



February 26, 2025

Chair Davids and Members of the House Taxes Committee:

On behalf of the Association of Minnesota Counties (AMC), a voluntary association representing all of Minnesota's 87 counties, we appreciate the opportunity to share our comments on HF5, a bill that would modify the imposition and allocation of certain transportation taxes, halt indexing on the motor fuels tax, and repeal the retail delivery fee.

AMC has long advocated for the statewide need for increased transportation dollars. One of our top priorities in recent years is support for a transportation funding bill that includes new, dedicated revenue for roads, bridges, and transit. For many years, counties have supported an "all of the above" approach to finding solutions for transportation funding. We believe the solution should be comprehensive, balanced, sustainable, and dedicated. Our AMC platform includes longstanding support for indexing the motor fuels tax and more recently was updated to include support for the retail delivery fee.

While counties appreciate Rep. Joy's work to make transportation funding a priority this session, we have concerns with the repeal of the retail delivery fee as it would take away a new solution to transportation funding that provides desperately needed revenue to our transportation system. **We consider the retail delivery fee to be a user fee that helps pay for the wear and tear of our roads and is a fair approach given the significant increase in delivery vehicles on the system.** While we believe there are ways to improve the retail delivery fee and look forward to the discussion going forward, we think an outright repeal is premature as the fee has only been in place for less than a year.

Once again, thank you for the opportunity to comment on HF5. AMC looks forward to continued conversations surrounding prioritizing transportation investments this session.

Sincerely,

Emily Murray  
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*Association of Minnesota Counties*