



## 2018 CGMC Policy Positions: Transportation

The CGMC believes that state transportation funding sources—including new state revenues—should be distributed equitably to meet the transportation needs of both Greater Minnesota and the metro area. CGMC supports a comprehensive statewide transportation funding and policy package which includes increased funding for the Highway User Tax Distribution Fund, funding for Corridors of Commerce and non-M.S.A. funding for city streets. We also support funding for Corridors of Commerce and city streets independent of a comprehensive transportation package. Further, CGMC supports the following transportation positions in the 2018 legislative session:

### **1. Statewide/Balanced Investment**

CGMC believes any transportation funding increase must be balanced to address the transportation infrastructure needs of the entire state. CGMC opposes any effort to provide an increased investment for transit in the metropolitan area without an increased investment in highways, roads, bridges, and transit in Greater Minnesota.

### **2. Constitutional Amendments**

Because permanent dedication of general funds for transportation purposes may cause budget deficits which harm other CGMC funding priorities, the CGMC opposes any constitutional amendments which dedicate revenue streams currently paid into the General Fund to the Highway User Tax Distribution Fund. However, if the Legislature does pursue constitutional amendments which dedicate such revenue streams to the Highway User Tax Distribution Fund, the CGMC will insist that a share of the revenue be dedicated to funding city streets.

### **3. Use of General Fund Revenues for Transportation**

Because dedication of general funds for transportation purposes may cause budget deficits which harm other CGMC funding priorities, the CGMC opposes any ongoing dedication of revenue streams currently paid into the General Fund to the constitutionally defined public highway system. This does not prohibit the use of surplus money from the General Fund for transportation, including the constitutionally defined public highway system. Funding for city streets outside the constitutional system could be funded from the General Fund.

### **4. Funding the Corridors of Commerce Program**

CGMC supports long-term funding of the Corridors of Commerce program which funds projects that will build capacity on the state's highway system. CGMC believes project awards must be distributed equitably between Greater Minnesota and the metro area. CGMC supports at least \$200 million in annual program funding.

CGMC also supports the \$25 million annual trunk highway cash appropriation adopted by the Legislature in 2017 for non-bondable project needs, such as right-of-way acquisition, environmental work, and design. The combined total funding between Trunk Highway Bonding and Trunk Highway cash appropriations in the 2017 transportation bill amount to \$75 million in total program funding for 2018-19, and \$125 million in 2020-21. Therefore, the CGMC supports additional bonding and cash appropriations to the program.

The CGMC believes that the Corridors of Commerce program should remain a competitive grant program administered by the Minnesota Department of Transportation in which all projects have an opportunity to compete for Corridors of Commerce program dollars.



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### 5. Corridors of Commerce Program Eligibility

CGMC is opposed to any legislation that designates specific projects eligible for the Corridors of Commerce program irrespective of the eligibility criteria set forth in Minn. Stat. § 161.088 Subd. 3-5 (2017).

### 6. Allocation of State Transportation Dollars

CGMC supports measures to generate additional revenue for transportation projects in Greater Minnesota, including:

- a. Increased gas tax (including indexing)
- b. A gross receipts tax on motor fuels
- c. Increased Motor Vehicle Sales Tax
- d. Increased vehicle registration taxes
- e. General sales tax increase dedicated to transportation
- f. Value Capture Taxes
- g. Tolling
- h. Congestion Pricing
- i. Mileage and Weight Taxes

CGMC supports MVST statutory allocation, which dedicates 60% of funding to highways, 36% to metro transit and 4% to Greater Minnesota transit. However, CGMC would not oppose efforts to increase Greater Minnesota's share of the 40% transit dedication. CGMC opposes decreasing the 60% of funding to highways in favor of transit.

CGMC also supports the state's exploration of additional transportation revenue sources that recognize the changes to the auto fleet, such as increased fuel efficiency, electric vehicles and other emerging technologies.

### 7. Funding Tools for City Streets

Under current law, cities do not have the authority to issue a street maintenance or improvement fee. CGMC supports efforts by the legislature to provide cities with the local tools they need to keep city streets in a state of good repair, including street improvement districts and a local option sales tax for transportation.

### 8. Funding for city streets

CGMC recognizes the need for additional dedicated funding for city streets. CGMC supports dedicated state funding for city streets outside the constitutional formula. Also, CGMC supports changes to local cost participation policies that would allow more local dollars to go toward city projects, rather than cost sharing.

