MINNESOTA

Transportation Funding Initiative

Legislative Session: This bill was introduced on February 28, 2013.

Legislation: Senate Bill 891—Companion Bill: House Bill 931

Sponsors of Legislation

- Senate Bill 891: Senator D. Scott Dibble (DFL)
- House Bill 931: Representatives Erhardt, Hornstein, Hortman, Bly, Anzelc, Newton, Sawatzky

Summary of Legislation

Senate Bill 891 proposed a 9.5 cent-per-gallon gasoline tax increase over a 4-year period and a metro sales tax increase of half a cent to benefit transit. The legislation would authorize $400.4 million for truck highway bonds, and it would also permit motor vehicle lease sales tax revenues to be designated for transportation projects.

The bill also increased the scope of the general sales tax to now include motor vehicle repairs and service; the revenues would also be designated to transportation projects. SB 891 also increased the metropolitan area transportation sales tax (.25% to .75%), and at least one third of collected revenues would go towards county highways.

The gasoline tax would be expected to raise roughly $150 million for transportation.

Status of Legislation: Legislation Failed to Advance.

In February 2013, SB 891 was sent to the Senate Committee on Finance, and HB 931 was sent to the House Committee on Transportation Policy. After the Governor publicly denounced any gasoline tax increases, any prospective funding increase was not included in the House bill.

During the Senate Committee hearings, Senator Ann Rest (DFL-District 45) also proposed a gas tax increase of 5 cents-per-gallon, but she quickly withdrew this after a committee recess. When discussing the initial legislation, she then said, “I’m not going to vote for it.”

Senator Dibble successfully replaced the motor fuel tax provision with a gross receipts tax on the sale of motor fuel. The legislation including the gross receipts tax was passed out of both Transportation and Finance Committee before being stripped of any funding increase provisions in the Senate Tax Committee.

The Senate then passed a revised funding initiative—the Franzen Amendment—on the Senate floor. This action included a 2 year phase in (2.5 cents per year) of a 5-cents-per-gallon motor vehicle fuel tax increase and an additional 2 year phase in of a .5% increase (.25% per year) in the Metro Area sales tax.

1 Doyle, 5/8/13
dedicated to transit. The funding increase provisions did not prevail in conference committee, and the bill was unable to advance further in the 2013 Minnesota legislature.

During the next 2014 legislative session, Senator Dibble and Frank Hornstein—House Transportation Finance Committee Chair—both plan to entertain large scale multimodal funding packages.

Overview

The Governor commissioned a “Transportation Finance Advisory Committee” last year, and the committee formally recommended to Governor Dayton that gas taxes increase in order to raise $50 billion over the next 20 years for roads and transit in Minnesota. The committee recommended a 10-cents-per-gallon tax increase for the first year, and then a subsequent 1/5 cent-per-gallon increase over the next 19 years. This would yield a 40-cents-per-gallon increase over the long-run. However, Governor Dayton rejected his committee’s recommendations and said that the “public wasn’t ready for a huge tax increase on drivers.”

Why Bill Failed & Lessons Learned

- **“Move MN” Advocacy Group Formed.**

  As a result of the failed legislation, a new transportation advocacy group, “Move MN,” formed. Move MN has brought together a unified group of diverse stakeholders to help advance the transportation funding initiative for the 2014 session.

- **Lessons From 2008 Gas Tax Legislative Fight.**

  Some Republican legislators were hesitant to consider this legislation because of a similar gas tax situation in 2008, which did not end well for some Republican members of the Minnesota legislature. During the 2008 legislative session, the legislature passed a gasoline tax increase, which Governor Tim Pawlenty (R) subsequently vetoed. The Minnesota legislature was successfully able to override the Governor’s veto with the help of 6 House Republicans who joined House Democrats. Despite the legislative victory, the Republican Party leadership was not kind to these 6 House Republicans, and ultimately, they lost their House leadership positions and some of them were not endorsed when they sought re-election. Representative Paul Torlakson (R-Brown County) said that the political consequences of overriding the Governor’s veto were “pretty tough on some folks”, and he also said, “I think all of us care about transportation funding…how we get there is the challenge.”

  Assuming that Governor Dayton would sign the bill into law if it passed, Representative Kathy Brynaert (D-Mankato) thought that the 2013 gas tax legislation would not yield similar 2008 results because Democrats currently had majorities in both chambers and gaining Republican votes would not be necessary.

