



March 30, 2022

Representative John Huot
583 State Office Building
St. Paul, MN 55155

RE: League of Minnesota Cities support for HF 3931 (Huot) A1 Amendment -- Allocation modification of sales tax revenue related to motor vehicle repair and replacement parts

Dear Representative Huot,

Thank you for authoring HF 3931. The League of Minnesota Cities supports the A-1 amendment, which would dedicate one hundred percent of the sales tax on auto parts to transportation and carves out seven percent of the proceeds for the Small Cities Assistance Account. If enacted, this bill will provide much needed ongoing street funding for the more than 700 cities with populations below 5,000 that do not receive direct funding from the Highway User Tax Distribution Fund.

Since its creation in 2015, the Small Cities Assistance Account has only been funded four times: \$12.5 million in 2015, \$8 million in 2017, \$8 million in 2018 and \$18 million in 2021. The League has consistently requested that funding for the program be made a permanent part of the state's transportation budget so cities can plan for spending the funds.

The League of Minnesota Cities looks forward to helping you advance this important legislation.

Sincerely,

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

Anne Finn
Assistant Intergovernmental Relations Director