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Contact: Julie Liew

jliew@flaherty-hood.com

651-259-1917 (office)

631-605-1166 (cell)

Survey shows support for raising gas tax to pay for Highway 14, other statewide transportation needs

Partnership calls on voters to press legislative candidates to commit to funding long-term, comprehensive transportation package

MANKATO—Residents and business leaders along the U.S. Highway 14 corridor between Rochester and New Ulm support increasing the gas tax to pay for the state’s transportation needs, according to a new survey conducted by the U.S. Highway 14 Partnership.

“With only five weeks left before the election, it’s time for voters to speak up about the need to fix Highway 14 and demand that our candidates listen,” said New Ulm Mayor and Partnership President Robert Beussman at a press conference this morning. “This survey shows that there is strong support for raising the gas tax and allowing the metro to fund its own light rail if it means we will get Highway 14 done. We deserve elected officials who are willing to break the stalemate over these issues.”

Nearly 700 residents from Brown, Blue Earth, Nicollet, Waseca, Steele, Dodge and Olmsted counties participated in the Partnership’s survey, which was sent to its followers via e-mail, Facebook and Twitter between Aug. 24 and Sept. 8. On questions regarding raising new revenues to help meet the state’s \$600 million-a-year need for highway and street funding, 64.3 percent of respondents said they support an increase in the gas tax dedicated to highways and roads and a plurality of respondents support an increase in tab fees.

In addition, 76 percent of respondents support allowing the metro area to move forward with light rail construction if it is paid for solely with metro-area funding such as a local sales tax. Further, the survey found little interest in diverting the state’s general fund dollars from other areas such as education or health and human services in order to pay for transportation, with 62.4 percent of respondents voting “no” on that question.

Patrick Baker, director of government and institutional affairs for Greater Mankato Growth and a member of the Highway 14 Partnership Board of Directors, noted that the survey results echo the results of a scientific poll authorized by the Minnesota Transportation Alliance. In that poll, 61 percent of the voters polled in the counties between New Ulm and Rochester would be in favor of a gas tax increase if the revenue it generated is specifically directed to fund the completion of repairs and widening along Highway 14.

“We know that people along Highway 14 care about safety and economic growth,” Baker said. “This survey shows that they also want the state to raise new revenue to pay for transportation costs. They would prefer to pay more to make sure our highways and roads get the repairs they need rather than take money away from other state programs and areas.”

North Mankato Mayor Mark Dehen said that he and other Highway 14 Partnership board members and advocates have been busy meeting with legislative candidates to urge them to make the completion of Highway 14 a top priority.

“We desperately need a comprehensive, long-term transportation package that funds the remaining expansion of Highway 14,” Dehen said. “Our survey finds support for the two main issues that have been barriers to a compromise — raising the gas tax and allowing the metro area to pay for its own light rail transit. Our state legislators need to stop bickering over these issues and come to a real solution.”

Dehen encouraged residents and owners of businesses along or near Highway 14 to talk to candidates and emphasize that the highway expansion project is important to them.

“Candidates need to hear from the voters,” Dehen said. “We are calling on everyone along Highway 14 to talk to the candidates before the election and let them know that we are counting on them to pass a comprehensive transportation bill so that we can finally fix Highway 14.”

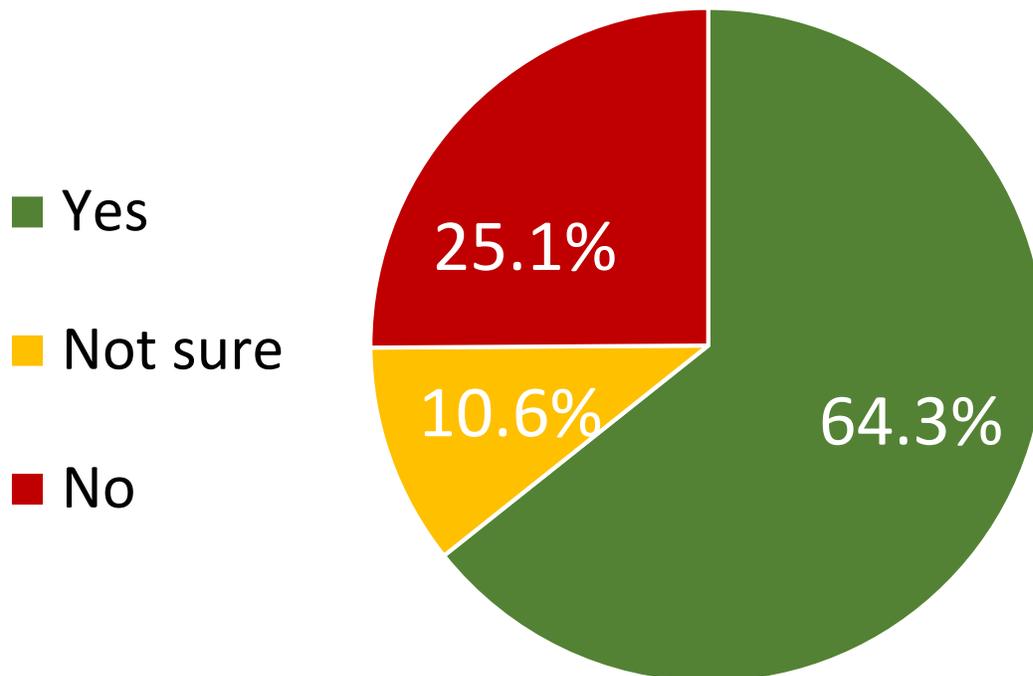
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For more information about the U.S. Highway 14 Partnership, visit our website at ushighway14.com.



