



March 20, 2023

Dear Chair Hornstein and Members of the House Transportation Committee:

Metro Cities, representing the collective interests of cities in the metropolitan area, appreciates the opportunity to comment on HF 1012 (Petersburg) that will be heard in the Transportation Committee on Tuesday.

Metro Cities' policies have long supported the use of dedicated taxes and fees to fund transportation infrastructure in the region. HF 1012, would dedicate 100 percent of the revenue from the tax on motor vehicle repair and replacement parts to transportation purposes. Nine percent (9%) of 95% of the Highway User Tax Distribution Fund (HUTDF) is directed to the MSAS system. With 84 percent (84%) of auto parts tax revenues deposited into the HUTDF, as proposed in HF 1012, the MSAS system will see an important increase in funding that will assist eligible cities in addressing local transportation needs.

HF 1012 dedicates eight percent (8%) of revenues from the motor parts tax to the Small Cities Assistance Account. Cities under 5,000 in population do not directly receive non-property tax funds for collector and arterial streets. There are over 50 cities under 5,000 within the seven- county metropolitan region. With stable funding for this account, small cities will be better able to plan and address improvements on their roads.

Thank you for your consideration of this letter. Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads 'Mike Lund'.

Mike Lund  
Government Relations Specialist  
Metro Cities