



TRANSPORTATION INVESTMENTS FOR ECONOMIC DEVELOPMENT

2020 LEGISLATIVE AGENDA

Minnesota's transportation system forms the backbone of the state's economy, allowing for the movement of people and products throughout the state and beyond. The Minnesota Transportation Alliance works for the resources necessary to improve the safety and effectiveness of all modes of transportation.

Our mission: To coordinate and educate diverse groups statewide to effectively advocate for a safe, efficient transportation system that works for everyone.

1. Clearly communicate the unmet needs on Minnesota's transportation system

Increased funding and bonding for roads and bridges passed in 2017 has reduced the funding need in the short-term and has allowed for some important highway and bridge projects to be advanced. The funding gap for all modes of transportation continues to be a major problem leading to increased safety hazards, growing congestion, missed economic and job opportunities, damaged roads, deficient bridges and increased social costs as people struggle to get where they need to go with inadequate transit options. Summary of unmet needs:

State Trunk highway and bridge funding gap:

\$900 million per year – Next 20 years

*MnDOT 20-Year Highway Investment Plan

Local Road and Bridge funding gap:

\$900 million per year

* Transportation Finance Advisory Committee

Metropolitan Area Transit funding gap:

\$300 - \$350 million per year over the next 20 years

* Transportation Policy Plan

Greater Minnesota Transit funding gap:

\$20-\$40 million per year over the next 20 years

* MnDOT Office of Transit and Active Transportation

To meet 100% of the need for transit service in Greater Minnesota, the total annual operating and capital investment will need to increase from \$140 million in 2017 to \$246 million in 2030.

Ports and Waterways

The four ports in Minnesota that most recently sought funds from the Port Development Assistance Program had project needs of more than \$34 million.

Airports – (excluding Minneapolis/St Paul Intl)

Local airports \$30 million

Since 1893

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2. Provide increased, stable and dedicated funding for all modes of transportation to reduce the documented funding gap.

Transportation infrastructure projects require years to develop and construct. Stable, dedicated funding has been critical to cost-effective planning and delivery of projects in Minnesota. That is why we have 3 constitutionally-dedicated revenue sources: fuel tax, motor vehicle registration fees and motor vehicle sales tax. Dollars in the Highway Trust Fund are not used for transit or other modes of transportation.

New State Revenue

- Increase the motor fuel excise tax by 5 cents per gallon
- Increase the debt service surcharge by 4 cents over 3 years
 - To keep up with inflation, fuel tax would need to be indexed
- Increase the motor vehicle registration tax by:
 - Increasing the rate from 1.25% to 1.375%
 - Slowing the depreciation schedule
 - Increasing the base fee from \$10 to \$45
- Increase the metropolitan area sales tax for transit by $\frac{1}{4}$ cent
- Increase the motor vehicle sales tax rate to 6.875% and increase the MVST for Suburban Transit from 4.3% to 5%.
- Increase the annual electric vehicle fee to \$150
- Increase the general fund appropriation for Metropolitan Area Transit by \$30 in the FY2022-2023 biennium; increase the general fund appropriation for Greater Minnesota Transit by \$20 million in the FY2022-23 biennium and provide \$4 million in general fund dollars for Suburban Transit in the FY2022-23 biennium.

Dedicate Current Transportation Revenue

- Convert the current dedication of \$145.6 million per year in revenue from the sales tax on auto repair parts to dedicate 60% of the total revenue collected to the Highway User Tax Distribution Fund.
- Change the distribution of the statutorily dedicated revenue from the sales tax on leased motor vehicles (MVLST) to:
 - 40% - Greater Minnesota Transit
 - 50% - 7 Metro Counties (No reduction in funding from current law for any county)
 - 10% - Transportation Fund for local bridges
- Distribute revenue from the statutorily dedicated sales tax on rental vehicles (9.2%):
 - \$21 million to the Small Cities Assistance Account
 - \$10 million to Greater Minnesota Transit
- Distribute revenue from the statutorily dedicated sales tax on rental vehicles (6.5%) to the Township Road and Bridge Fund
- Dedicate \$30 million per year from the Trunk Highway Fund for the Transportation Economic Development Program (TED).

Bonding/Cash

- Authorize \$200 million per year for 4 years in Trunk Highway Bonds to the Corridors of Commerce program.