Transportation Survey Summary: 696 responses from Highway 14 area residents

1. Would you support an increase in the gas tax dedicated to highways and roads to help meet the \$600 million per year needed for highway and street funding?

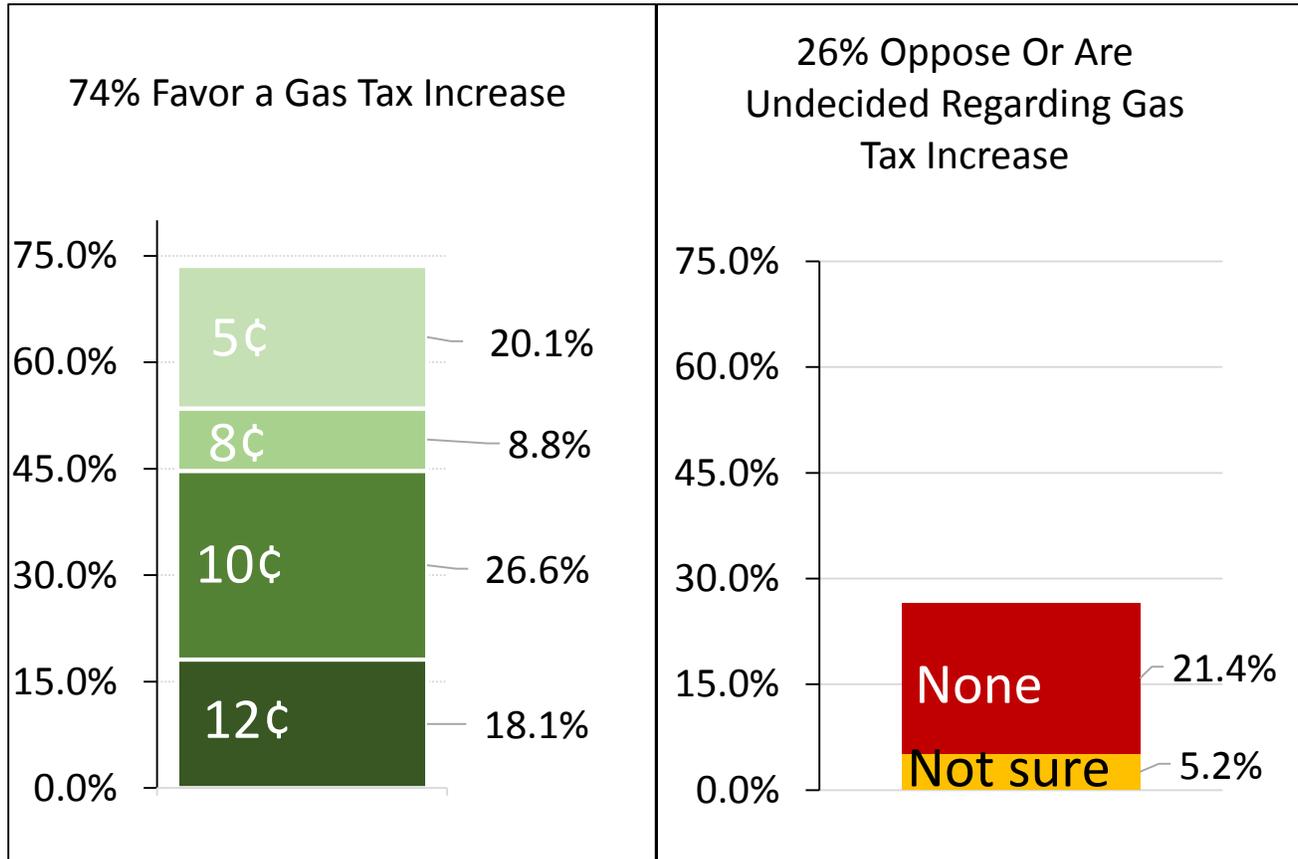


Selected Comments:

