



March 20, 2023

To the Members of the Transportation Committee,

The Minnesota Association of Small Cities represents the 700+ cities in Minnesota with populations under 5,000. Our cities are in every corner of the state including more than 50 located in the metro region. 650,000 Minnesotans call a small city home and use their 12,000 miles of local streets on a daily basis. Since 2015, the Small Cities Assistance account has seen funding ONLY four times, and each was one-time funding.

Today your committee is hearing three bills to address this issue:

- S.F. 414 (Howe)—Dedicates 100% of the sales tax on auto parts to transportation; 76% to the HUTDF, 12% to the Small Cities Assistance Account and 12% to townships.
- S.F. 795 (Jasinski)—Dedicates 100% of the sales tax on auto parts to transportation; 84% to the HUTDF, 8% to the Small Cities Assistance Account and 8% to townships.

Both of these bills provide ongoing funding with a source that is expected to grow. MN Small Cities supports this revenue source but would like to see the funding equal \$40 million per year.

- S.F. 2922 (Jasinski)—Appropriates \$15 million in FY 2024 and \$15 million in FY 2025 to the Small Cities Assistance Account and the same amounts to townships.

While appreciated, this is yet another one-time funding option that would only be supported if the amount were increased to \$80 million over the biennium.

Minnesota's small cities need ongoing and dedicated funding to help maintain our roadways. A revenue source providing at least \$40 million per year - with a growth factor - will give our small cities the funding needed to help them properly plan for a reliable road maintenance schedule.

Cap O'Rourke
Minnesota Small Cities
Executive Director