

Minnesota County Engineers Association

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mncountyengineers.org

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AFFILIATED WITH



Association *of* Minnesota Counties May 3, 2023

Representative Frank Hornstein Representative Erin Koegel Representative Brad Tabke Representative Jeff Brand Representative John Petersburg Senator D. Scott Dibble Senator Kelly Morrison Senator Jim Carlson Senator Jennifer McEwen Senator John Jasinski

Dear Members of the Conference Committee:

On behalf of the Minnesota Engineers Association (MCEA), we want to thank you for your work on the Omnibus Transportation Finance and Policy Bill. As you begin to confer on the transportation provisions contained in HF2887, we ask that you consider MCEA's positions on the following items:

TRANSPORTATION FUNDING

Despite a record state surplus, transportation revenues are down. **The County State Aid Highway (CSAH) fund received \$17.5 million less in 2023 than it did in 2022**. There is currently a \$345 million annual gap in funding for county road and bridge construction, resulting in almost half of county transportation revenues coming from local taxes, including property tax. MCEA supports a comprehensive transportation funding bill that includes new, *dedicated* revenue for roads, bridges, and transit.

Dedicated Revenue

MCEA supports the increased revenue from constitutionally and statutorily dedicated sources found in the bill, particularly the increases to the tax rate for the motor vehicle registration tax and the Motor Vehicle Sales Tax (MVST). We also support language found in both bills that would statutorily dedicate all the revenue from the sales tax on auto repair parts to transportation. While there are differences in the way this revenue would be distributed and when, MCEA supports the Senate position to distribute a portion of this revenue to the CSAH fund directly, over and above what counties will receive through the Highway User Tax Distribution (HUTD) fund, and we support the House position to dedicate this revenue fully by FY2028.

MCEA also appreciates the additional dedicated revenue found in the House bill from the \$0.75 delivery fee. We consider this a user fee that will help pay for the wear and tear of our roads and is a fair approach given the significant increase in delivery vehicles on the system. **Counties support the House position to include the delivery fee in the bill and distribute a direct appropriation of the revenue to the CSAH fund** over and above what counties will receive through the HUTD fund.

Corridors of Commerce

MCEA supports the investment in the Corridors of Commerce Program included in both bills. This is a much-needed investment in our state road system and counties support the additional amount of funding included in the Senate bill.

Local Roads and Bridges

MCEA's top transportation funding priority this session also includes support for a bonding bill that contains funding for transportation-related programs. Counties support the \$45 million one-time general fund appropriation included in the Senate bill for both the Local Road Improvement Program (LRIP) and the Local Bridge Replacement Program (LBRP). Over the next five years, cities and counties have identified 634 priority bridge replacement projects by city council or county board resolution, requesting approximately \$290 million in state bridge funds. The most recent solicitation for LRIP received over 400 applications totaling \$344 million in requests, far exceeding the \$75 million available in the 2020 bonding bill. We hope the general fund appropriation in this bill for LRIP and LBRP will be in addition to general obligation bonds included in a bonding bill!

Local Transportation Disaster Support

AMC supports the ongoing funding included in both the House and Senate bills for the Local Transportation Disaster Support Account. Creating a new Local Disaster Support Account with funding directed to MnDOT and administered by State Aid, would allow for better customer service and improved coordination with local agency project needs and funding for these needs.

TRANSPORTATION POLICY

Transportation Greenhouse Gas Emissions Impact Assessment (HF2778-4, Article 4 Sec. 12 and UEH2887-2 Article 8, Sec. 19) MCEA has serious concerns with the proposed language that requires an assessment of greenhouse gas emissions for all grade separated interchange projects and capacity improvement projects on the trunk highway system. It would apply to capacity improvement projects with a cost of \$15M or more in the metro area and \$5M or more in Greater Minnesota. We are concerned about the potential for cost increases, delays, and litigation risks for important safety improvements.

While counties appreciate the progress that has been made to this language already, and currently prefer the additional modifications that have been made to the Senate bill, we would also make the following suggestions to improve the language: **include language that takes safety into account** as part of the assessment process; **establish a working group** to develop the methodology for conducting assessments and evaluating the feasibility and advocacy of mitigation options; **include general fund dollars** to cover the cost of mitigation measures necessary to offset greenhouse gas emissions; follow the approach of other states with a **programmatic approach** to reducing greenhouse gas emissions rather than focusing on specific projects that add capacity; and **exempt projects eligible for funding through the Corridors of Commerce program** from this assessment.

Safe Road Zones (HF2778-4, Article 4 Sec. 18 and UEH2887-2 Article 8, Sec. 26) **Counties prefer the definition of "local request" included in the Senate bill** to include reference to the local road authority generally instead of the lead traffic engineer for the local road authority. AMC and MCEA also recognize that the language in both versions created under subdivision 5i relating to speed limits in safe road zones would mimic current law, which states that upon request by a local authority, *only* the Commissioner of the Department of Transportation may establish a temporary or permanent speed limit in a safe road zone based on an engineering and traffic investigation. We further recommend replacing the term "safe road zone" with a term such as "crash reduction zone" to describe the goals of this proposal more accurately, as this proposal is targeted at corridors with safety problems.

Truck Weight Limits (UEH2887-2 Article 8, Sec. 32) MCEA has a long-standing platform position supporting the retention of overweight/oversize vehicle permitting authority by individual county road jurisdictions and we oppose any increase in non-permitted truck weights. We would like to highlight one provision that is included in the Senate bill relating to Towing and Recovery Vehicles. This provision was discussed during the 2022 session, but the language included in the Senate bill differs from what was agreed upon last year, which stated that the exemption from seasonal load restrictions only applied when a request was made by a federal, state, or local law enforcement for a tow truck or recovery vehicle to move a vehicle. Counties would prefer to see that language included again.

Again, thank you for your work on a comprehensive transportation funding package this session. We sincerely appreciate your consideration of our perspective. Please let us know if you have any questions or would like to discuss further.

Sincerely,

B.I.D.

Brian Pogodzinski, Houston County Engineer President, Minnesota County Engineers Association