



April 17, 2024

Dear Chair Dibble and Members of the Senate Transportation Committee:

On behalf of the member organizations of the Minnesota Transportation Alliance, including local governments, the transportation industry, labor, transit systems and businesses, I am writing to thank you for your work on SF5284, the omnibus transportation finance bill.

Building on the historic transportation funding bill passed last session, the bill makes some important adjustments and clarifications related to last year's legislation. We appreciate the recognition of the need to provide funding for the Small Cities Assistance Account that small cities were depending on after passage of the funding bill last year.

Another provision that we would like to see included in the bill to compensate for less than anticipated revenue into the HUTDF would be an acceleration of the dedication of the sales tax on auto repair parts with a larger share going into the HUTDF. Increasing the percentage from 43.5% to 43.6% in FY25, 43.75% in FY26, and 44% in FY27 would shift about \$3 million from the general fund while larger increases from FY28 to FY30 would allow for the full dedication in FY30 rather than FY33. Cancelling another \$3 million in IIJA funds to the trunk highway fund would allow for this acceleration of the dedication already enacted into law last year and would compensate for the anticipated loss of \$138 million in revenue into the HUTDF from what was projected at the end of the 2023 session.

We also support authorizing additional trunk highway bonds for the Corridors of Commerce program or the State Road Construction program as costs continue to increase and demands on the system continue to grow.

Thank you for your consideration.

Sincerely,

Margaret Donahoe
Executive Director

Since 1893

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