



Investments in transportation infrastructure will:

- Put people back to work in construction and engineering
- Support businesses and industries that rely on moving people and products
- Improve the safety and effectiveness of the system that all Minnesotans use

Transportation Projects are waiting to be let for construction. Let's get Minnesota's economy moving!

TRANSPORTATION and ECONOMIC DEVELOPMENT AGENDA 2010

- **Alliance supports increased funding for all modes of transportation to meet the documented unmet needs on the transportation system statewide.** The 2008 Transportation Funding bill – Chapter 152 – has met a fraction of the identified need which is now estimated at \$3 billion per year for the next 10 years for all modes of transportation. Investments in transportation infrastructure are critical right now while bids are low, interest are low and job creation and economic development are top priorities.
- **Alliance supports indexing the state gas tax** beginning in 2010 until a vehicle-miles-traveled (VMT) fee replaces the gas tax.
- **Alliance urges full implementation of the funding contained in Chapter 152, 2008 Session Laws.** We oppose any reduction in the rates for the motor fuel tax, motor vehicle registration tax or motor vehicle sales tax or any reduction in the authority granted to local units of government to raise revenue for transportation purposes including the ¼ cent sales tax currently in place in the Twin Cities Metropolitan Area.
- **Alliance supports accelerating the sale of trunk highway bonds already authorized under Chapter 152.**
- **Alliance supports the continuation of the petroleum tank release cleanup fee scheduled to sunset in FY2013 with year-round collection of the current 2 cents per gallon.** All funds not utilized directly for cleanup of underground storage tanks should be deposited in the Highway User Tax Distribution Fund in accordance with Minnesota's Constitution which directs that all motor fuel taxes be deposited in the HUTDF and to assist in covering costs related to highway construction including dealing with contaminated soils and mitigating other impacts on the environment.
- **All revenue from the motor vehicle sales tax on purchased and leased vehicles should be used for transportation purposes only.** Current statute dedicates only ½ of leased vehicles sales tax revenue to transportation. The revenue from the sales tax on motor vehicles should be distributed so that when fully phased in, 60 percent of the revenue is used for highway purposes and 40% for transit. The sales tax paid on a purchased vehicle should be the same rate charged on a leased vehicle: 6.87% of the price.

Since 1893

525 Park St., Ste. 240 • Saint Paul, MN 55103 • 651/659-0804 • Fax 651/659-9009
Email: alliance@transportationalliance.com • www.transportationalliance.com

- **Alliance supports increased funding for transit systems to maintain current levels of service.** Farebox recovery should represent 30% of operating costs in the metropolitan area. The state should maintain the current 15% for smaller systems and 20% for larger systems local match requirement for Greater Minnesota transit with state revenue covering the remaining operating cost. Currently, transit systems in Greater Minnesota are paying a higher share of the operating budget with local dollars.
- **Alliance supports the expansion of authority for levying a wheelage fee to all 87 Minnesota counties.**
- **Alliance supports authorization for municipalities to create street improvement districts.**
- **Alliance strongly encourages the Metropolitan Council to use its regional levy authority to the full extent authorized by the legislature each year.** Alliance supports broadening the use the transit property tax levied in the metropolitan area to include both capital and operating expenses.
- **Alliance supports the restoration of \$15 million in revoked funding from the State Airport Fund.**
- **Alliance supports full state funding, from non-transportation funding sources, for mitigation of wetland impact from county and municipal highway projects.**
- **Alliance supports the use of innovative financing** for certain projects where there is agreement between the state and local partners.
- **Alliance supports the use of value capture strategies identified in the Value Capture study conducted by the Center for Transportation Studies.**

Capital Bonding for Economic Stimulus

Transportation Alliance supports general obligation bonding to meet the following identified needs:

- At least \$75 million for the Local Bridge Program
- Two-year funding of \$100 million for the Local Road Improvement Program
 - \$40M Routes of Regional Significance Account
 - \$40M Rural Road Safety Account
 - \$20M Trunk Highway Corridor Account – to match state funds provided for interchange projects
- \$49M for Transitways in the Twin Cities Metropolitan Area
- \$1M for Northstar Commuter Rail Phase II
- \$25M for Heywood Bus Garage II
- \$29.14M for Greater Minnesota Transit facilities
- \$13M Northern Lights Express passenger rail
- \$10M for Rail Service Improvement Program
- \$10M to recapitalize the Port Development Assistance Program
- \$10.8M to replace railroad grade warning devices
- \$9M to fund installation of railroad grade warning devices at railroad grade crossings with paved county highways that currently have no signals.

Policy Issues

- 1) Road weight issues – Support the prohibition of any weight limit exemptions except during harvest and support extending the seasonal load limits on gravel roads by two weeks. Support establishing maximum axle weights and gross weights for implements of husbandry and authority to enforce weight limits on implements of husbandry for excess weight as well as eliminating the liability exemption for damage caused by non-weight related unlawful operation on public highway bridges.
- 2) Support an exemption from payment of state sales tax for all materials and professional services purchased for transitways, road and bridge maintenance and construction and public works buildings funded with transportation dollars.
- 3) Expand the transit taxing district in the Twin Cities metropolitan area to encompass the entire 7-county metropolitan region.
- 4) Support legislation to improve the transportation project delivery process, including the permitting process in order to speed up the completion of projects and reduce costs.
- 5) Support financial accountability by addressing key gaps in the current Mn/DOT accounting system as recommended by the Transportation Strategic Management Task Force.
- 6) Minnesota needs to ensure that all transportation funds are used efficiently and that potential federal funds available under an economic stimulus plan are utilized in a timely manner following the criteria set forth in the legislation. The Alliance opposes any statutes, policies or procedures that lead to any delay in the awarding of projects that are programmed in the STIP or are submitted to FHWA for letting as part of state and local plans for spending federal economic stimulus funds.
- 7) Oppose increased funding out of the Highway Trust Fund for recreational trails or other non-highway purposes and support a comprehensive study of diversions of revenue from the Fund.
- 8) Support electronic and photo monitoring for data collection, traffic planning, driver education, and enforcement as a means of reducing road wear, accidents and injuries.
- 9) Support a constitutional amendment to eliminate the current cap on the amount of state bonds that can remain outstanding for use on rail improvements.