



April 5, 2021

TO: House Committee on Transportation Finance and Policy

FROM: The Minnesota Transportation Alliance

On behalf of the members of the Minnesota Transportation Alliance, which includes local governments, the transportation industry, labor, business, transit systems and representatives of all modes, I am writing to express our support for some of the provisions in HF1684, the DE2 amendment, the omnibus transportation budget bill and our concerns about some of the other provisions in the bill.

Transportation Alliance members, whether counties, cities, townships, transit systems or the highway industry, are all directly impacted by the funding levels and the policies contained in the two-year transportation budget.

The Alliance has worked to build consensus around a long-term transportation funding package that includes permanent increases in dedicated transportation taxes and fees to begin to close the huge gap between transportation funding needs and projected revenue over the next 20 years. We developed a plan that included an increase in the fuel tax, an increase in the motor vehicle registration tax, an increase in the MVST rate to 6.875% and an increase in the metropolitan area sales tax. We appreciate the revenue increases included in the House budget bill, recognizing that Minnesota needs to increase on-going, dedicated revenue to provide the stable funding needed to make our transportation system safer and more effective. We support indexing the fuel tax to the National Highway Construction Cost Index, the changes to the depreciation schedule associated with the license tab fees and the needed increase in funding for transit systems throughout Minnesota.

With a significant increase in new revenue into the highway user tax distribution fund, we support re-directing some of the sales tax revenue currently being deposited into the HUTDF to the small cities assistance fund, to the township road fund and to Greater Minnesota transit. These areas of our transportation system are critical and have struggled for many years with inadequate funding.

We also appreciate the inclusion of language clarifying that major local bridge grants can be made for projects whose total cost exceeds \$7 million while the grant amount would not exceed \$7 million.

Transportation Alliance members appreciate the authorization of an additional \$400 million in trunk highway bonds for state highways. We have long supported the Corridors of Commerce program as a way to direct dollars to clearly identified major highways that are key corridors for freight shipments. Continuing to make progress on these important projects will improve the state's overall economic recovery.

Since 1893

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The inclusion of a pilot project to develop a plan for automated speed enforcement in work zones is important for Alliance members and we appreciate this provision of the bill.

We would prefer that funding for electric vehicle charging infrastructure come from the state general fund rather than diverting revenue from the annual electric vehicle fee that was intended to compensate the highway user tax distribution fund for lost fuel tax revenue.

Overall, Minnesota's transportation system continues to face huge shortfalls and a backlog of needed but unfunded projects. Transportation Alliance members understand the importance of regular increases in dedicated, reliable funding for our transportation system. We want Minnesota to be in a strong position to compete for federal infrastructure funds and to be able to plan, design, build and operate a transportation system that meets the needs of Minnesota businesses and residents as the world recovers from this pandemic. We continue to advocate for significant increases in dedicated user fees that provide the stable funding needed to maintain a safe and effective transportation system.

Sincerely,

Margaret Donahoe

Margaret Donahoe
Executive Director