



May 7, 2025

Chair Scott Dibble
Senator Jim Carlson
Senator Doron Clark
Senator John Jasinski
Senator Ann Johnson Stewart

Co-Chair Jon Koznick
Co-Chair Erin Koegel
Representative Bjorn Olson
Representative Brad Tabke

Dear Chair Dibble, Co-Chair Koznick and Co-Chair Koegel:

On behalf of the member organizations of the Minnesota Transportation Alliance, I would like to thank you very much for all of your work in developing the Transportation Omnibus Budget bill. We understand that the state is facing financial challenges and appreciate your commitment to improving Minnesota's transportation system and protecting transportation dollars after the legislature passed a major transportation finance bill in 2023.

Funding Provisions

Electric Vehicle Fee increase to \$200, Hybrid fee, indexing – We appreciate the support from both bodies for an increase in the current annual EV fee and strongly support the Senate language which includes a new hybrid electric vehicle fee and indexing of the fee just as the gasoline and diesel tax are indexed.

Senate authorization of \$100M in Trunk Highway Bonds – We strongly support the inclusion of this authorization in the final bill.

Corridors of Commerce funding – We appreciate the support in both the House and Senate bills for additional funding from the trunk highway fund for the Corridors of Commerce program, including an additional \$2M for planning purposes.

Efficiency savings to Corridors of Commerce – We support language in the Senate bill that requires MnDOT to direct identified savings through efficiency measures to the Corridors of Commerce program. We appreciate the work to identify these savings and ensure the dollars are used for priority projects.

Transportation Economic Development (TED) funding – We support the inclusion of \$30M from the trunk highway fund for the TED program as proposed in the House bill.

Local Road Improvement Program and Local Bridge Replacement Program funding – We strongly support as much funding as possible for these programs appreciate the \$3.8M for each program in the House bill.

Since 1893

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Local Road Wetland Replacement Program – We strongly support the \$10M in the House bill.

Trunk Highway and local road projects - \$48.292 GF; \$57M THF – We support the additional general fund and trunk highway fund dollars for roadway projects that are ready for construction.

Greater Minnesota Transit budget reserve policy requiring no more than 5% of Transit Assistance Account balance to be kept in a reserve. This is important for trying to get more dollars out for transit service and to offset any cuts to the general fund appropriation.

We also appreciate the Senate language that reduces proposed cuts to the general fund appropriation for Metro Transit and the Senate language requiring the proposed loan from the Metropolitan Council to MnDOT to be an interest-free loan.

Transportation project activity portal to track project activity with a fiscal dashboard – We support House language to provide more transparency regarding the status of highway projects, the funding for projects and the condition of public assets.

Reduction in dedication of sales tax on auto parts FY28 & 29 – We urge you to keep the dedication on schedule without the \$83.5M loss to transportation.

Policy Provisions

Work zone safety in driver's training/manual – We strongly support the Senate language to educate people about the dangers of highway work zones.

Broadening definition of Highway Purpose, uses of dedicated funding – We have strong concerns about the Senate language and urge you to not include this language in the final bill. Minnesota has a long history of protecting constitutionally-dedicated user fees deposited in the HUTDF for purposes directly tied to highways. The Alliance supports funding for transit, active transportation and other modes and has advocated for funding from other sources to meet these important needs. Blurring the lines among funding sources will like result in less overall funding for transportation.

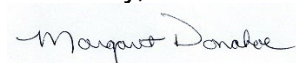
Delay in Greenhouse Gas Emissions/VMT assessments - We support this language to allow MnDOT and the TAC more time to develop the portfolio approach to GHG/VMT assessments and how the mitigation will be determined and funded, including whether or not a credit bank should be created.

Resilient Pavement Program – We urge you to support the existing pavement program developed by MnDOT and ensure that long-term pavement programs remain neutral in terms of the type of pavement option so that the best solution is used.

We appreciate your willingness to work with local governments on developing options and policies when it comes to state aid design standards.

Thank you for not including an additional appropriation from the trunk highway fund for the State Patrol headquarters building and protecting those dollars for highway uses.

Sincerely,



Margaret Donahoe
Executive Director