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Subject: RELEASE: DFL legislators urge consideration of transportation in special session; offer compromise plan

Minnesota State Senate NEWS Release

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FOR IMMEDIATE RELEASE:

May 29, 2015

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DFL legislators urge consideration of transportation in special session; offer compromise plan

St. Paul, Minn. - Senate and House DFL transportation leaders today urged consideration of transportation in the coming special legislative session. Senate Transportation Committee Chair Scott Dibble and House DFL transportation leads Frank Hornstein and Ron Erhardt offered new ideas to break the current deadlock between the parties on transportation issues.

“Action on transportation can't wait another year or longer,” said Sen. Dibble. “Gridlock at the Capitol leads to gridlock on our roads and spiraling costs for everyone. We can't afford more delays,” he added.

The DFLers dropped their plans for a sales tax on the price of gas. The leaders propose the more traditional per gallon gas tax, adding a dime to the current tax, cutting projected revenue from this source by one-third. The new DFL plan would replace this lost revenue by agreeing to a House Republican idea to dedicate the sales tax on auto parts to roads and bridges. The DFL plan would seek to ensure that this is made permanent with a change to the state constitution.

Friday, 05/29/2015

“We are literally meeting the Republicans halfway,” Rep. Hornstein said. “While we still have concerns about taking revenue from the general fund, we want to move forward in the interests of the state and achieve a fair compromise,” he went on to say. The DFL plan for a small increase in license tab fees of .25¢ would also be a component.

The DFL plan also includes a sales tax in the metropolitan area to serve transit needs. The new proposal would offer counties greater decision making in whether the state levied tax is necessary in their area, and provides an option to use a portion of the tax for road projects.

“It is important for the elected leaders of the seven metro counties who best understand their local needs to have influence over use of transit and transportation resources,” said Rep. Ron Erhardt.

20 states have raised transportation revenues in the past three years -- eight in 2015 alone, the vast majority with all or partial Republican control. Minnesota is falling behind. Our citizens and our economy will be the losers should we fail.

DFL Transportation Compromise Plan:

Highway User Tax Distribution Fund

Sales Tax on Auto Parts (constitutionally dedicated), \$381M in FY 16-17, \$493M in FY 18-19
 10¢ Gas Tax, approx. \$300M/year
 1.5¢ Registration Tax (Tab Fees), \$191.6M in 16-17, \$208.8M in 18-19
 Efficiencies, including PPPs (15% of the identified gap in need)

Bonding within the TH Fund over 10 years: \$1.5B
 Corridors of Commerce: \$800M
 Transportation & Economic Development: \$200M
 State Road Construction: \$500M

Metro Transit

7 counties, Opt-in at either 0.5¢ or 1¢ (if at 1¢, 0.5¢ can be flexed in that county for roads),
 \$24-\$400M/year (approx., depending on opt-in and rate of sales tax)

Greater Minnesota Transit

8% of M&ST (contingent on 58¢ roads / 42¢ transit split), \$30M/year
 General Fund: \$12M/year, ongoing

Cities MSA and non-MSA

Portion of H&TDF 5% set aside (\$6-\$M/year for small cities; 48.5% of 5% of H&TDF for MSA cities, \$60-\$0M/year)
 10¢ title transfer fee, \$12M/year
 10¢ vehicle registration fee, \$45M/year
 \$28.5M/year to small cities, \$28.5M to MSA cities
 (Note: not counting regular formula dollars flowing to MSA cities via the H&TDF)

Metro counties CSAH

Move all \$32M from General Fund to CSAH

Distribute with population-based formula: Hennepin at 25% of population, Ramsey at 50% of population

Like ☐ed ☐Safe Routes to School

Greater Minnesota: Federal minimum, General Fund: \$5M/year ongoing

Metro: portion of sales tax, General Fund (SRTS)

Railroad Safety☐

\$32M / year assessment

For more information about this or any legislation, please contact Sen. Scott Dibble by phone (651) 296-4191 or reach him by e-mail at tinyurl.com/SenatorDibbleEmail.

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