



March 24, 2026

Members of the House Transportation Committee:

On behalf of the Association of Minnesota Counties (AMC), Minnesota County Engineers Association (MCEA), and Minnesota Inter-County Association (MICA), thank you for the opportunity to comment on House File 3562. Together, our organizations maintain 44,365 miles of roadway—nearly one-third of Minnesota’s system.

We have consistently supported sustainable, dedicated transportation funding to ensure a safe and reliable network. The 2023 transportation package made meaningful progress, yet a 2024 MnDOT report¹ still identifies an \$18.7 billion funding gap through 2034.

We appreciate the Legislature’s focus on affordability and recognize concerns with recent tab fee increases. However, returning registration taxes to pre-2023 levels would reduce the Highway User Tax Distribution Fund (HUTDF) by \$846 million over the next three years. For counties, that translates to a \$245 million loss to the County State-Aid Highway (CSAH) system—further widening an already significant funding gap.

At the same time, inflation continues to drive up the cost of materials and construction. Reducing revenues now will delay critical projects and increase long-term costs for taxpayers.

If the Legislature chooses to reduce registration taxes, it is essential that a stable, ongoing replacement funding source be identified. One-time or limited tools, such as trunk highway bonds, cannot fill this role and, in the case of trunk highway bonds, are not available for CSAH system needs.

Absent a sustainable replacement for these lost revenues, we respectfully urge you to oppose House File 3562.

Thank you for your consideration. We stand ready to work with you on solutions that balance affordability with the long-term stability of Minnesota’s transportation system.

Sincerely,

Handwritten signature of Emily Murray in black ink.

Emily Murray
*Transportation & Infrastructure
Policy Analyst
Association of Minnesota Counties*

Handwritten signature of Ryan Thilges in black ink.

Ryan Thilges
*Blue Earth County Engineer
President, Minnesota County Engineers
Association*

Handwritten signature of Amber L. Backhaus in blue ink.

Amber Backhaus
*Transportation Liaison
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¹ [MnDOT Report on the Revenue Options to Address the HUTD Funding Gap Over Fiscal Years 2025-2034](#)