- **Governor Dayton (D) Did Not Support Gas Tax Increase.**

  Despite the fact that Governor Dayton’s appointed blue ribbon committee recommended an increase in the state’s gasoline tax, he rejected their entire recommendation. Instead, Governor Dayton said, “I don’t support a gas tax. I don’t think the people of Minnesota are prepared to support it and that’s the critical

---

2 “Road to Minnesota Transportation Funds Is Not a Smooth One”, 7/8/13
3 Fischenich, 3/1/13, The Free Press
consideration.” Governor Dayton’s unwillingness to consider this gas tax had ripple effects in the State House and Senate; many Democrats in the Legislature were unwilling to cross the Democratic Governor on this transportation revenue issue.⁴

- **Lack of Bipartisan Support.**

Ultimately, Senator Dibble was the sole “transportation campaigner” left standing after many Democrats abandoned this issue when they learned that Democratic Governor Dayton would not support it. Although the legislation lacked support from both Democrats and Republicans in the legislature, Senator Dibble defended the legislation and said, “there’s been no strong proposal to come forward on the part of the governor or anywhere else…I feel like I’m building a movement [and] that takes time” (Doyle, *StarTribune*, 5/8/13). The fact that Democrats would not support the legislation highlighted the true difficulty in passing a tax increase even when Democrats controlled all of Minnesota’s state government.

*Proponents—Public Officials*

- Senator Scott Dibble, Chairman of the Senate Transportation Committee (DFL-Minneapolis)
- Representative Frank Hornstein, Chair of the House Transportation Finance Committee (DFL-Minneapolis)
- Representative Kathy Brynaert (D-Mankato)

*Organizations in Support of Legislation*

**#1: Transit for a Stronger Economy:** This is a broad-based coalition that was formed in order to advocate for transit funding during Minnesota’s 2013 legislative session. Transit for Livable Communities and the Minnesota Environmental Partnership joined forces to create Transit for a Stronger Economy.

Coalition Members Include:

- Advocating Change Together (ACT)
- African Career, Education & Resource, Inc.
- AFL-CIO
- AFSCME Council 5
- Alliance for Metropolitan Stability
- Alliance for Sustainability
- Amalgamated Transit Union Local 1005
- American Heart Association
- American Lung Association in Minnesota
- Asian Economic Development Association
- Bicycle Alliance of Minnesota
- BlueGreen Alliance
- CWA Minnesota State Council
- Conservation Minnesota

⁴ Doyle, *StarTribune*, 5/8/13
• The Cornerstone Group
• Cycles for Change
• Envision Minnesota
• Episcopal Homes of Minnesota
• Fresh Energy
• Growth & Justice
• HIRE Minnesota
• Hope Community
• ISAIAH
• Jewish Community Action
• Local Initiatives Support Corporation Twin Cities
• Masjid An-Nur
• Minneapolis Bicycle Coalition
• Minnesota Center for Environmental Advocacy
• Minnesota Consortium for Citizens with Disabilities
• Minnesota Environmental Partnership
• Minnesota Public Interest Research Group (MPIRG)
• Minnesota Public Transit Association
• Minnesota State Building & Construction Trades Council
• Minnesota Young Professionals Environmental Group
• Minnesotans for Healthy Kids Coalition
• MN350
• National Multiple Sclerosis Society, Upper Midwest
• New American Academy
• Nice Ride Minnesota
• Project for Pride in Living
• Quality Bicycle Products (QBP)
• Saint Paul Bicycle Coalition
  Saint Paul Regional Labor Federation
• Schafer Richardson, Inc.
• SEIU Minnesota State Council
• Sheet Metal Workers Local #10
• Sierra Club, North Star Chapter
• Summit Academy OIC
• Transit for Livable Communities
• United Food and Commercial Workers (UFCW) 1189
• United Transportation Union
• YEA! MN, a program of the Will Steger Foundation
Social Media Information:

- Official Website: [http://www.transit4mn.org/](http://www.transit4mn.org/)
- Facebook: [https://www.facebook.com/TransitForAStrongerEconomy](https://www.facebook.com/TransitForAStrongerEconomy)
- Twitter: #transit4mn
- Rally Press Coverage

#2: **Progress in Motion**

Progress in Motion (PIM) is a transportation stakeholder advocacy group that was largely responsible for the 2006 Constitutional Amendment campaign success and the 2008 veto override that produced the Chapter 152 funding initiative. PIM is part of Minnesota Transportation Alliance, and it focuses on fundraising to support media campaigns to promote transportation funding initiatives. PIM focuses on paid advertising, community outreach, earned media coverage, social media, and grassroots organizing.

