



April 1, 2022

Dear Chair Newman and Members of the Senate Transportation Committee:

Metro Cities, representing the shared interests of cities across the metropolitan area, appreciates the opportunity to comment on SF 1154 – Newman, as amended by the A-9 amendment. Metro Cities supports several key provisions:

**Federal Transportation Funding** – The passage of the Infrastructure Investment and Jobs Act (IIJA) by the Federal government provides an unprecedented opportunity in transportation investment. Metro Cities appreciates the \$6.54 million in 2022 and \$11.14 million in 2023 for the Municipal State Aid Street (MSAS) system (Article 2 Sec 2, Subd. 3) and the acknowledgement of match requirements for federal dollars, the needs of which will continue over the five-year lifespan of the federal law.

**Dedication of revenues from tax on motor parts** – Metro Cities' policies have long supported the use of dedicated taxes and fees to fund transportation infrastructure in the region. SF 1154, as amended would dedicate 100 percent of the revenue from the tax on motor vehicle repair and replacement parts to transportation purposes. Under current law, nine percent (9%) of the Highway User Tax Distribution Fund (HUTDF) is directed to the MSAS system. With 86 percent (86%) of revenues deposited into the HUTDF, as proposed, the MSAS system will see an important increase in funding that will assist eligible cities in addressing local transportation needs.

**Small Cities Assistance** – The A-9 amendment dedicates seven percent (7%) 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. With stable funding for this account, small cities will be better able to plan and address improvements on their roads.

**Corridors of Commerce** – Metro Cities supports additional funding for Corridors of Commerce included in the bill.

Thank you for your consideration of this letter. We look forward to working with you as a transportation funding package advances this session. Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Michael Lund". The signature is written in a cursive, flowing style.

Mike Lund  
Government Relations Specialist  
Metro Cities