



May 9, 2022

Senator May Kiffmeyer  
Senator Scott Newman  
Senator Jeff Howe  
Senator John Jasinski  
Senator Scott Dibble

Representative Michael Nelson  
Representative Frank Hornstein  
Representative Mary Murphy  
Representative Erin Koegel  
Representative Jim Nash

Dear Conference Committee Members:

I am writing on behalf of the 230 member organizations, both private and public sector, who represent local governments, labor, transit, the construction industry and other advocates and professionals who work on Minnesota's transportation system every day.

The members of the Transportation Alliance greatly appreciate the focus on improving safety, improving road and bridge conditions and accessing federal infrastructure funds. We share those priorities and with a projected budget surplus of \$9.25 billion in the general fund, we believe that more funding needs to be dedicated to these important priorities.

### **Funding**

Passage of the federal Infrastructure Investment and Jobs Act provides a historic opportunity to secure a significant level of federal transportation funding. The IIJA includes a 5-year surface transportation authorization act. The funding will need to be accessed over 5 years, and if history is any indication, it's likely that this authorization will be extended for another year or more as was done with SAFETEA-Lu and the FAST Act so that funding will be needed for additional years into the future.

**The Transportation Alliance supports increased, ongoing funding to both match federal IIJA dollars and reduce the funding gap between needed transportation investments and available revenue.** We have concerns about language limiting the use of funds provided to match federal funds to certain uses or certain federal programs. We urge members to allow flexibility for the state, local governments, tribes and other eligible entities to apply for all available federal funding programs. We also have concerns about language changing the current process for how MnDOT spends federal funds.

Providing adequate and flexible dollars to match and maximize federal infrastructure funding is critical. We believe the best way to accomplish this is with additional ongoing funding to ensure

**Since 1893**

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stability through the five-year life of the IIJA. We also believe it is important that additional funding flow through existing accounts and formulas to ensure fairness and to provide flexibility so that dollars not needed to secure federal funds are available for needed transportation improvements throughout the system.

**The Alliance strongly supports language in the Senate bill that dedicates 100% of the revenue from the sales tax on motor vehicle repair parts to transportation.** We urge members to remain flexible regarding the distribution of these dollars to support road, bridge and transit needs, particularly those at the local level.

It is very important that the legislature increase the appropriation to MnDOT for State Road Construction to reflect the increase in federal funds provided by Congress in the FY2022 federal budget.

We urge support for the \$7 million increase in this biennium and next biennium for Greater MN transit as well as the \$10 million increase in the operating budget for Metropolitan Area Transit. We also support ongoing funding for the Active Transportation program.

We support funding for increased passenger rail service including service from the Twin Cities to Chicago and from the Twin Cities to Duluth.

We support increased funding for the Corridors of Commerce program and support the language in the House bill that modifies the process for project selection to both streamline the process and encourage input from legislators regarding the final list of projects selected for funding.

We support the additional trunk highway bond authorization to ensure that the state takes advantage of bond capacity to fund important highway and bridge projects on the Trunk Highway System.

**The Transportation Alliance supports language in the Senate bill that increases the current electric vehicle fee and adds surcharges for electric and plug-in hybrid electric motorcycles.** We believe that all vehicles should pay a fuel tax to contribute to road and bridge repair. Thirty states have laws requiring a special registration fee for plug-in electric vehicles. Of those, 14 states also assess a fee on plug-in hybrid vehicles. These fees are typically in addition to traditional motor vehicle registration fees. The fees range from \$50 per year in Colorado, South Dakota and Hawaii to \$225 for a plug-in electric vehicle in Washington. Alabama, Arkansas, Ohio and Wyoming all enacted bills in 2019, setting or increasing fees for electric vehicles to \$200 annually. These fees have not resulted in a reduction in electric vehicle purchases.

## **Policy**

The Minnesota Transportation Alliance supports the creation of a Traffic Safety Advisory Council as described in the House bill. We urge members to include the speed safety camera pilot project called for in the House bill in the final version of the omnibus bill.

Alliance members are concerned about language in the Senate bill that would require counties in the metro area that have implemented a local option sales tax to report on the use of the revenue. Counties hold public hearings to provide information to the public on how local sales tax dollars will be used. Our members also have concerns about language giving responsibility for funding guideways to counties.

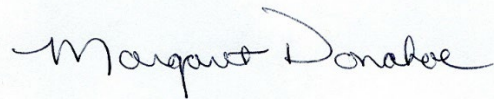
Alliance members are very concerned about any language that would eliminate the use of funding through the State Aid System for lane reductions. Engineers need the ability to design roadways to fit local needs and circumstances.

The Alliance supports the language in the House bill that creates a Road User Charge Task Force to examine potential options for supplementing existing dedicated transportation taxes and fees as the adoption of vehicles that use alternative fuels increases and vehicles become more fuel efficient. We appreciate the inclusion of the Transportation Alliance in this task force.

Minnesota's transportation system continues to suffer from under-investment leading to safety issues, delays in shipping products and moving commodities, vehicle damage and increased social costs as people struggle to get to work, medical appointments and other important destinations. Transportation impacts all areas of people's lives. Transportation is critical for getting children to school, workers to jobs, patients to health care, and moving our entire economy – all issues that are seen as a higher priority for general fund dollars. **Increasing appropriations to transportation is critical right now in order to spend and access federal infrastructure dollars. Please work to develop a final omnibus bill that allows for needed improvements in Minnesota's transportation system.**

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Margaret Donahoe". The signature is written in a cursive style with a large initial 'M' and 'D'.

Margaret Donahoe  
Executive Director

cc: Governor Walz