



Association of Minnesota Counties

March 10, 2023

Chair Hornstein and Members of the House Transportation Finance & Policy Committee:

On behalf of the Association of Minnesota Counties (AMC), we appreciate the opportunity to comment on HF1741, a bill that would require metro counties that have implemented the county transportation sales and use tax to fund the planning, construction, operation, or maintenance of guideways to provide a report to the Legislature on the actual and estimated collections of revenue.

AMC is a voluntary association that represents all of Minnesota's 87 counties. Currently, fifty-five counties have implemented the county transportation sales and use tax. Since Highway User Tax Distribution (HUTD) fund revenues are down 2.5% from 2022 to 2023, a county's ability to utilize local options such as this and the wheelage tax are more important than ever.

It should be noted that before the county transportation sales and use tax can be implemented, a county must hold a public hearing and designate how the revenue will be spent. According to Minnesota Statutes Section 279A.993 there are five ways the proceeds of the taxes can be used:

- (1) payment of the capital cost of a specific transportation project or improvement;
- (2) payment of the costs, which may include both capital and operating costs of a specific transit project or improvement;
- (3) payment of the capital costs of a safe routes to school program;
- (4) payment of the transit operating costs; or
- (5) payment of the capital cost of constructing buildings and other facilities for maintaining transportation or transit projects or improvements.

Counties believe a statutorily required report to the Legislature on locally raised tax dollars is not the only way to get this information. We would prefer to work with the author on ways to further explore the intent of the bill without requiring a new mandate for information that may be available through more efficient avenues. In addition, county engineers have noted that the requirement for a county to provide an estimation of the total sales tax revenues for the next ten years might be hard to determine or at a minimum, incomplete or inaccurate. We appreciate the opportunity to provide comment on HF1741 and look forward to continued conversation.

Sincerely,



Emily Murray
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Association of Minnesota Counties