



May 1, 2021

Members of the Omnibus Transportation Finance and Policy Conference Committee,

On behalf of the League of Minnesota Cities and our 835 member cities, thank you for the opportunity to submit comments on HF 1684, the Omnibus Transportation Finance and Policy bill. Below are some of the provisions the League is tracking along with the League's position on each:

- **Indexing of the Motor Fuel Tax (p.R49 of the side-by-side)**
The League supports the House position on this measure. The League has long supported indexing the gas tax for inflation. This would provide a much-needed revenue increase for the Highway User Tax Distribution Fund. This would benefit the trunk highway system, the county state aid highway system and municipal state aid streets.
- **Small Cities Assistance Account (p.R11, p. R52 and p.R57 of the side-by-side)**
The League appreciates the inclusion of funding for the Small Cities Assistance Account in both bills. The League prefers the House provision, which provides a larger appropriation for the account and makes funding permanent. The Senate bill does not provide funding beyond FY 2025. The conference committee should consider a permanent funding source for the Small Cities Assistance Account that does not divert funds from the Highway User Tax Distribution Fund. A bill that would accomplish this is SF 1335, which would fund non-state aid streets in large and small cities with a surcharge on motor vehicle tabs and title transfers.
- **Major Local Bridges Program Clarification (begins on p.R147 of the side-by-side)**
The League supports the provision that is included in the House and Senate bills that would clarify Minn. Stat. § 174.50, subdivision 6d, so that the \$7 million expenditure cap applies to the amount that can be appropriated from the Local Bridge Account, not the total cost of the project. While both provisions accomplish the same end, the League prefers the House version of the language.

As you embark on the work of passing a transportation budget and modifying important transportation policies, the League stands ready to provide any information you may need as it pertains to the potential impacts on cities. Please contact me at afinn@lmc.org or 651-281-1263 if I can be of assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Anne Finn", with a stylized flourish at the end.

Anne Finn
Assistant Intergovernmental Relations Director