
Define Highway Purpose to Include All Modes of Transportation

Bill Numbers: TBD

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Policy Overview:

Minnesota law requires that the [Highway User Tax Distribution Fund](#) be spent on “highway purposes.” The state’s trunk highway system takes various forms, from small-town main streets to large urban freeways, and serves all transportation modes, including people driving, walking, rolling, biking, and using public transit. However, historically, the vague definition of “highway purpose” has been narrowly defined to apply only to infrastructure that serves car and truck traffic, excluding other uses. This has resulted in abundant funding for expensive and environmentally destructive highway expansion projects and a shortage of funding for pedestrian, bicycle, and public transit infrastructure.

Legislators should clarify the definition of highway purpose to include the many ways that Minnesotans use the trunk highway system, including multimodal infrastructure for walking, biking, and public transit. This would be achieved by HF 2807 and SF 2935, which were introduced in 2023. This legal clarification would help advance a transportation system that works for Minnesotans of every race, age, ability, and income.

There is broad public support for such a change. 66% of respondents to a 2022 statewide poll would support a bill to “improve transportation options in Minnesota using funding from the state and federal government, which would otherwise go to highway expansion.”

How will this Policy Benefit Minnesotans?

Clarifying the definition of highway purpose will allow Minnesota’s investments in transportation to go farther for Minnesotan communities and residents, fostering fiscally responsible investments that meet the diverse ways Minnesotans move today.

The framers of the 1920 constitutional amendment that established highway purpose language left it intentionally vague, meaning that trunk highway funding could be used to support any reasonable means of communications along trunk highways. This gave the state flexibility to invest to make the most efficient use of these transportation corridors, not just spending for car oriented infrastructures.

By passing this bill, the legislature will create funding flexibility needed to invest in critical transit, bike, and pedestrian infrastructures where appropriate along trunk highways across the state. This will create fiscal responsibility by ensuring that these projects along highways do not need to seek additional funding sources elsewhere, making projects more expensive, time intensive, and reducing funding available for these investments elsewhere. This measure will also support the greenhouse gas mitigation standard passed in 2023, shifting transportation spending from highways to climate responsible investments that mitigate carbon emissions from transportation.

2023 & 2024 Legislative Progress:

A provision defining highway purpose to include all modes of transportation, not just personal vehicles, was initially included in the omnibus transportation bill but was later stripped by Transportation Committee Chairs Frank Hornstein and Scott Dibble following pushback from MnDOT.

The state’s new greenhouse gas protections for highway projects require a climate impact assessment of new highway projects before they can be added to the state’s funding plan. If it is found that the project is not compatible with state climate goals, MnDOT must either change the project or invest in mitigation efforts, like walking, biking, and transit improvements, to offset the increase in emissions. However, because the Minnesota constitution requires that trunk highway dollars be spent on “highway purposes”, and no action has been taken to clarify that highway purpose includes those mitigation projects, the ability to reallocate funding to walking, biking, and transit is severely limited.

History:

Prior to the early-auto era of the 1920s, the Minnesota state government had a significantly diminished role in road development and transportation financing. Minnesota’s original constitution placed restrictions on state spending for “internal improvements,” like state’s road systems. *1857 Minn. Const., art. 9, sec. 5.*

During Minnesota's first half century, cities and county governments were largely responsible for the construction and maintenance of highways and other roads. *Davidson v. Board of Commissioners, 18 Minn. 482 (1872) (“internal improvements” prohibition does not extend to local governments).*

In 1898, the constitution was amended to create a state highway commission, but state level spending restrictions remained in place during that time. This led to the launch of a new effort several decades later to create funding mechanisms to support state highway expansion.

In 1919, an amendment to the state constitution was proposed to address questions about highway creation and funding. The result was the “Babcock amendment” or “good roads amendment” that was placed on the ballot by the Minnesota Legislature in the 1919 session, 1919 Minn. Laws ch. 530, for voters in the 1920 general election.

The impetus for this push was— unsurprisingly— was federal funding. During World War I, congress passed one of the earliest federal-aid highway bills, adopting the now widespread “matching contribution” approach to funding transportation infrastructure projects. This funding would be available to states if they contributed a minimum amount from state or local funds, making Minnesota’s original constitutional limitations on state spending for internal improvements like highways.

The amendment was ultimately adopted on November 2, 1920 with support from Minnesota voters in the 1920 general election. They ran the amendment under the slogan “Get Minnesota out of the mud, ” making transportation a core concern for voters.