Public Sector Members:

- Aitkin County
- Anoka County
- Arrowhead Regional Development Commission
- Association of Minnesota Counties (AMC)
- Becker County
- Beltrami County
- Bemidji Regional Airport
- Benton County
- Big Stone County
- Blue Earth County
- Brown County
- Carlton County
- Carver County
- Cass County
- Center for Transportation Studies U of M (CTS)
- Chisago County
- City of Albertville
- City of Alexandria
- City of Bloomington
- City of Buffalo
- City of Burnsville
- City of Crookston
- City of Crystal
- City of Duluth
- City of Eden Prairie
- City of Faribault
- City of Fergus Falls
- City of Forest Lake

---


6 [Official Website: http://www.transportationalliance.com/](http://www.transportationalliance.com/)
• City of Glencoe
• City of Golden Valley
• City of Granite Falls
• City of Hibbing
• City of Hutchinson
• City of International Falls
• City of Lake City
• City of Mankato
• City of Maple Grove
• City of Maplewood
• City of Marshall
• City of Minneapolis
• City of Monticello
• City of New Ulm
• City of North Mankato
• City of Owatonna
• City of Red Wing
• City of Richfield
• City of Rogers
• City of Rosemount
• City of Saint Cloud
• City of Saint Louis Park
• City of Saint Michael
• City of Saint Paul
• City of Saint Peter
• City of Sauk Rapids
• City of Shoreview
• City of Virginia
• City of Worthington
• Clay County
• Cook County
• Cottonwood County
• Crow Wing County
• Dakota County
• Dodge County
• Douglas County
• Duluth Seaway Port Authority
• Duluth Transit Authority (DTA)
• Faribault County
• Fillmore County
• Freeborn County
• Goodhue County
• Hennepin County
• Houston County
• Hubbard County
• Isanti County
• Itasca County
• Jackson County
- Kandiyohi County
- Kittson County
- Koochiching County
- Lake County
- Lake of the Woods County
- Le Sueur County
- Lincoln County
- Lyon County
- Martin County
- McLeod County
- Meeker County
- Mille Lacs County
- Minnesota Association of Townships
- Minnesota County Engineers Association
- Minnesota Rural County Caucus
- Morrison County
- Murray County
- Nicollet County
- Nobles County
- Olmsted County
- Otter Tail County
- Pennington County
- Polk County
- Ramsey County
- Red Lake County
- Redwood County
- Renville County
- Rice County
- Rock County
- Roseau County
- Saint Cloud Area Planning Organization (APO)
- Saint Cloud Metro Bus
- Saint Louis County
- Scott County
- Sherburne County
- Sibley County
- Stearns County
- Steele County
- Todd County
- Wadena County
- Waseca County
- Washington County
- Wright County
- Yellow Medicine County
- Rock County, Luverne
- Roseau County, Roseau
- Saint Louis County, Duluth
- Scott County, Shakopee
- Sherburne County, Elk River
- Sibley County, Gaylord
- Stearns County, Saint Cloud
- Steele County, Owatonna
- Todd County, Long Prairie
- Wabasha County, Wabasha
- Wadena County, Wadena
- Waseca County, Waseca
- Washington County, Stillwater
- Watonwan County, Saint James
- Winona County, Winona
- Wright County, Buffalo
- Yellow Medicine, Granite Falls

Private Sector Members:

