



Wednesday, April 7, 2021

Members of the House Transportation Committee,

On behalf of Americans for Prosperity activists across Minnesota, I am writing today to share our concerns with provisions in HF1684, the Omnibus Transportation Finance Bill. Though there are pieces of the bill we support, the more than a billion dollars of tax and fee increases included in the draft language will hurt Minnesotans still struggling to recover from the pandemic.

Transportation is one of the core constitutional responsibilities of state government. As such, it needs to be funded alongside other important items in the state's general fund budget. Unfortunately, the real infrastructure needs of the state too often are used as mere sales pitches to sell new taxes and fees, while transportation-related revenues within the general fund are continually shifted away from infrastructure to fund other "priorities".

At a time when the state is already projecting a surplus, with billions in federal dollars on their way to state coffers, and with families and businesses struggling to recover from government-imposed shutdowns, now is not the time to raise taxes – on anything.

The tax and fee increases included in this bill would add to the high burden Minnesotans already face on transportation-related items. "Indexing" the gas tax to a federally-controlled construction formula will only serve to automatically take more money from taxpayers every year before any discussion of need or what the dollars will be used for. That automatic "indexing" will also conveniently lessen the ability to hold politicians accountable when taxes keep going up.

These tax and fee increases would hurt worst those Minnesotans already struggling to make ends meet. According to tax incidence studies completed by the Governor's own Department of Revenue these new gas and transportation taxes will disproportionately hurt lower income Minnesotans. That pain won't only be felt at the pump; it will also increase the cost of every item on the shelves that families rely on – food, school supplies, clothing, and all form of household necessities, adding to the pain of price increases and shortages already occurring in the fallout from the pandemic. The half percent increase to the metro sales tax for transit will add nearly another billion dollars in tax pain on top of that.

The process – or lack of process – that the House has followed to bring these provisions into this omnibus bill are as bad as the cost implications. Most of the tax and fee increases described here were never even introduced as bills and NONE were heard by the committee in the three months of session and more than twenty-five committee hearings that have already taken place. All of them were added to the omnibus through a delete-all amendment, without a any opportunity for the public to know what was coming or provide input prior to these omnibus hearings. The lack of transparency and intentional limitation of public debate on a proposal that would cost billions of dollars in new taxes is not how the Legislature should be conducting their business.

Through broad-based grassroots outreach, *Americans for Prosperity* (AFP) is driving long-term solutions to the country's biggest problems. AFP activists engage friends and neighbors on key issues and encourage them to take an active role in building a culture of mutual benefit, where people succeed by helping one another. AFP recruits and unites activists in 35 states behind a common goal of advancing policies that will help people improve their lives.

Before asking Minnesota families for any more of their hard-earned money, lawmakers and the Governor must focus on critical reforms that will make current transportation dollars stretch farther in order to address targeted, high priority needs on our roads and bridges. The state already has enough resources – now it needs to put those dollars to use in a way that Minnesota taxpayers can know that they’re actually getting what they pay for. These reforms include implementing better financial controls and planning processes, cutting the unnecessary and overly burdensome red tape that slows projects and drives up costs, and unleashing the private sector to meet needs wherever possible. We also support continued vigilance in ensuring that constitutionally dedicated funds are spent properly – without leakages into other areas of the budget or into unnecessary extravagances.

Driver’s License Suspension Reform

I do want to call attention to one important reform included in the bill that we have supported – at multiple committee hearings – throughout the session. The language from HF336 would make important changes to the state’s driver’s license suspension process for unpaid debts, recognizing the cascading set of unintended difficulties that a license suspension has on individuals and their families. Under current law, the state actually makes it harder for a person to get those debts paid by taking away someone’s ability to get to work.

Law enforcement resources should be focused on ensuring public safety – not debt collection. The additional cost of processing traffic stops related to driver’s license suspensions adds up to millions of dollars and substantial officer and court time that could be targeted at more critical public safety needs.

Importantly, these reforms do not let offenders off the hook. We have alternatives already in place to ensure that people are held accountable for paying their debts, and this bill would not change suspensions of licenses under Minnesota’s habitual violator law or for any dangerous or negligent driving. Dangerous and unsafe drivers will still be held to account, but the suspensions will only be tied to driving behavior and threats to public safety – not to someone’s ability to pay.

Thank you again for your time and attention to these important issues.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Flohrs', with a stylized, cursive flourish.

Jason Flohrs
State Director
Americans for Prosperity – Minnesota