highways of the state on a more onerous basis than other personal property. The tax is in lieu of all other taxes, except wheelage taxes imposed by political subdivisions solely for highway purposes. The Legislature may impose this tax on vehicles of companies that pay taxes under the gross earnings system of taxation “notwithstanding that earnings from the vehicles may be included in the earnings on which gross earnings taxes are computed.” The proceeds are paid into the HUTDF. The Legislature may exempt vehicles owned by a resident of another state that is properly licensed in that state or that are temporarily using Minnesota roads.

Section 10 authorizes the gas tax. The Legislature “may levy an excise tax on any means or substance used for propelling vehicles on the public highways of this state or on the business of selling it.” The proceeds are paid into the HUTDF.

Section 11 authorizes the Legislature to sell bonds to carry out the provisions of section 2. The total amount of bonds issued and unpaid must not exceed \$150 million. The proceeds are paid into the trunk highway fund. Bonds must mature serially over a term not exceeding 20 years. Bonds must not be sold for less than par and must not bear an interest rate of more than 5%. If the trunk highway fund is not adequate to pay the bonds, the Legislature may levy a property tax or appropriate money to the fund from the state treasury that is not already appropriated.

Section 12 requires the revenue from the tax imposed on the sale of a new or used motor vehicle (“motor vehicles sales tax”) to be apportioned for the transportation purposes described in section 13. The apportionment, or “dedication,” of this tax was phased in from 2007 to 2011.

Section 13 requires the motor vehicle sales tax to be allocated for transportation purposes as follows: not more than 60% deposited into the highway user tax distribution fund and not less than 40% into a fund dedicated solely to public transit assistance.