



Minnesota Department of Natural Resources

OFFICE OF THE COMMISSIONER

500 Lafayette Road

St. Paul, Minnesota 55155-4037

04 - 0371

November 4, 2002

Senator Jane Krentz
111 State Capitol
St Paul MN 55155

Dear Senator Krentz:

During the 2001 legislative session, the Department was authorized "to study and determine the percentage of revenue received from unrefunded gasoline and special fuel tax that is derived from gasoline and special fuel for the operation of motor vehicles on state forest roads and county forest access roads."

In November 2001, the DNR Division of Forestry convened a task force to consider this issue. Representatives from the Departments of Revenue, Finance, Transportation, Administration, several county land departments, and the DNR met several times over a period of four months to discuss and respond to this study proposal.

As you may recall, the state determines the amount of unrefunded gas tax dollars allotted to state and county forest roads using a formula based on the total mileage of these roads, and the level of use these roads receive. Some key findings of this group are:

- The last time a statistically valid traffic count was conducted on forest roads was in 1989.
- Over the last 12 years, the mileage of state and county forest roads has increased by 17%, increasing from 3996 miles in 1989 to 4697 miles in 2001.
- A weighted analysis of motor vehicle traffic on county roads within counties that have forest roads shows an increase of 2.24% from 1989. The statewide average is 3.7%.
- Since 1989 there has been a general improvement in fuel efficiency of 8% on passenger vehicles, and a 27% increase for trucks.
- To conduct a statistically valid four season traffic count on forest roads would cost an estimated \$300,000 to \$350,000.

Based on these findings, the Task Force makes the following recommendations to the legislature:

There is no current data specific to state and county forest roads that can reliably be used to recalculate road use. However, county roads that serve as "feeders" to the forest road system show a percentage increase, slightly below the statewide general increase.

DNR INFORMATION: 651-296-6157, 1-888-646-6367 (TTY: 651-296-5484, 1-800-657-3929) FAX: 651-296-4799

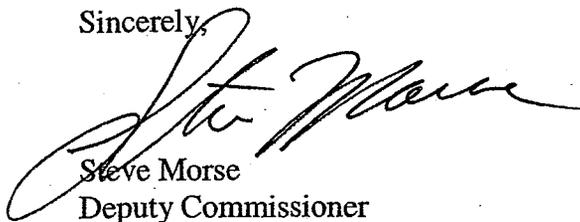


Senator Krentz
November 4, 2002
Page 2

Balancing off this percentage against a modest increase in road mileage, there is not enough evidence to warrant a recalculation of the unrefunded gas tax percentage either up or down. Therefore, it is the conclusion and recommendation of the Task Force that the current formula is appropriate for allocating funds.

If you have any questions about this, please feel free to call me at 651-296-2540.

Sincerely,

A handwritten signature in cursive script, appearing to read "Steve Morse".

Steve Morse
Deputy Commissioner