

April 24, 2023

Chair Marty, Ranking Member Pratt, and Members of the Senate Finance Committee:

On behalf of the 29,000 members and family members of Laborers' International Union of North America (LIUNA) Minnesota and North Dakota, I am writing in support of SF 3157. Passing a long-term and dedicated comprehensive transportation funding package in the 2023 Legislative Session is our #1 priority. SF 3157 takes a step towards making our members and all Minnesotans safer, creating thousands of family-supporting construction careers, and boosting our local economies.

Minnesota has more than 600 structurally deficient bridges, thousands of miles of roads in poor condition, and an inadequate transit system. The American Society of Civil Engineers graded our roads a 'D+', bridges a 'C' and transit a 'C-'. Minnesota's crumbling infrastructure is putting our safety, health and prosperity at risk.

There is no budget surplus in transportation funding. Over the next 20 years, Minnesota faces a \$30 billion funding shortfall just to maintain our roads, bridges and transit. Metro Transit is facing a fiscal cliff of nearly \$300 million per year beginning in 2026. 92 percent of road and bridge funding comes from funding sources like the gas tax, which is projected to raise less revenue beginning in 2025. The remaining eight percent of road and bridge funding comes from sales taxes, including the sales tax on auto parts and repairs. Capped at \$145.6 million since 2020, even this revenue source is losing value due to inflation.

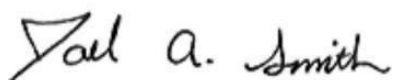
We need new long-term and dedicated funding to make our roads, bridges and transit safer. LIUNA strongly supports the proposed increases in registration fees and motor vehicle sales taxes, and the creation of a metro sales tax dedicated to transit, highways and active transportation in the metropolitan region.

Less than half of one percent of general funds are currently spent on transportation. With a \$6 billion structural general fund surplus and a transportation funding deficit, now is the time to dedicate 100 percent of the sales taxes on auto parts and repairs to transportation. We urge you to speed up the phase-in.

The proposed delivery fee (removed by Senate Tax Committee) makes sense considering the wear-and-tear that delivery trucks are causing to our infrastructure and understanding that, as consumers, the alternative to deliveries would mean spending more time and money going to the store. The delivery fee is a new and innovative way to diversify road and bridge funding sources for the future. We urge you to restore the delivery fee as it was recommended by the Senate Transportation Finance and Policy Committee. LIUNA also supports increasing and indexing the motor vehicle fuel tax to keep up with the cost of construction and materials (not in HF 2887), because each is a user fee that is dedicated to funding roads and bridges.

Together, we can build a safer, cleaner and more fair multimodal transportation system that helps connect all Minnesotans to opportunities. We urge you to vote "Yes" for a long-term and dedicated transportation funding package.

Respectfully,



Joel Smith  
President and Business Manager