The new Article 14 of the of the [Minnesota Constitution](#), called for *“An act proposing an amendment to the constitution of the State of Minnesota, providing for and establishing a trunk highway system to be constructed, improved and maintained by the state; establishing and authorising the creation of a fund for such purpose by the taxation of motor vehicles, the issuance of bonds, and otherwise.”*

This amendment set forth 70 trunk highway routes across the state, designating their starting and ending points as well as cities and towns for the route to pass through. These routes were mainly established to connect county seats and other important cities to one another for a variety of purposes. A provision to allow the legislature to add trunk highway routes at a later time beyond these initial 70 routes, which the [state has done on many occasions](#).

This amendment also created a fund known then as the trunk highway sinking fund. This fund was to collect the proceeds of any tax imposed on motor vehicles except so-called [wheelage taxes](#), now more commonly known as registration fees which can be imposed by any city or town. Authorizing the sale of bonds to support trunk highway investments also took place.

Where did Highway Purpose Language Originate?

Most importantly, the funds raised through these mechanisms were directed to provide “a reasonable means of communication” to communities along the 70 new trunk highway routes and at their beginning and ends. Because personal vehicles were only a small part of the transportation system of 1920, with many walking, using hoses and horse carriages, electric streetcars, and a handful of personal cars, the amendment did not specifically designate the mode of transportation the funding would advance, rather, the geographies that would be connected by the trunk highway system with “any reasonable means of communication.”

Freeway Era Highway Financing Reforms

Just after World War II and as calls for an interstate highway system grew louder, Minnesota’s Constitutional Commission continued a campaign against rigid constraints on the state’s fiscal system. This commission made several recommendations to the state’s tax and budgeting processes and included several recommendations about the 1920 highway constitutional amendment.

These included:

- That all of the specific route designations should be deleted from the constitution
- That the various highway-related provisions in the constitution be consolidated
- That the various highway funds be consolidated; and
- That the state take over supervision of all state-funded highway work

This vision found itself passed in the 1955 legislative session, 1955 Minn Laws ch. 882, and was adopted by voters in the 1956 general election. This amendment created the current Highway User Tax Distribution Fund, which consists of the net proceeds from the motor fuel and vehicle registration taxes, and then distributed the funding based on proportions in a constitutional formula.

Again, federal funding may have also triggered this state constitutional change, as the 1956 interstate highway bill supercharged highway spending in states across the country.

Legal Challenges to the Highway Purpose Language and the Highway Users Tax Distribution Fund

A 1958 case challenged the rigidity of the highway purpose definition, establishing the uses for funding from the HUTDF for purposes other than roadway infrastructures themselves. The case, *Minneapolis Gas Co. v Zimmermann*, 91 N.W.2d 642 (Minn 1958), was seeking to define whether or not these highway funds could be used to reimburse utilities for the cost of relocating their facilities due to highway construction.

The court's adopted a "broad, not strict" approach to the amendment, stating that *"...in the absence of restrictive or qualifying language these constitutional provisions are not to be construed as expressing an intent to limit the expenditure of funds thereunder to only one, or less than all of the purposes for which highways exist in our society today. The concept of the functional uses or purposes of a highway has constantly expanded with the advancement of civilization until today as a highway no longer exists for the limited, through principle, purpose of vehicular travel of transportation of persons and property over its surface."*

This ruling emphasizes that the purposes of a highway can be independent of travel and are more broadly consistent with the public welfare objective *"to make full and efficient use of the land surface occupied by public roads."* The case further established that HUTDF funds can be expended *"for whatever is reasonable necessary to complete accomplishment of all the basic purposes for which a highway exists."*

Highway Purpose Language and Transit, Bike, and Pedestrian Investments:

Few states have litigated issues of using these trunk highway dollars for investments in other modes of transportation along highway infrastructures, with no such cases in Minnesota. This could be due to the perception of transit falling outside of pre-1920s constitutional bounds with regard to state financing in the "internal improvements" clause. In the 1956 case, the privately owned streetcar system's collapse, the privately owned bus companies that replaced it, and the government's purchasing of transit agencies not coming until future decades, it would not have been top of mind to consider these investments.

The Massachusetts Supreme Court ruled in the 1949 case that “*under its highway amendment, gas tax dollars could not be used to build or maintain the Metropolitan Transit Authority (MTA) system in the Boston metropolitan area.*” *Opinion of the Justices, 324 Mass. 746, 85 N.E.2d 761 (Mass. 1949).*

This opinion reflects a sentiment to preserve the Massachusetts voter’s supposed original intent for tax dollars from motor vehicles being spent on structures that motor vehicles used. The Minnesota Supreme court questioned this assumption in the above mentioned Minneapolis Gas case.