Support of funding for city streets includes permanent, dedicated funding for the Small Cities Transportation Assistance program established by the 2015 Legislature as Minn. Stat. 162.145 for streets in cities under 5,000.

### 9. Allocation of Bonding Dollars for Roads and Bridges in Greater Minnesota

CGMC supports a bonding appropriation for both the Local Road Improvement and Local Bridge Improvement Program programs designed to help improve, expand and/or replace local roads and bridges in Greater Minnesota. These programs help improve safety, prevent deterioration and



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provide connections to interregional corridors and other highways. CGMC opposes efforts to earmark bonding dollars appropriated to these programs for specific projects, particularly where those earmarks heavily favor certain regions of the state over others.

### **10. Allocation of Bonding Dollars for Greater Minnesota Transit Facilities**

To address the increasing need and demand in Greater Minnesota for transit and transportation alternatives, CGMC supports bonding for Greater Minnesota transit facilities in the capital investment bill.

### **11. Highway Construction Bonds**

CGMC supports authorization of additional trunk highway bonds to expand and enhance Greater Minnesota roads. At least one-half of all trunk highway bonds appropriated by the legislature should support Greater Minnesota projects.

### **12. Protect Greater Minnesota Transit**

CGMC supports the dedication of Motor Vehicle Lease Tax (MVLT) revenues to Greater Minnesota Transit. CGMC opposes efforts to direct MVLT resources away from Greater Minnesota Transit and supports efforts to increase the share of MVLT proceeds toward Greater Minnesota Transit.

### **13. Funding the Transportation Economic Development (TED) Program**

CGMC supports the funding of the MnDOT/DEED collaborative TED Program—a competitive grant program to communities for highway improvement and public infrastructure projects that will create jobs and support economic development. CGMC believes program grants must be distributed equitably between Greater Minnesota and the metro area.

### **14. Public-Private Partnerships**

CGMC supports efforts by the Minnesota Department of Transportation to encourage private sector contributions to state and local transportation projects. However, projects with strong private sector support must not be completed at the expense of highway, road and bridge projects either already programmed for construction or designated as safety risks.

### **15. Transportation Permitting Procedures**

Cities must go through an often rigorous permit approval process in order to improve, develop or expand city streets and roads. The CGMC supports efforts by the legislature and governor to improve the regulatory and administrative process for cities when developing or redeveloping transportation projects within their communities.

### **16. State Airports Fund**

Airports in Greater Minnesota communities contribute to the economies of their host cities and the state as a whole. These airports must be maintained and developed to meet the needs of local users. Revenues from the State Airports Fund (which comes from the airflight property tax, the aviation fuel tax, and aircraft registration fees) are directed to airport maintenance, construction, and supportive services.

CGMC believes any effort to restructure the State Airports Fund's revenue sources must be



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revenue-neutral so that the fund balance is not diminished and support for Minnesota airports is not reduced.

### **17. Traffic Safety Cameras**

The CGMC supports enabling local law enforcement agencies to use traffic safety cameras to regulate traffic laws. Local law enforcement officers should have the express authority to issue citations by mail upon photographic review and confirmation of the identity of the driver and vehicle involved in the traffic violation.

### **18. Investments in Livability**

Recognizing that bicycle and pedestrian-friendly infrastructure enhance a community's quality of life, health and economic vitality, CGMC supports these safety and mobility investments for Greater Minnesota.

### **19. Metro Transit**

Currently, state law requires the state to pay 50% of light rail transit operating losses (cost of operations less federal funding and operating revenue). CGMC supports repealing this requirement and replacing it with language prohibiting the state from paying for the operation of metro area transit which includes existing Metropolitan Transit from the General Fund and prohibiting use of State General Obligation bonds to pay the capital costs of metro area transit. In exchange, CGMC supports the creation or imposition of any metro area revenue sources which will pay for metro transit services and capital costs, including light rail transit, provided this is part of a comprehensive transportation package that also addresses roads and bridges throughout Minnesota.

### **20. Project Selection**

The CGMC supports a project selection process within MnDOT which is transparent, fair and criteria driven. If the Legislature does choose to designate specific transportation projects, it must be done on a regionally balanced basis.