



March 24, 2026

Minnesota House Transportation Policy and Finance Committee  
St. Paul, MN

Dear Co-Chairs Koznick and Tabke and Members of the Committee:

AGC of MN represents 350+ highway/heavy contractors, commercial contractors, and suppliers who build and maintain the infrastructure that Minnesota's economy depends on. A stable and reliable transportation funding system is critical not only to our industry, but to the safety, mobility, and economic competitiveness of our state. On behalf of AGC of MN, I write to express our concerns with HF 3562.

HF 3562 proposes to reduce the registration tax and change the depreciation schedule. By reducing a key revenue source dedicated to the Highway User Tax Distribution Fund (HUTDF), this proposal would result in an estimated loss of nearly \$900 million in transportation funding over three years.

Minnesota has made important progress in recent years toward a more sustainable transportation funding framework. HF 3562 reduces one of the core dedicated funding mechanisms that supports our roads and bridges. This shift introduces long-term uncertainty and weakens the user-based funding structure that has historically provided stability and predictability for Minnesota's transportation system.

AGC of MN strongly believes that any changes to transportation-related revenues must be evaluated within the context of maintaining constitutionally dedicated funding to fund the transportation system in the long term. Reducing or replacing dedicated user-based revenue creates uncertainty and jeopardizes the state's ability to deliver critical infrastructure projects.

For these reasons, we respectfully urge the Committee to oppose HF 3562 and look forward to working with you to continue to build Minnesota's transportation system.

Sincerely,

A handwritten signature in black ink that reads "Laura Ziegler". The signature is written in a cursive, flowing style.

Laura Ziegler  
Director of Highway/Heavy and Government Affairs