

Date: March 10, 2022

To: The I-35W Solutions Alliance Board of Directors

From: Rob Vanasek

Re: Legislative Report

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Thursday, March 31 is “Transportation Day on the Hill” this year. Advocates will hear from legislative leaders from the Transportation Committees and the focus will be both on the bonding bill and potential uses of the General Fund’s budget surplus, which grew by about a billion and half dollars from the November forecast to \$9.25B in the February forecast. The February forecast was put together prior to the invasion of Ukraine by Russia and many around the capitol are not treating the additional forecasted dollars as likely to hold given likelihood of world events slowing the growth of the economy. The governor may put out a small update to his supplemental budget, but it's not expected to be significant.

Gas tax holiday? Rep. Stephenson introduced a bill to create a gas tax holiday. The move prompted members of both parties in the Senate Taxes Committee, including the Tax Chair and the Transportation Chair to voice their opposition to the concept last week. A complete suspension of the gas tax would short the MN Highway Users Tax Distribution Fund by about \$77M per month. Stephenson proposed back filling the Fund from the state General Fund Surplus. Governor Walz said yesterday he was open to the idea after announcing that he and other governors had written to Congressional leaders in support of suspending the federal gas tax through the rest of the year.

MnDOT is updating its Statewide Multimodal Transportation Plan (SMTP) that gets updated every five years. The final version is due this summer. I believe the final draft will be out in April and there may be about a month for the public to comment on it. The Minnesota State Highway Plan (MNSHIP) is earlier in the process of being updated and will be finalized in 2023. The Solutions Alliance and/or its members may wish to look for opportunities to engage on these plans.

Redistricting has caused some to rethink their future plans. Many are considering retiring for a few different reasons. Senator Scott Newman, Chair of the Senate Transportation committee is retiring and not running again.

### **Sales Tax on Auto Parts**

The most significant transportation bill(s) seeing movement so far this session is SF3081 Newman (HF 3931 Huot) and SF 3086 Howe (HF 3646 Swedzinski). Both bills would capture 100% of the sales taxes on auto parts and statutorily dedicate them to the Highway Users Tax Distribution Fund. The Howe bill is very similar to Chair Newman’s bill but allocates funds into accounts set up for small cities and townships. Both bills were heard on February 22 in the Senate Transportation Committee, passed out (on a

divided voice vote) and sent to Senate Taxes where they were heard and passed unanimously out on March 1 to Senate Finance. In speaking to House Transportation Chair Hornstein a couple days ago, he did not indicate whether he would pursue a similar move, but said stay tuned.

### **Bonding Bill**

The House Capital Investment Committee has been meeting regularly, while the Senate Capital Investment Committee Chair said last Friday that he was waiting to have his committee meet after most of the rest of the committees have met deadline and completed most of their work. Although the House is hearing a multitude of bills few have been transportation related. The House committee did hear a presentation on the Governor's bonding recommendations from MnDOT on February 3 from the MnDOT Commissioner and the Metropolitan Council on their bonding recommendations.

### **Bills of Interest**

SF 2598 Duckworth, Pratt, Draheim, Jasinski, Newman/HF3060 Berg, Koznick, Bierman - \$42M in capital investment; appropriating money for reconstruction of the interchange at Interstate 35 and County State-Aid Highway 50 in Lakeville, and improving mobility along I-35 from CSAH 50 to CSAH 42. (via MnDOT to Dakota).

SF 2600 Duckworth, Pratt, Jasinski, Draheim, Newman/HF 3061 Berg, Koznick, Bierman - \$42M for capital investment; appropriating money for reconstruction of the interchange at Interstate 35 and County State-Aid Highway 50 in Dakota County, and improving mobility along I-35 from CSAH 50 to CSAH 42. (to Dakota).

HF 3219 Koegel - MnDOT technical bill, contains turn backs, misc. items and the Corridors of Commerce definition change previously reported and presented today. It was laid over for possible inclusion in an omnibus transportation bill.

SF 2647 Coleman/HF 2316 Fredrick – Amends the Local Road Advisory Committee by adding a town board member. Passed out of the Senate Local Government Committee to State Government Finance.

SF 1513 Dibble/HF 1306 Elkins – Allows the Metropolitan Council to issue administrative citations for transit fare evasion and impose civil fines and requires a report to the legislature. The bill was heard and passed out of three committees in the House and was passed to the floor. It was passed out of the Senate Transportation Committee and was heard and laid over for possible inclusion in the Senate Judiciary's omnibus bill.