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May 8, 2025

Representative Jon Koznick  
Representative Erin Koegel  
Representative Brad Tabke  
Representative Bjorn Olson

Senator Scott Dibble  
Senator Jim Carlson  
Senator John Jasinski  
Senator Ann Johnson Stewart  
Senator Doron Clark

Dear Members of the Conference Committee:

On behalf of the Association of Minnesota Counties (AMC) and the Minnesota County Engineers Association (MCEA), representing all of Minnesota's 87 counties, we thank you for your work on the Omnibus Transportation Policy and Finance Bill. As you begin to confer on the provisions of HF2438, we encourage you to consider the following concerns.

## **TRANSPORTATION FUNDING**

### **Electric Vehicle Fee Increase**

AMC and MCEA support the inclusion in both the House and Senate language to increase the current annual electric vehicle fee in order to capture revenue from all highway users in a more equitable manner. With the fee increase from \$75 to \$200, we support most of this revenue being distributed to the Highway User Tax Distribution (HUTD) Fund and believe having a portion of it go to the Transportation Impact Assessment and Mitigation Account in the special revenue fund is an appropriate source of funding for that account.

### **Local Road and Bridge Funding & Local Government Road Wetland Replacement Program Funding**

AMC and MCEA support the House language that includes one-time General Fund (GF) investments in the Local Road Improvement Program (LRIP), the Local Bridge Replacement Program (LBRP), and the Local Government Road Wetland Replacement Program. Local agencies have identified 948 priority bridge replacement projects with an estimated total replacement cost of over \$847 million. During the 2023 LRIP competitive solicitation process, MnDOT State Aid received 378 applications from road agencies requesting \$417 million in LRIP funds. Of the \$103 million available, 86 projects were funded.

The wetland replacement program is in dire need of funding. As a state mandated program, in recent years it has only received funding in the bonding bill, which has resulted in years of unpredictable and inadequate funding. Counties are grateful for the one-time GF appropriation included in the House language and we staunchly support the inclusion of base budget funding for the program in the out-biennium. Predictable funding will help ensure the long-term viability of the program resulting in high quality replacement wetlands that are cost effective for taxpayers and beneficial for the environment.

### **Temporary Reduction in Auto Parts Sales Tax Transfer to HUTD Fund**

AMC and MCEA are concerned with Senate language that would include a temporary reduction in the percentage of auto parts sales tax revenue going from the General Fund to the HUTD Fund in FY28-29. While increases in the EV fee revenue going to the HUTD Fund, if approved, would help alleviate some of the loss to CSAH due to this temporary pause, we are concerned with the precedent that is being set if the state is in a similar budget situation in the future.

## **CSAH Appropriation**

Counties are supportive of the one-time General Fund appropriation to the County State Aid Highway (CSAH) fund included in the House language. The state is experiencing a significant transportation funding gap, which extends to all parts of the system. Additional funding to CSAH would go a long way to help address needs across the state on the CSAH system, thereby allowing for locally raised transportation funds to be used on the county road system.

## **TRANSPORTATION POLICY**

### **Transportation Greenhouse Gas (GHG) Emissions Impact Assessment**

AMC and MCEA support the provision included in the House language that would delay the portfolio assessment implementation by one year, impacting projects that enter the Statewide Transportation Improvement Plan (STIP) by 2032. Counties have been actively engaged in this issue since 2023, including MCEA members serving on both the Transportation GHG Impact Mitigation Working Group and the Technical Advisory Committee (TAC). The TAC has been working hard for the past year to iron out the assessment process, but there is a significant amount of work that still needs to be done. Counties are leading large trunk highway projects and investing millions in local funds and are extremely concerned about the added costs of GHG mitigation. An additional year to implement this law will allow MnDOT and its partners to properly plan for trunk highway projects that might be impacted by this law, thereby helping to ensure the statewide GHG/VMT reduction goals are successfully met.

### **State Aid Design Standards**

MCEA has concerns with the Senate language that would repeal the rules containing the current State Aid design standards. While we continue to support the use of the State Aid rules and the value that the State Aid team brings to our transportation system, we recognize the need for flexibility in design, agree that the rules are due for an update, and should be updated according to a more regular schedule. With recent updates to MnDOT's Facility Design Guide now complete, the timeline for the rulemaking process for the State Aid rules is being discussed and MCEA members will be part of these efforts. County engineers support efforts that would maintain the State Aid rules while also allowing local agencies to utilize MnDOT's Facility Design Guide as a supplement to the rules, without a variance. We appreciate Sen. Dibble, Sen. Johnson Stewart, and Rep. Jones working with county and city engineers on this language.

### **Highway Purposes Definition**

MCEA has concerns with the Senate language that would modify the definition of a highway purpose and allow for trunk highway funds to be used for additional purposes. With a billion-dollar annual funding gap identified on the state system, we caution against any proposals that would dilute current resources.

### **Safety**

MCEA continues to support a consistent and objective process for determining speed limits and hesitates to support legislatively directed speed limits for specific roadway segments. We will continue to encourage our membership to work directly with MnDOT, other local stakeholders, and industry experts to determine and implement effective strategies to reduce traffic speeds such as road design changes, intersection controls, or traffic calming, as appropriate, in furtherance of our shared interest in roadway safety. MCEA also supports the Senate language that would modify the recent legalization of motorcycle lane-splitting, including delaying the effective date.

Thank you for the opportunity to share our comments on the Omnibus Transportation Policy and Finance Bill. We sincerely appreciate your consideration of our perspective and look forward to continued conversation.

Sincerely,



Emily Murray, Policy Analyst  
Association of Minnesota Counties



Lyndon Robjant, Carver County Engineer  
President, Minnesota County Engineers Association