2023 CGMC Policy Positions: Transportation

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 long-term, comprehensive statewide transportation funding and policy plan which includes increased funding for the Highway User Tax Distribution Fund, funding for highway safety and expansion and non-MSA funding for city streets. We also support funding for highway safety and expansion and city streets independent of a comprehensive transportation package. Further, CGMC supports the following transportation positions in the 2023 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. **Support for Dedicated, Ongoing State Aid for Small City Streets**

Cities with populations of less than 5,000 residents are the only category of local government to receive no funding support from the state for their local roads. In 2013, the State Legislature created the Small Cities Assistance Program to assist small cities with their roads, but the program has only been funded sporadically and on a short-term basis. The state is long overdue to correct this disparity. The CGMC supports the adoption of dedicated, ongoing state funding for small city streets at a level of at least $25 million per year.

3. **State Aid Funding for Municipal State Aid City Streets**

Cities with populations greater than 5,000 receive some state aid through the Municipal State Aid ("MSA") formula. However, in recent years, MSA funding has failed to keep pace with needs, MSA dollars are limited to only a portion of a city's streets. Moreover, MSA dollars are frequently diverted to cost participation in state or county projects. To address these needs, CGMC recognizes the need for additional dedicated funding for city streets. CGMC supports increasing dedicated state funding for city streets through the constitutional formula, as well as outside of the constitutional formula.

4. **Highway Safety and Capacity Expansion**

CGMC supports long-term funding of the Corridors of Commerce program or a program with similar objectives which funds projects that will enhance safety and build capacity on the state's highway system. CGMC supports allocating at least 50% of the program's funding to projects that serve Greater Minnesota.

CGMC supports at least $200 million in annual program funding. CGMC also supports continuation of the existing $25 million annual trunk highway cash base appropriation for non-bondable project needs, such as right-of-way acquisition, environmental work, and design.

CGMC supports modifications to the existing Corridors of Commerce project selection and scoring criteria that reflect the unique dangers and inefficiencies characteristic of 2-lane rural highways, and that are designed to ensure the program fulfills its original intent of making transportation investments that foster economic growth, safety, and efficiency in Greater Minnesota.

- CGMC believes the Corridors of Commerce, or any similar 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.
- 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 statute.

5. **Local Funding Tools for City Streets**

Under current law, cities do not have the authority to issue a street maintenance or improvement fee or impose local option sales tax or other local taxes for city streets. CGMC supports efforts by the legislature to provide cities with the 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.

6. **State Matching Funds for Federal Infrastructure Dollars**

In late 2021, the federal government passed the Infrastructure Investment and Jobs Act (IIJA). Minnesota could receive as much as $7.3 billion in federal funding for infrastructure projects in the coming years, a majority of which would be devoted to transportation purposes. However, most of these funds require the state to commit matching dollars in order to secure the federal resources designated to Minnesota. Legislative inaction in 2022 endangered the state's ability to take advantage of this funding. The CGMC supports the legislature taking the necessary steps to access these federal funds as soon as possible.

7. **Constitutional Amendments**

Because permanent dedication of general funds for transportation purposes may cause budget deficits which harm other CGMC funding priorities, CGMC opposes any constitutional amendments which dedicate revenue streams currently paid into the General Fund to the Highway User Tax Distribution Fund.

8. **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 one-time use of surplus money from the General Fund for programs such as Corridors of Commerce, the Local Road and Local Bridge Improvement Programs, funding for city streets, and others. Funding for city streets outside the constitutional

system could be funded from the General Fund, or through redistribution of existing transportation resources, to the extent redistribution does not conflict with other CGMC priorities.

9. Project Selection

CGMC supports a Minnesota Department of Transportation (MnDOT) project selection process 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.

10. Additional Dedicated Funding for Transportation

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

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

11. Electric Vehicle Charging Infrastructure

With electric vehicles expected to see rapidly increasing adoption over the next decade, federal, state, and local governments are being increasing relied on to help build out the network of charging infrastructure required to make this transition a reality. With that in mind, the CGMC supports the following:

a. State and federal programs that assist local governments in funding the full cost of installing electric vehicle charging infrastructure.
b. Establishing a clear and consistent method of capturing a share of the revenue generated through electric vehicle charging infrastructure to help fund city streets.
c. To the extent possible, requiring universal compatibility in charging infrastructure to avoid unnecessary cost and duplication of infrastructure.

11. Allocation of State Transportation Dollars

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.

12. 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 programs designed to help improve, expand and/or replace local roads and bridges in Greater Minnesota. These programs help improve safety, prevent deterioration, and 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.

13. Driver and Vehicle Services Testing
Large backlogs in the availability of both written and behind-the-wheel driver testing for commercial driver's licenses (CDL) in Minnesota have created challenges for cities and impacted quality of life in Greater Minnesota. Backlogs and lack of availability for CDL testing directly impact the ability of cities and local transit operators to employ an adequate workforce to serve residents. Moreover, numerous industries that are key to Greater Minnesota's economic viability rely on an adequate supply of workers who hold CDLs. As a result, CGMC supports policies to expand the availability of CDL testing across the state.

Moreover, lack of availability for standard Class D licenses has deeply impacted communities around the state. The COVID-19 pandemic deepened this issue and led to the closure of all but 14 of DVS's testing centers throughout the state, which Greater Minnesota particularly underserved. While the 2021 legislature ordered all 93 testing stations re-opened, DVS and the legislature are actively evaluating both the number and location of testing centers needed going forward.

CGMC supports the following programs and policies to address this issue:

- Sufficient funding for DVS to operate all its testing centers throughout the state so all residents and workers have the opportunity to receive a timely behind-the-wheel test close to their home or place of work.
- Enhancing DVS's ability to provide online services.
- Expanding the number and type of services that can be provided by third parties, allowing DVS testing centers to focus on behind-the-wheel testing.
- Regional pilot programs designed to enhance services to underserved areas of the state.

14. 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.

15. 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.

16. 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.

17. Funding the Transportation Economic Development (TED/TEDI) Program
CGMC supports the funding of the MnDOT/DEED collaborative TED/TEDI 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. The CGMC supports streamlining the TED/TEDI grant application process to the greatest extent possible to minimize administrative burdens on communities of all sizes in pursuing grants under the program.

18. 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.

19. 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.

20. 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.

Operational airports are critical to the access and economic success of Greater Minnesota. Airports play a key role in economic growth. The CGMC's position is to increase the state

appropriation to the State Airports Fund by $5 million in the next two years to keep up with rising demand of airport infrastructure costs.

21. 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.

22. 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.

23. 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.

24. Interregional Rail Systems
The CGMC supports investments in interregional rail systems that connect communities around the state, reduce congestion, and foster economic growth and efficiency in Greater Minnesota.