



March 30, 2022

Dear Chair Hornstein and Members of the House Transportation Committee:

Metro Cities, representing the shared interests of cities across the metropolitan area, appreciates the opportunity to comment on HF 3931 (Huot). Metro Cities supports the goals of the DE 1 amendment to HF 3931 that will be considered by the committee on Thursday.

Metro Cities' policies have long supported the use of dedicated taxes and fees to fund transportation infrastructure in the region. HF 3931 would dedicate 100 percent of the revenue from the tax on motor vehicle repair and replacement parts to transportation purposes. Under current law, nine percent of the Highway User Tax Distribution Fund (HUTDF) is directed to the Municipal State Aid Street (MSAS) system. With 53 percent of revenues deposited into the HUTDF, as proposed, the MSAS system will see a modest but important increase in funding that will help eligible cities as they address local transportation needs.

The DE 1 amendment also dedicates a percentage of revenues to the Small Cities Assistance Account. Cities under 5,000 in population do not directly receive non-property tax funds for collector and arterial streets. With stable funding for this account, small cities will be better able to plan and address improvements on their roads.

Finally, the DE 1 amendment also directs revenues to the metropolitan area transit account. Metro Cities supports state and regional sources to fund operating and capital expenses for all regional transit providers and Metro Mobility at a level sufficient to meet the growing needs of the region and to expand the system to areas that lack sufficient transit options.

Thank you for your consideration of this letter. We look forward to working with you as a transportation funding package advances this session. Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads 'Michael Lund'.

Mike Lund
Government Relations Specialist
Metro Cities