



March 22, 2022

Dear Members of the Senate Finance Committee,

On behalf of the Minnesota Chamber of Commerce, representing 6,300 employers and their more than 500,000 employees across the state, we urge your support for SF 3081 (Newman), dedicating 100% of the revenues from the statewide sales tax on auto parts to transportation purposes.

Sustained investment in the state's transportation infrastructure has always been a cornerstone of the Minnesota Chamber's policy advocacy.

This is because businesses depend on a safe, reliable, and efficient transportation system to get their goods to market and their employees and customers to their door. To provide some context of this fact, consider these statistics from our colleagues at Greater Mankato Growth, the Mankato Chamber.

- Mankato has the highest rate of retail spending per capita in the state – more than every other metro area. This highlights the fact that they draw consumers from the surrounding areas.
- The same can be said for Mankato's draw as an employment hub. Its daytime population increases by 40% each day.
- And when it comes to the movement of goods, more soybeans are processed in Mankato than anywhere else in North America.

In Mankato, just like every other community, all of this activity is supported and made possible by transportation infrastructure.

Investments in our transportation infrastructure can also spur economic growth and development. Our colleagues at the Owatonna Chamber of Commerce are quick to point out that the completion of 4 lane highway 14 between Owatonna and Dodge Center brought significant new business investment to the area:

- More than \$130M in investment from new businesses coming into the area.
- More than \$20M in investment from the expansion of existing areas businesses.

These statistics – from just two communities in our state – highlight the importance of continued investment in our state's transportation infrastructure. And SF 3081 will ensure our ability to continue maintaining and improving the system in the years ahead.

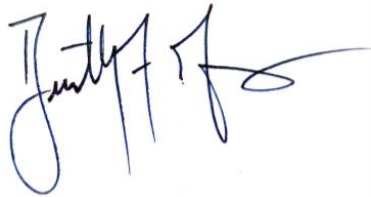
The Chamber has been strong a supporter of using the revenues from the statewide sales tax on auto parts for transportation purposes. While we were pleased to work with the Legislature in 2017 to bring a portion of these funds to transportation, the fact that the current dedication is set in statute as a fixed amount significantly limits the usefulness of this revenue source over time.

By bringing 100% of these revenues into transportation, we will broaden the base of financial support for the system with a source of funds that will continue to grow – helping us keep pace with continually rising construction costs.

And, importantly, we can use these revenues to make important, long-term investments *without* raising taxes.

For these reasons, we ask that you vote YES on SF 3081.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bentley Graves", with a stylized flourish extending to the right.

Bentley Graves
Director, Health Care & Transportation Policy