- 3M
- ACEC/MN
- AECOM Technical Services, Inc.
- Affiliated Computer Services, Inc.
- AFSCME Council 5
- Aggregate Industries North Central Region
- Albert Lea-Freeborn County Chamber of Commerce
- Alliant Engineering, Inc.
- Amalgamated Transit Union, Local 1005
- American Agency, Inc.
- American Engineering Testing, Inc.
- Ames Construction, Inc.
- Arrowhead Transit
- Associated General Contractors of Minnesota (AGC)
- Atkins
- Bearence Management Group
- Bernie Lieder
- Bituminous Roadways, Inc.
- Bolton & Menk Inc
- Braun Intertec Corporation
- Bryan Rock Products, Inc.
- Burnsville Chamber of Commerce
- Capitol Connections
- Cedarleaf Cedarleaf & Cedarleaf Inc
- Cement Masons, Plasterers, and Shophands Local No. 633
- Central Minnesota Transportation Alliance (CMTA)
- Central Specialties Inc.
- CH2M HILL
- Cobb Strecker Dunphy & Zimmermann Inc.
- Commercial Fabricators, Inc.
- Concrete Paving Association of Minnesota (CPAM)
- DBIA Design-Build Institute of America
• Duininck, Inc.
• Duluth Building and Construction Trades Council
• Edwin E. Thoreson, Inc.
• Erickson Engineering Company
• Ess Brothers & Sons, Inc.
• Eull's Manufacturing
• Figg Bridge Inspection, Inc.
• Fresh Energy
• Geyer Signal of Saint Cloud, Inc.
• Gladen Construction, Inc.
• Global Traffic Technologies LLC
• H & R Construction Company
• Hancock Concrete Products LLC
• Hawkinson Construction Company, Inc.
• Hay-Dobbs, PA
• HDR Engineering, Inc.
• Highway 52 Freeway Partnership
• Highway 55 Corridor Coalition
• HNTB Corporation
• Hoffman Construction Company
• Houston Engineering
• HR Green, Inc.
• International Union of Operating Engineers Local #49
• J&R Larson Grounds
• Maintenance LLC
• Jacobs Engineering Group, Inc.
• Kimley-Horn and Associates, Inc.
• Laborers District Council of MN and ND
• League of Minnesota Cities (LMC)
• LHB Inc
• Marshall Transportation Group
• Mathiowetz Construction Company
• Mayo Clinic
• Messerli & Kramer PA
• Metro Cities
• Minnesota Asphalt Pavement Association, Inc. (MAPA)
• Minnesota Best Inc
• Minnesota Building & Construction Trades Council
• Minnesota Corn Growers Association
• Minnesota Forest Industries
• Minnesota Government Engineering Council
• Minnesota Inter-County Association (MICA)
• Minnesota Laborers Employers Cooperation & Education Trust (LECET)
• Minnesota Pork Producers Association
• Minnesota Ports Association
• Minnesota Soybean Growers Association
• Minnowa Construction, Inc.
#3: Highway 14 Coalition (Coalition of Greater Minnesota Cities)\(^7\)

- Lobbyist for Coalition of Greater Minnesota Cities & Highway 14 Coalition: Ms. Amanda Duerr

- The Highway 14 Coalition is an advocacy organization made up of local governments and private businesses to support the construction of this highway in southern Minnesota. “Through a campaign of lobbying, citizen involvement and media attention, [the Highway 14 Coalition] plays a unique advocacy role on behalf of Southern Minnesota residents and businesses.”

\(^7\) Official Website: http://ushighway14.com/
Membership:

- Gold Members
- Hy-Vee, Inc.
- Mayo Clinic Foundation
- Bolton & Menk, Inc.
- Braun Intertec Company
- Greater Mankato Growth
- Mathiowetz Construction Company
- McNeilus Steel, Inc.
- Short Elliot Hendrickson, Inc.
- Associated Milk Producers, Inc.
- C & S Supply
- D&A Truck Lines, Inc.
- Del Monte Foods
- Firmenich Inc.
- Hiniker Company
- I&S Engineers & Architects, Inc.
- Johnson Outdoors Marine Electronics, Inc.
- Kato Cab
- M & R Paving and Excavating
- New Ulm Chamber of Commerce
- New Ulm Telecom, Inc.
- Norwood Promotional Products
- Owatonna Area Chamber of Commerce
- Paulsen Architects
- RDO Equipment Company
- Scott Hodgman Trust
- Shelter Products, Inc.
- Southern Minnesota Initiative Foundation
- Region 9 Development Commission
- Tow Distributing Corporation
- Volk Transfer
- Wis-Pak, Inc.
- Xcel Energy
- Advance Resources for Development
- A.H. Hermel
- A.P. Mueller, Attorney at Law
- America Can Depend on Farmers
- Ameristar Manufacturing, Inc.
- Benco Electric Cooperative
- Berens, Rodenberg, & O'Connor Chartered
- Blethen, Gage and Krause, PLLP
- Gary Zellmer
- J&J Shuttle Service
- Lidstrom Commercial Realtors
- Nicollet Area Chamber of Commerce
- S & S Motors Inc.
- Salonek, Inc.

Local Government Members:

- City of Byron
- City of Courtland
- City of Janesville
- City of Mankato
- City of New Ulm
- City of Nicollet
- City of North Mankato
- City of Owatonna
- City of Rochester
- City of Sleepy Eye
- City of Waseca
- Belgrade Township
- Blue Earth County
- Brown County
- Dodge County
- Nicollet County
- Olmsted County
- Steele County
- Waseca County

#4: *Fresh Energy*[^8]: This organization provided resources for transportation infrastructure legislation. “Fresh Energy, Transit Partners, the Minnesota Transportation Alliance and many others helped to increase funding for repair and replacement of bridges and for other transportation investments throughout Minnesota, supported by a nickel increase in the state gas tax, the first increase since 1988.”

