



March 24, 2026

Chair Koznick, Chair Tabke, and Members of the House Transportation Committee:

The League of Minnesota Cities, Metro Cities, and the Coalition of Greater Minnesota Cities appreciate the opportunity to comment on HF 3562 (Anderson).

Our associations respectfully oppose this bill. We are concerned about the negative fiscal impact this legislation would have on municipal street systems across the state. Our organizations concur with the written testimony provided by the Minnesota Transportation Alliance. In part, it states:

According to the fiscal note for HF3562, the reduction of the registration tax rate along with the changes in the depreciation schedule would cut funding into the Highway User Tax Distribution Fund by \$891.323 million over the next three years. This cut in funding – dollars that have already been programmed by MnDOT, by all 87 counties, by cities with a population over 5,000 and by townships – would have serious impacts leading to projects being cut, jobs being lost and property tax burdens increasing.

The cut over the next three years for the trunk highway fund would be \$524,989,247, the cut to the county state aid fund would be \$245,559,486, the cut to the municipal state aid fund would be \$76,208,116 and the cut to the town road and bridge fund and flexible highway account would be \$44,566,150 over the next three years. Of course, these cuts would only increase in the future, impacting 5-year highway plans at the local level, MnDOT's four-year STIP and 10-year highway investment plan.

These dedicated state dollars are critical for leveraging federal and local dollars as cities work to deliver necessary roadway and bridge projects.

We urge the committee to oppose HF 3562 and we look forward to working with you to advance initiatives that make critical investments in the state's transportation system.

Best,

Anne Finn  
League of Minnesota Cities

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Mike Lund  
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