Colorado Precedent:

Many states have limiting language in their constitutions on the use of gas tax only for 'highway purposes' or, more simply, 'public highways'. But in recent years, states like Colorado have taken steps to clarify that highway purpose encompasses a wide variety of transportation modes, reflecting the assumptions outlined in the Minneapolis Gas case that leaves the door open to accommodate for changes in how trunk highways are used. The limitation in Colorado is contained in Article X, Section 18 of its Constitution. This language can be viewed [on pages 98 and 99 here](#).

In 2013, Colorado passed [Senate Bill 13-48](#) (pg 236) that included transit and active transportation as part of “highway purpose” for the use of highway users tax trust funds on county highway systems and municipal street systems. The first section dealing with legislative intent states that the Legislature had already authorized the Colorado Department of Transportation to expend highway users tax funds on transit-related projects (which includes transit and bike/ped).

The Colorado Legislature has subsequently amended the language of Senate Bill 13-048. This is found on Sections 43-4-205 through 43-4-208. Specific sections to note are Sections 43-4-205(6)(b), 43-4-206(3) (highway users tax fund for transit-related projects on state highways), 43-4-207(1) (highway users tax fund for transit-related projects on county road systems), and 43-4-208(1) (highway users tax fund for transit-related projects on municipal street systems).

- [43-4-205](#)
- [43-4-206](#)

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- [43-4-207](#)
 - [43-4-208](#)

MnDOT already manages multiple funding streams and evaluates various project types. The department has existing expertise in multimodal planning and project delivery. Colorado's successful implementation of similar legislation demonstrates that administrative challenges are manageable through clear statutory guidelines.

The lesson to be learned from Colorado is that the statutory route of simply declaring that transit and bike/ped are a highway purpose is legally sound and much easier than running a campaign to amend the constitution itself. However it is a solution subject to change in any subsequent session, leaving the possibility open for future amendments.

How will this Policy Influence Union Jobs?

Redefining highway purpose to include all transportation modes would maintain and potentially expand union jobs by enabling more comprehensive infrastructure projects that incorporate transit, pedestrian, and bicycle facilities alongside traditional roadway construction. This broader definition would create more diverse work opportunities across multiple construction trades while ensuring stable, long-term employment through more sustainable and community-supported projects. Rather than reducing construction jobs, this policy would actually increase work opportunities by allowing highway funds to support a wider range of infrastructure improvements, all requiring skilled union labor for construction and ongoing maintenance.

Will this bill dilute funding towards road projects?

Expanding eligible projects actually creates more efficient use of highway funds by allowing comprehensive solutions that serve multiple transportation needs simultaneously. This integrated approach reduces redundant infrastructure and long-term maintenance costs. Furthermore, multimodal infrastructure often costs significantly less than traditional highway expansion while serving more users per dollar invested.

This approach actually represents smart fiscal stewardship by allowing more efficient use of existing funds rather than creating new funding streams. It reduces overall infrastructure costs by enabling integrated project planning and avoiding the need for separate, potentially more expensive standalone projects for different modes.

How will this policy influence Greater Minnesota communities where less transit, bicycle, and pedestrian facilities currently exist?

This redefinition would benefit rural communities by allowing highway funds to support complete streets projects in small town main streets and improved transit connections between communities. Rural areas would maintain access to road maintenance funding while gaining flexibility to implement transportation solutions that better serve their specific needs, including aging populations who may need alternatives to driving.

Key Summary and Takeaways:

The document discusses Minnesota's legal framework around "highway purpose" funding, tracing its evolution from the 1920 Babcock Amendment to present day. While highway funding has recently been interpreted narrowly for car infrastructure, the original constitutional language actually aimed to provide "reasonable means of communication" between communities without specifying modes of transportation. This broader original intent, combined with the 1958 Minneapolis Gas Co. v Zimmermann case's establishment of a precedent for "broad, not strict" interpretation of highway purposes, suggests there's legal flexibility to redefine highway purpose to include multimodal transportation options along Trunk Highway Corridors.

Key legal precedents and examples supporting multimodal use of Trunk highway funds:

1. Minneapolis Gas Co. v Zimmermann (1958):
 - Established that highway purposes should be interpreted "broadly, not strictly"
 - Recognized that highway purposes expand with society's needs
 - Stated funds can be used for "whatever is reasonably necessary to complete accomplishment of all basic purposes for which a highway exists"
2. Original Constitutional Intent:
 - 1920 Babcock Amendment focused on providing "reasonable means of communication" between communities
 - Did not specifically restrict funding to automobile infrastructure
 - Was written when multiple transportation modes (walking, horses, streetcars) were common
3. Colorado's Modern Precedent:
 - Successfully redefined highway purpose through legislation (SB 13-48) rather than constitutional amendment
 - Explicitly included transit and active transportation as valid uses of highway funds

- Demonstrates that statutory redefinition is legally viable and simpler than constitutional amendment
- Provides a recent model that Minnesota could follow