- “Gas tax to me is the most reasonable way to fund roads and bridge improvements and maintenance. If you use them then you need to pay for them on a daily basis, not one time fees.”
- “It’s a small price to pay for safer roads.”
- “So long as all of the money did not just go to metro area.”
- “Electric cars need to pay their fair share.”
- “I would be more than happy to pay the gas tax if it was indeed going to fund the completion of Hwy 14.”
- “I think a gas tax places a heavy burden on people who drive a lot for work or medical necessity.”
- “Inflation and gas prices low right now, it is well past time!”
- “Taxes high enough already. Government will spend the money foolish anyway.”
- “Infrastructure improvements are desperately needed, including mass transit in the Twin Cities and rural areas.”



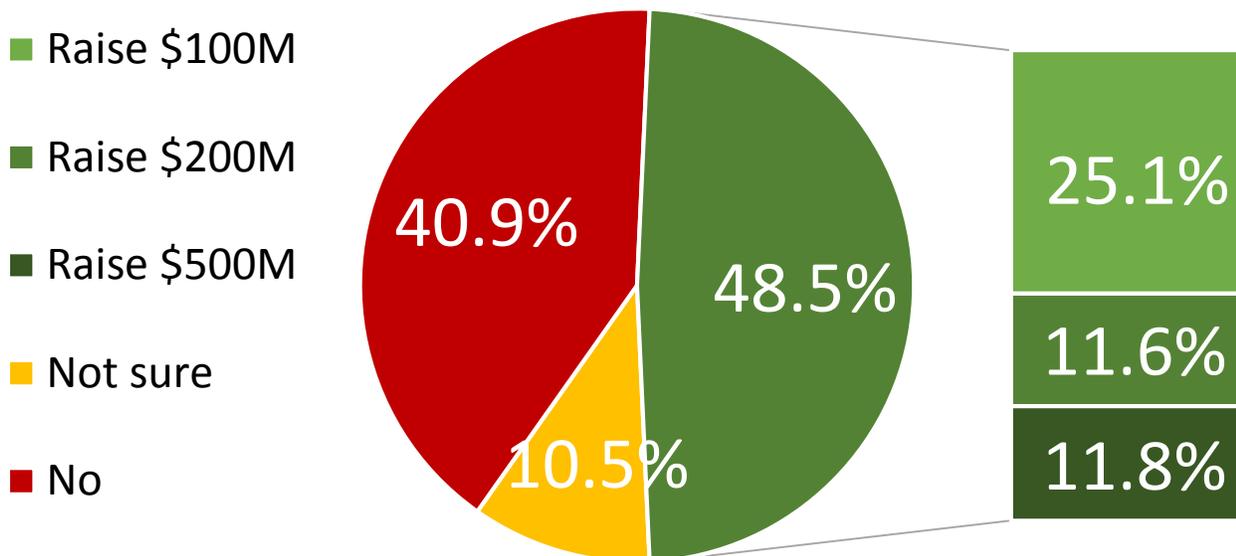
2. What is the highest gas tax increase you would support?



Selected Comments:

- “Do this increase now while gas is low. Consumers won’t object.”
- “I do not think this is a great burden for anyone in the scheme of things. We need to move away from fossil fuels and a raise in the gas tax could be an incentive.”
- “In the past year, gas prices have jumped around so much almost daily by much more than 10 cents. I think drivers will hardly notice.”
- “I would support even higher gas tax, up to the \$600 million needed.”
- “Definitely nothing more than \$0.05”
- “Raise it 5 cents then in 5 years raise it another 5 cents. Not all at once.”
- “What will it take to get it done.”
- “It’s regressive.”

