



Association of Minnesota Counties

March 14, 2024

Chair Pappas and Members of the Senate Capital Investment Committee:

On behalf of the Association of Minnesota Counties (AMC), we appreciate the opportunity to share concerns on SF3782, a bill that would require local governments to establish a replacement fund to maintain and replace capital projects that receive state funding.

AMC is a voluntary association representing all of Minnesota's 87 counties. One of our top priorities for the 2024 Legislative Session is to advocate for a bonding bill that includes funding for transportation-related programs, including the Local Road Improvement Program (LRIP), the Local Bridge Replacement Program (LBRP), the Local Government Roads Wetland Replacement Program (LGRWRP), and the Busway Capital Improvement Program. While SF3782 would impact all county projects requesting state bond funds, because of our bonding priority this year I will focus our comments on how it impacts one of these statewide transportation programs.

Created in 2002, the purpose of the Local Road Improvement Program is to provide funding assistance to local agencies for local road construction or reconstruction projects with **statewide or regional significance** that cannot reasonably be funded through other revenue sources.

During the 2023 LRIP competitive solicitation process, MnDOT State Aid received 379 applications totaling \$418 million in LRIP funding for the \$103 million that was available for the program. This funding will be awarded to counties, large cities, small cities, townships, and tribes. Programs like LRIP help address the gap in state funding and provide an additional way to fund local road projects that do not qualify for State Aid funding.

Because these projects have a **statewide or regional significance**, the local entity should not be fully responsible for the maintenance and replacement fund. In addition, counties remain concerned that the requirements in SF3782 would divert taxpayer dollars throughout the life cycle of the project that could be used for other local projects or needed purposes, hindering counties flexibility to address the most pressing needs of their communities. This kind of rigidity limits local government's ability to make the most of out of limited state and local resources and could result in project delays or lesser amounts of projects being completed in a similar timeframe.

We appreciate the opportunity to share our concerns with SF3782 and look forward to continued conversation.

Sincerely,



Emily Murray
Transportation & Infrastructure Policy Analyst
Association of Minnesota Counties