



2016 TRANSPORTATION POLICY

OUR GOALS

Ensure Minnesota maintains a safe, reliable, multi-modal transportation system that provides for the needs of employers and employees by delivering projects as efficiently, cost-effectively, and transparently as possible. This includes an efficient freight system that enhances Minnesota's economic competitiveness in national and international markets. It also includes an aviation system – comprised of both commercial and general aviation – that provides Minnesota's businesses and business travelers reliable, affordable, and efficient access to markets across the country and around the globe.

33 states use general fund dollars to support investment in their state roads and bridges. WHY DOESN'T MINNESOTA?

OUR PRIORITIES FOR 2016 SESSION INCLUDE:

- Use of the general fund
- Efficiencies
- Bonding
- Cost-sharing mechanisms
- Transit investment

We support passage of a ten-year, comprehensive transportation funding package that provides increased investment in the state's multi-modal transportation infrastructure. This package should provide long-term, sustained investment that will enable the state to maintain our vital transportation infrastructure and provide for strategic enhancements. In advocating for such a funding package, the Chamber opposes funding mechanisms that would hinder the competitiveness of Minnesota businesses (see the Chamber's 2016 State Tax Competitiveness Policy). The Chamber supports:

USE OF THE GENERAL FUND

Because every person, every business, every government body and every non-profit organization in Minnesota benefits directly from Minnesota's transportation infrastructure, a significant portion of the funding package should be funded through ongoing appropriations from the General Fund. Thirty-three states use general fund dollars to support investment in their state roads and bridges. Minnesota does not. Businesses believe transportation is an economic and public safety priority that should be included in General Fund appropriations. Further, the use of General Fund appropriations will ensure that the financial base of support for the state's roads and bridges is broadened beyond the traditional sources of fuel taxes, vehicle registration fees, and the motor vehicle sales tax. In particular, the state should use the General Fund revenues generated from the statewide sales tax on auto parts and rental cars to fund increased investment in our transportation system. If necessary to address concerns about predictability of General Fund investments in transportation, the state should consider asking Minnesotans to constitutionally dedicate these revenues to transportation purposes.

The 2016 session provides an important opportunity to position Minnesota for a strong economic future by enacting both business tax relief and new transportation infrastructure investment. All the budget

bills were completed in the 2015 session, with General Fund growth over 5% in FY 16/17 and over 7% in FY 18/19. The state's budget reserve is at a historic high of nearly \$2 billion, and there is a projected budget surplus of \$1.2 billion FY 16/17. High business taxes continue to be cited as a barrier to growth in Minnesota. There are ample resources available to enact both tax relief and new transportation infrastructure investment while maintaining the state's sound fiscal condition.

EFFICIENCIES

In recent years, the Minnesota Department of Transportation (MnDOT) has begun to establish a commendable track record of realizing meaningful savings through efficiencies and reinvestment of those savings back into the transportation system. We believe this work must continue at MnDOT and must be expanded to the Metropolitan Council. Both agencies should be expected to augment any new investment through an increased focus on efficient use of resources. In doing so, these agencies should be expected to meet a 15% efficiency target, as outlined in the Governor's 2015 transportation funding proposal: for every \$1 in new investment, the agencies should be expected to complete \$1.15 worth of maintenance upgrades or enhancements to the system.

BONDING

We support the use of Trunk Highway bonding to help finance projects in the state's road and bridge system and General Obligation bonding to support local road and bridge, transitway, port, rail, airport, and other transportation infrastructure projects across the state.

COST-SHARING

We support the prioritization of transportation and transit projects that leverage private capital and match a portion of a project's costs with those who most directly benefit from it.

TRANSIT

Transit service, whether in the Twin Cities metro area or in Greater Minnesota, is a vital link in our state's transportation system. A comprehensive transportation funding package must address the state's transit needs. The Chamber is committed to continuing its efforts to build consensus within the business community for metro funding sources for transit in the metro area. Recognizing the needs of a diverse metropolitan area, we believe new transit investment must allow for flexible use and be tied to reform in the governance and planning processes at the Metropolitan Council. In its 2011 report, *Governance of Transit in the Twin Cities Region*, the Office of the Legislative Auditor recommends a number of reforms that should be considered and implemented.

Dakota County Regional Chamber of Commerce is a proud partner of the Chamber Federation, a coalition of more than 40 local chambers from across the state, and led by the Minnesota Chamber of Commerce, working together on issues of importance to Minnesota's business community.