



March 29, 2023

Dear Chair Hornstein and Members of the House Transportation Committee

On behalf of the member organizations of the Minnesota Transportation Alliance, I am writing to urge you to pass HF2887 with the delete-everything amendment to increase funding for our transportation system.

As you know, dedicated transportation revenue sources are falling behind.

Revenue Source	February 2022	November 2022	February 2023	\$ Amount Change
	FY24/FY25	FY24/FY25	FY24/FY25	
Fuel Tax	\$933M/\$940M	\$911M/\$905M	\$913M/\$902M	-\$20M/- \$38M
Tab Fees	\$920M/\$948M	\$874M/\$909M	\$875M/\$910M	-\$45M/- \$38M
MVST (HUTDF)	\$637M/\$649M	\$607M/\$616M	\$593M/\$601M	-\$44M/- \$48M
MVST (Transit)	\$424M/\$432M	\$404M/\$410M	\$395M/\$400M	-\$29M/- \$32M
MVLST	\$76M/\$76M	\$58M/\$57M	\$52M/\$52M	-\$24M/- \$24M
Auto Parts/Rental	\$199M/\$202M	\$196M/\$198M	\$198M/\$200M	-\$1M/- \$2M

Without changes to the funding sources, the unmet needs on our transportation system will grow with resulting deterioration of our roads and bridges, increased congestion and increased traffic safety problems. The documented needs for the trunk highway system, county state-aid highway system, municipal state-aid streets, small city streets, township roads, metropolitan area transit and Greater Minnesota transit total well over \$1 billion per year.

Additional funding is critically needed to address the safety and mobility needs on our transportation system. The Transportation Alliance urges your support for:

- The delivery fee at 75 cents per sale
- The increase in the tab fees

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- The metropolitan area sales tax of  $\frac{3}{4}$  of one cent with a portion for highway needs in the metro area
- The equalization of MVST to the general tax rate of 6.875%
- The full dedication of the revenue from the sales tax on auto repair parts to transportation.

We appreciate the inclusion of language dedicating all of the auto repair parts sales tax to highways beginning in FY2028 if that is the earliest date possible for the full dedication. Increasing the flat dollar amount over the next four years, does not allow for any inflationary growth. We would also urge that the distribution of these funds be changed to allow more of funding to flow to the CSAH, MSAS, small city and township roadway needs.

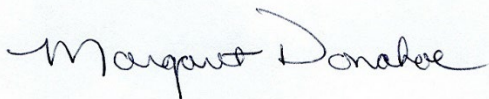
The members of the Transportation Alliance appreciate the focus on safety improvements in HF2887 and urge funding to support safety efforts in work zones.

We support the trunk highway bond funding for the Corridors of Commerce program in the bill along with funds that would be available to match federal grants secured through the Infrastructure Investment and Jobs Act (IIJA).

Alliance members applaud the work put into this bill to address needs on all parts of the transportation system – trunk highways, county highways, city streets, township roads and transit systems statewide. All of the funding contained in HF2887 is critical for our interconnected, multimodal system. The investments made in our transportation infrastructure will create family-supporting careers that will generate economic growth throughout the state's economy.

We urge you pass this legislation today and ensure that all of the funding provided is ultimately passed and signed into law.

Sincerely,



Margaret Donahoe  
Executive Director