

Collection of Needs Outside of County/City Boundaries Summary

The following statutory language changes to the definition of “Money Needs” were implemented in Minnesota Laws 2023 Chapter 68, Article 5, Sections 10 and 11:

- MS 162.07 Subd. 2. **Money needs defined.** For the purpose of this section, money needs of each county are defined as the estimated total annual costs of constructing, over a period of 25 years, the county state-aid highway system ~~in~~ located and established by that county. Costs incidental to constructions, or a specified portion ~~thereof~~ of those costs, as set forth in the commissioner’s rules, may be include in determining money needs. To avoid variances in costs due to differences in construction policy, construction costs shall be estimated on the basis of the engineering standard developed cooperatively by the commissioner and the county engineers of the several counties.
- MS 162.13 Subd. 2. **Money needs defined.** For the purpose of this section money needs of each city having a population of 5,000 or more are defined as the estimated cost of constructing and maintaining over a period of 25 years the municipal state-aid street system ~~in~~ located and established by such city. Right-of-way costs and drainage shall be included in money needs. Lighting costs and other costs incidental to construction and maintenance, or a specified portion of ~~such~~ those costs, as set forth in the commissioner’s rules, may be included in determining money needs. To avoid variances in costs due to difference in construction and maintenance policy, construction and maintenance costs shall be estimated on the basis of the engineering standards developed cooperatively by the commissioner and the engineers, or a committee thereof, of the cities.

What does this mean:

Statute 162.03 allows two counties, with consent from MnDOT, to designate a CSAH “on or near the common boundary.”

Statute 162.09 Subd. 10 allows cities, with consent from MnDOT, to designate an MSAS “along or near the common boundary.”

Taken together, these statutes allow cities and counties to designate and spend state aid dollars on routes and infrastructure slightly outside their boundaries, but prior to 2023 cities and counties were not allowed to collect needs on such routes and infrastructure.

The changes adopted in 2023 allow counties and cities, with the approval of the Commissioner, to establish state aid routes, spend county and municipal state aid funds, and collect needs on those portions of infrastructure slightly outside of their limits. **The intention is not to allow additional mileage to the system, but**

rather to allow a willing local agency to build, maintain and/or draw needs on approved routes and infrastructure with agreement and consent from the adjacent local agency.

Where would this apply:

Following are examples of situations that may be approved:

- To avoid wetlands, rock outcrops, cemeteries, parks, or other environmentally sensitive areas
- Where city or county limits are not linear or contiguous e.g., the centerline of the road goes in and out of two or more cities due to irregular corporate limits
- When a MnDOT project relocates roads outside of the original local's boundaries e.g., the realignment of a local route crosses the corporate limit line and no longer meets the description of the Commissioner's Order.
- Where a route goes completely out of the corporate limits and back in without interruption.
- When an agreement has been made on the division of costs and responsibilities that does not match the physical legal boundaries, e.g., a local bridge between two cities is mostly or wholly located in one city, but with an agreement for equal maintenance and/or ultimately replacement responsibility.

What is the expectation of the local agencies:

System changes are subject to approval by the Commissioner.

- First communicate with your District State Aid Engineer to determine the best outcome. State Aid Needs staff should also be consulted.
- All designations must meet the criteria set forth in Statute and Rules.
- Before approval will be granted by the Commissioner, the affected local agencies must execute an agreement, including council and/or board resolutions, acknowledging the desired state aid designation and detailing which agency is proposed to collect needs.
- All construction and improvements by one local agency within the right-of-way of another local agency will still require a permit, temporary easement, or consent according to the Statutes and Rules.

