



PAVING THE WAY FOR SMOOTH & SAFE GROWTH

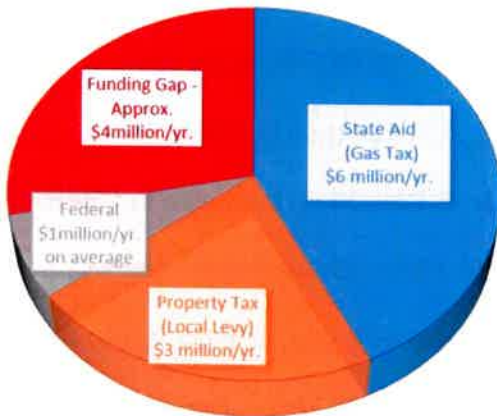
Wright County Local Option Sales Tax Information Sheet

March 2017

Funding Gap for Transportation System

Wright County is currently experiencing an annual gap in transportation funding of approximately \$4 million dollars, funding that will keep our highways smooth and provide for growth. Deterioration of the county highway system continues to outpace levels of funding received from traditional funding sources.

TRADITIONAL FUNDING SOURCES FOR TRANSPORTATION



Wright County Transportation Funding Option Comparisons

County-Wide Sales Tax Revenue Options

- ◇ Paid by residents, shoppers from out of the county, guests
- ◇ 1/2 cent sales tax: \$6 million/yr. (est.)
- ◇ 1/4 cent sales tax: \$3 million/yr. (est.)

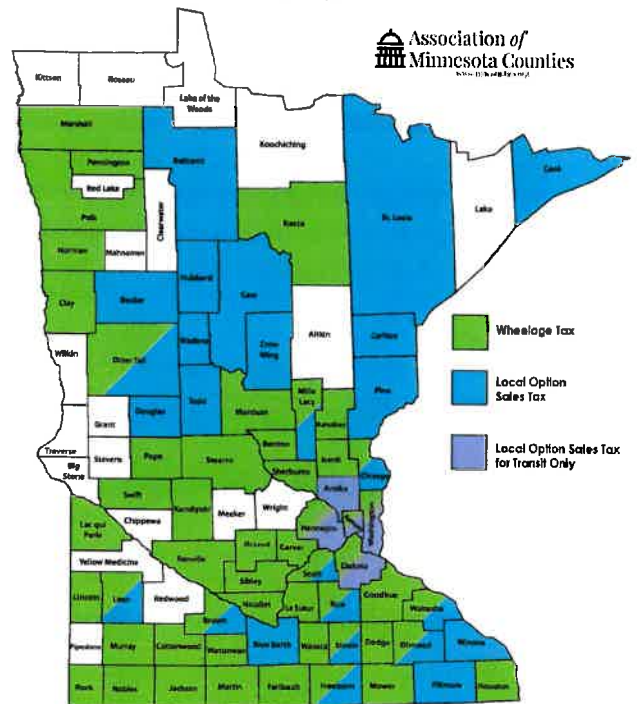
Property Tax Levy Increase Revenue Option

- ◇ Paid exclusively by county property owners
- ◇ 10% overall property tax increase = \$6 million
- ◇ 60% Road & Bridge levy increase

Local Option Taxes for Transportation

February 2017

Association of Minnesota Counties
www.aminco.org



County State Aid Highways (CSAH)

- ◆ 408 Miles of CSAH Highways - 1 or 2 digit highways (ex. Highway 9, 75)
- ◆ \$1.2 million/mile rural 2-lane reconstruction cost
- ◆ \$4 million/mile urban 4-lane reconstruction
- ◆ New Local Option Sales Tax can be used to fund CSAH improvements

County Roads (CR)

- ◆ 103 Miles of County Roads—3 digit highway designations (ex. CR 119, 117, etc.)
- ◆ Construction & maintenance, currently funded exclusively by Wright County property tax levy
- ◆ New Local Option Sales Tax can be used to fund CR improvements

1/2 % SALES TAX = 50 cents on a \$100 Purchase

**COUNTY-WIDE SALES TAX
FREQUENTLY ASKED QUESTIONS (FAQ'S)**

Q: WHAT PURCHASES ARE SUBJECT TO THE SALES TAX?

A: The county-wide sales tax will be applied to most purchases currently requiring collection of state sales tax. The primary exception is the purchase of motor vehicles registered for road use. This includes cars, trucks, motorcycles, and trailers where a portion of the state sales tax is already dedicated for transportation use. Leased and rental vehicles, boats and ATV's are subject to the local sales tax; boat trailers are not.

Q: HOW LONG WILL THE LOCAL SALES TAX BE COLLECTED?

A: The proposed duration of the local sales tax is 15 years, which is the time estimated to improve the highway projects identified to be funded by this revenue source.

Q: HOW MUCH OF THE REVENUE WILL ACTUALLY BE SPENT ON HIGHWAY IMPROVEMENTS?

A: 100% of the sales tax revenue will be spent on actual engineering, right-of-way, and construction of the projects on the list to improve the highway system.

Q: WHICH HIGHWAYS WILL RECEIVE FUNDING?

A: Minnesota State Statute 297A.993 requires a specific list of improvements to be identified prior to implementing a local option sales tax. This list will be presented at a public hearing and become part of the official record once approved. Timing of highway improvements contained on the list will be determined based on priorities listed in the County's Five-Year & Twenty-Year Plans, as approved by the County Board.

Q: CAN THESE FUNDS LATER BE DIVERTED FOR OTHER USES?

A: No. Minnesota State Statute 297A.993 requires local sales tax to be spent on transportation improvement only. All sales tax revenue will be spent on the Wright County highway projects identified on the list of improvements presented at the public hearing.

Local Option Sales Tax would fund 16 projects over the next 15 years, totaling approximately \$78 million (in today's dollars)

<u>County Highway Projects</u>	<u>Cost in Millions</u>
1. CSAH 9 Waverly Lake	\$1
2. CSAH 18 (CSAH 22 to Maciver)	\$2
3. CR 119 (CSAH 35 to Jamison)	\$2
4. CSAH 37 (TH 25 to CSAH 19)	\$13
5. Fenning Ave (Future CR or CSAH)	\$3
6. CSAH 39 (CSAH 42 to O Dean Ave.)	\$6
7. CSAH 36 (I-94 to TH 101)	\$9
8. CR 137 (I-94 to CSAH 38)	\$4.5
9. CSAH 39 (O Dean Ave to CSAH 19)	\$9
10. CSAH 35 (Jamison to one-way pairs)	\$3.5
11. CSAH 6 (TH 12 to north H.L. city limits)	\$1.5
12. CSAH 30 (W Delano limits to CSAH 13)	\$2
13. CSAH 19 (Hanover to TH 241)	\$12
14. CSAH 35 (CSAH 9 to CR 109)	\$3
15. CSAH 32 (realign at TH 55 intersection)	\$1.5
16. CSAH 36 (TH 101 to CSAH 42)	\$5
Total	\$78 Million

Note: This project list is subject to change prior to inclusion in the resolution that would be brought before the Board. The project list does not necessarily represent the order in which projects will be constructed.