Provide general obligation bond proceeds or general fund cash for transportation projects in a capital bonding bill with:

- \$100M for Local Bridge Program – bridges over \$5 million in cost should be funded separately
- \$100M for Local Road Improvement Program – amend language for Trunk Highway Corridor Account to Local Cost-Share Assistance Account
- \$ 75M for Transitways and facilities for Metropolitan Area Transit including funding for Suburban Transit capital needs
- \$ 15M for Greater Minnesota Transit capital
- \$ 26M for Local Road Wetland Replacement Program (BWSR)
- \$ 14M for Ports and Waterways
- \$ 10M Railroad grade crossings
- \$ 30M MnDOT Rail
- \$ 10M Safe Routes to School

Efficiencies/Tax Reform

- Fund MnDOT and DPS Trunk Highway Fund expenditures not related to a Highway Purpose from the state general fund.
- Support early acquisition of rights-of-way for transportation projects. Adequately fund the Right of Way Acquisition Loan Fund (RALF).
- Eliminate payment of state sales tax on purchases for transportation projects for MnDOT, transit agencies and local units of government, including joint powers boards.
- Eliminate some of the exemptions to payment of the motor vehicle sales tax.
- Expand the transit taxing district to encompass the entire seven county metropolitan area if additional operating dollars are allocated to provide additional service. Remove restrictions on the use of regional property tax dollars collected by the Metropolitan Council for transit.

Local Options

- Authorize cities to create Street Improvement Districts.
- Authorize a municipal local option sales tax for transportation that is similar to the county local option sales tax for transportation.
- With an increase in revenue into the Trunk Highway Fund, revise the local cost participation policy to reduce the burden on local governments for contributing to state highway projects.

Policy Issues

1) Support legislation to improve the transportation project delivery process, including the permitting process in order to speed up the completion of projects and reduce costs.

- Support the implementation of the recommendations of the Wetland Streamlining committee.
- Eliminate some requirements for projects within the existing right-of-way.
- Increase the use of innovative technologies.
- Support state assumption, in collaboration with local government, of the federal 404 permit program.

2) Support the use of Public Private Partnerships (P3s) for transportation projects that are in the public interest and supported by local governments. Processes should be established for managing P3 projects including the management of unsolicited proposals.

3) Monitor legislation related to autonomous and connected vehicle technology as well as the results of MnDOT's testing of an autonomous bus. Support funding for infrastructure improvements that will allow the state to take advantage of new technology that will improve safety and mobility.

4) Support ongoing efforts to improve the transparency of decision making at MnDOT and the

Metropolitan Council including the project selection process.

5) Monitor the recommendations of the Vehicle Registration Task Force regarding determining the value of vehicles and any proposed changes to the vehicle registration process. Any loss of motor vehicle registration funds due to problems with the VTRS collection system should be compensated with general fund dollars.

6) Support the current process for determining speed limits on state and county highways.

7) Monitor legislation related to the governance structure of the Metropolitan Council.

8) Road and bridge weight issues – Support the prohibition of any weight limit exemptions except during harvest and support the ability of counties to establish load restrictions on their county road systems. Support eliminating the implements of husbandry exemptions and support civil penalties for excess weight. Support eliminating the liability exemption for damage caused by non-weight related unlawful operation on public highway bridges. Oppose efforts to remove local permitting authority.

9) Support full state funding, from non-transportation funding sources, for mitigation of wetland impact from county and municipal highway projects.

10) Oppose increased funding out of the Highway Trust Fund for recreational trails or other non-highway purposes and support a comprehensive study of diversions of revenue from the Trunk Highway Fund.

11) In the event of a state government shutdown, state permits issued for local road, bridge and airport projects should remain in effect with local governments responsible for meeting all legal requirements of the permits. Additional costs incurred by contractors and vendors related to a government shutdown should be paid out of the state general fund.

12) Support electronic and photo monitoring on roadways and in work zones for data collection, traffic planning, driver education, and enforcement as a means of reducing road wear, crashes and injuries.

13) Review possible opportunities to increase safety in work zones including speed enforcement activities, changing MnDOT traffic control unit pricing in a low bid environment and public education.

14) Refine the eminent domain process to reduce costs with constitutionally dedicated tax dollars, including a requirement that owners provide their appraisal 45 days before the condemnation commissioners' hearing, and the acquiring entity provides a revised acquisition offer within 30 days of receipt of the owner's appraisal.

15) Support the incorporation of policies designed to improve the resiliency of the transportation system as the risk of flash floods, extreme flooding, slope erosion and winter precipitation and freeze/thaw cycles are projected to increase in the future. Support MnDOT's work in completing a vulnerability assessment and incorporating resilience considerations into design guidelines and asset management.