

May 3, 2023

Dear members of the HF2887 Transportation Conference Committee:

As members of the Transportation Advocacy Coalition (TAC) – a coalition of labor and business interests – we write in support of several provisions in HF2887. With Minnesota’s aging infrastructure and transportation network and the opportunity posed by federal funds, we must leverage current and future opportunities to address immediate and ongoing needs. This session is an opportunity for change that will benefit individuals, families and businesses statewide.

We strongly support the full dedication of the auto parts sales tax and thank both chairs and all committee members for acknowledging this tax revenue as a more stable, reliable funding source for infrastructure for years to come. We ask that the committee support the House provision to phase-in this full dedication in a shorter timeline so that we can see the tangible benefits of this tax, right as the one-time infusion of funding runs out. We encourage you to support House language on line 56.9-56.15.

Our coalition also supports Senate language that directs a study on the equalization of vehicle registration fees between gas-powered and electric vehicles. As electric vehicles gain more market share, gas tax revenues will become less reliable and decrease. This is an opportune time to examine potential fixes that will bring electric vehicles on par with gas-powered vehicles. We ask for your support of Senate language on line 181.3-181.21.

Finally, we applaud the House and Senate positions to make significant investments in trunk highway bonds and fully match federal Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA) funding. As this legislative session comes to a close, we also encourage you and your colleagues to support a general obligation bonding bill which would provide another opportunity to make positive, immediate impacts on our infrastructure.

While we applaud the provisions highlighted above, we do have significant concerns with the greenhouse gas capacity expansion requirements, which we believe could slow down or fully halt the above-noted investments. While we understand this proposal’s intent, we believe it is premature as we have neither the data nor the capacity to effectively implement and avoid negative impacts on important infrastructure projects. Pressure would fall on local governments – who would experience tremendous burden – to fund offsetting projects that could potentially consume many of the overall investments proposed in these omnibus bills. We urge the committee to pause this proposal to give stakeholders and the Minnesota Department of Transportation the time needed to discuss a framework that accomplishes the intended policy goals while not negatively impacting other planned investments.

Our coalition offers our collective expertise as a resource to the conference committee, and thanks you for your work in crafting a final budget that addresses our state’s infrastructure needs, creates more stable funding streams, and supports jobs for thousands of hardworking Minnesotans.

Sincerely,

Laura Ziegler, Associated General Contractors of Minnesota
Jason George, IUOE Local 49
Bentley Graves, Minnesota Chamber of Commerce
Abby Loesch, Minnesota Business Partnership
Adam Duininck, North Central States Regional Council of Carpenters
Abbey Bryduck, Minnesota Asphalt Paving Association
Matt Zeller, Concrete Paving Association of Minnesota