#5: *House Bill Hearing—Groups that Testified in Support of SB 891*[^9]

- Minnesota Transportation Alliance
- County Commissioner, Kandioyi County
- Holte Construction

[^8]: Official Website: http://fresh-energy.org/about/legislative-victories/
[^9]: http://www.house.leg.state.mn.us/comm/minutes1.asp?comm=88028&id=342
• AMC
• Mayor Jim Hovland, Edina, Metro Cities, League of Minnesota Cities
• Laborer's District Council
• Associated General Contractors
• American Council of Engineering Companies of MN
• Coalition of Greater Minnesota Cities
• Minnesota Inter-County Association
• International Union of Operating Engineers, Local 49
• Transit for Livable Communities
• Association of Minnesota Townships
• MNDOT
• Minnesota Best
• Minnesota Automobile Dealers Association
• Minnesota Council of Nonprofits
• Minnesota Trucking Association
• Manheim Auto Auction

Opposition

#1. Governor Mark Dayton (D): “I don’t support a gas tax. I don’t think the people of Minnesota are prepared to support it and that’s the critical consideration.”

#2. Legislators—Democrats & Republicans

• Senator Ann Rest (DFL-New Hope)
• Senator David Senjem (R-Rochester): “There’s a whole lot more to good highways than higher gas taxes…it would have to be proven to me that a gas tax increase is absolutely necessary.”
• GOP Chairman Pat Shortridge
• Senator Julianne Ortman (R-Chanhassen)

Political Consultant
Jim Wafler, Minnesota Transportation Alliance PIM)—Lobbyist and Consultant

Mr. Wafler worked on the 2008 Minnesota transportation funding package campaign as a consultant and lobbyist. He participated in several community-level speaking engagements, wrote letters to the editor, and worked to successfully engage members of the legislature. Mr. Wafler was a staff member for 22 years for the Minnesota House of Representatives. He spent 9 of those years as the House Majority Caucus’ Executive Director and he also worked as the Executive Director of the Speaker’s Office.

11 “Road To Minnesota Transportation Funds Is Not a Smooth One, 7/8/13
12 http://www.mncitizensforthearts.org/home/staff/
Polling Data

#1: Transit for a Stronger Economy (January 2013)

Poll Methodology:

- This poll was conducted from January 6, 2013 through January 8, 2013 by a bipartisan team of two firms: Fairbanks, Maslin, Maullin, Metz & Associates (D) and Public Opinion Strategies (R).
- 500 registered voters in Minnesota were interviewed during this statewide telephone poll.

Poll Results:

- 91% of respondents agreed that transportation would be a good investment by Minnesota.
- 54% of respondents said that they would be willing to individually pay $75 per year to support transportation projects.
- A majority of respondents supported an increase in taxes in order to improve Minnesota’s public transportation.
- This poll found that respondents support public transportation even if the voters did not personally use it (“Release: New Poll Shows Support For Transit, Bicycle, and Walking”, 2/21/13).

Poll Questions:

In a wide variety of contexts, Minnesota voters express interest in improving public transportation.

A majority of voters favor including bicycle and pedestrian funding in transportation proposals.
The strongest rationales for using more transit focus on vulnerable populations, jobs, and traffic.

In the Metro area, voters would pay as much as $75 per year to expand transportation options.

Most voters say they have no choice but to drive and are already trying to drive as little as they can due to gas prices – but would like to drive less.

91% AGREE PUBLIC TRANSPORTATION IS A GOOD INVESTMENT FOR MN

Text of Legislation

SB 891 Bill Text: (See PDF)
https://www.revisor.mn.gov/bills/text.php?number=SF891&version=0&session=ls88&session_year=2013&session_number=0
References


http://blogs.mprnews.org/capitol-view/2013/04/dayton_forces_d/?refid=0

http://www.startribune.com/politics/statelocal/206616021.html

http://minnesota.publicradio.org/display/web/2013/05/08/politics/tax-cut-transportation-finance-bill

http://us.topnewstoday.org/us/article/5840820/

http://t4america.org/blog/2013/01/31/rethinking-the-gas-tax-suddenly-its-the-theme-of-2013/


http://www.tlcminnesota.org/pdf/MinnesotaVoterAttitudesPoll.pdf

http://www.transit4mn.org/2013/02/release-new-poll-shows-support-for.html

http://www.transit4mn.org/2013/02/new-poll-shows-strong-public-support.html


ARTBA Contact: Rebecca Schwartz, (202) 289-4434, rschwartz@artba.org