

April 6, 2022

Chair Rosen and members of the Senate Finance Committee:

The Transportation Advocacy Coalition, a group of business and labor organizations, stands in support of SF 1154 and the infrastructure investments included in it.

For the better part of a decade and a half, the state has made steady progress in increasing funding for our transportation system. Despite these investments, significant need remains. As travel and commuting behavior changes, and as Minnesota's vehicle fleet becomes more fuel efficient, the gas tax, historically the backbone of the financial support for the state's transportation infrastructure, is projected to become increasingly unsustainable. Because of this, reallocating the auto parts sales tax has been a priority of this coalition for years, and we are grateful for the work of Chair Newman and Senator Howe to advance this proposal. This would create a permanent, dedicated funding stream for roads and bridges that will grow over time, ensuring our ability to keep pace with the ever-increasing costs of road and bridge maintenance and construction. This allocation will help plan long-term investments in the state's infrastructure; create stable, family-sustaining careers for Minnesotans; and help keep our economy moving. It will also provide the stability our state agencies, contractors, and labor partners need to meaningfully address future needs.

In addition to the auto parts sales tax dedication, the Transportation Advocacy Coalition supports the efforts to leverage the state's historic budget surplus to secure the funds necessary to match and draw down the generational investment being made by the federal government in our transportation infrastructure through the recently passed Infrastructure Investment and Jobs Act (IIJA). We are grateful that SF 1154 provides the state general fund resources necessary to fully match the federal investment being made in Minnesota through the IIJA.

Finally, we appreciate the steps taken in the bill to ensure electric vehicles contribute on par with gas powered vehicles' support and maintenance of our transportation infrastructure so that mechanisms are in place to fund our infrastructure as the vehicle fleet transitions to electric in the coming years.

Minnesota has before it a once-in-a-generation opportunity to make historic investments in our transportation infrastructure. The provisions in this bill to permanently dedicate the auto parts sales tax to fund our road and bridge infrastructure, provide matching dollars from the state's general fund to draw down resources from the IIJA, and increase the contribution made by electric vehicle owners to the maintenance and upkeep of our transportation system will substantially increase investments in our transportation infrastructure and ensure that the funding mechanisms in place to support continued investment are well positioned for the future.

As the committee moves forward with its work on a supplemental transportation budget, please consider our coalition a resource as we continue to advocate for infrastructure investments.

Sincerely,



Tim Worke, CEO
Associated General Contractors of MN



Jason George, Business Manager
International Union of Operating Engineers Local 49



Doug Loon, President and CEO
Minnesota Chamber of Commerce



Abbey Bryduck, Executive Director
Minnesota Asphalt Paving Association



Matt Zeller, Executive Director
Concrete Paving Association of Minnesota



Adam Duinick, Director of Government Affairs
North Central States Regional Council of Carpenters



Charlie Weaver, Executive Director
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