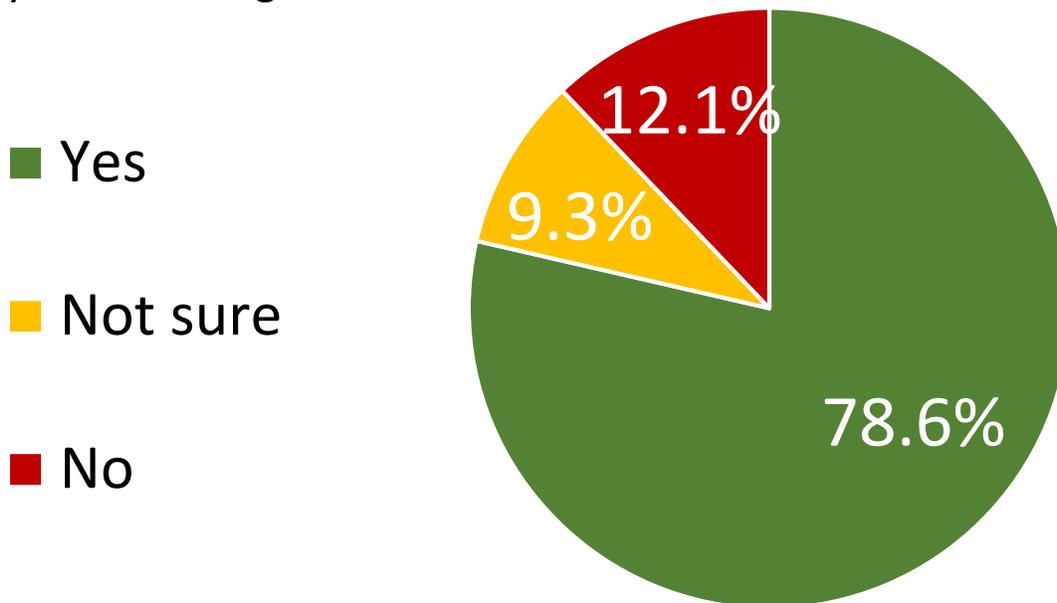
3. Would you support an increase to tab fees dedicated to highways and roads to help meet the \$600 million per year needed for highway and street funding?



Selected Comments:

- “Roads are a priority and should be funded accordingly.”
- “Since tab fees are based on value of cars, it is less regressive.”
- “Tab fees are already too expensive with the wheelage tax.”
- “This fee applies only to Minnesota vehicle owners. Better to spread the cost of road repairs via gas tax.”
- “It would be completely dependent on the amount the tab fee were increased. “
- “Charge based on use, not on how expensive the car.”

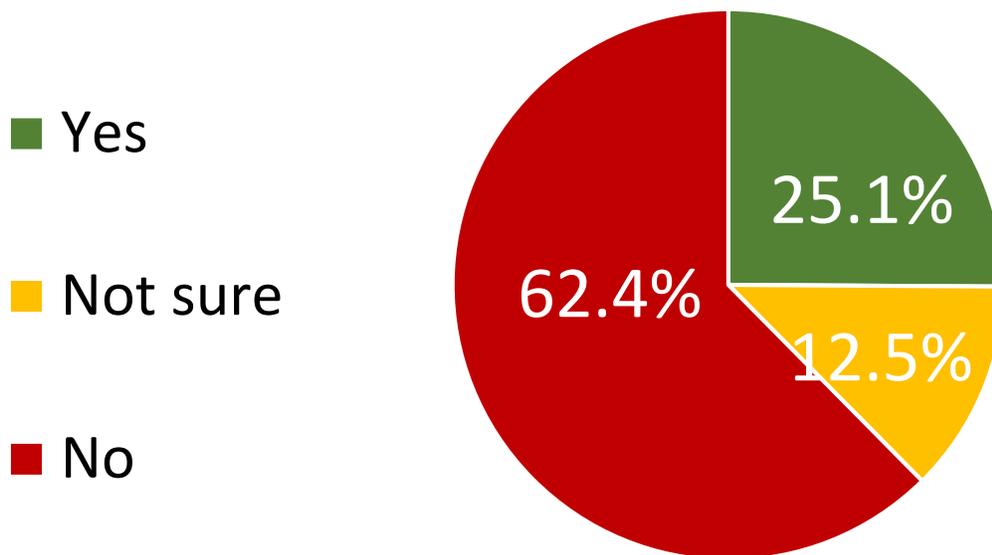
4. Should some of the state's surplus money be spent on highways, roads and streets, even if that funding may not last long-term?



Selected Comments:

- "One time money is fine for one-time expenses, not for maintenance."
- "The funds should come from increased gas and tab fees. I would support surplus use but this is much less desirable."
- "There are many more appropriate uses where the surplus is much needed."
- "Transportation funding needs to be dedicated, sustainable, and long-term."
- "But only if tab fees and gas tax are also raised."
- "Emergency construction would need to be a priority."
- "Most certainly not!"
- "No more than 10%."

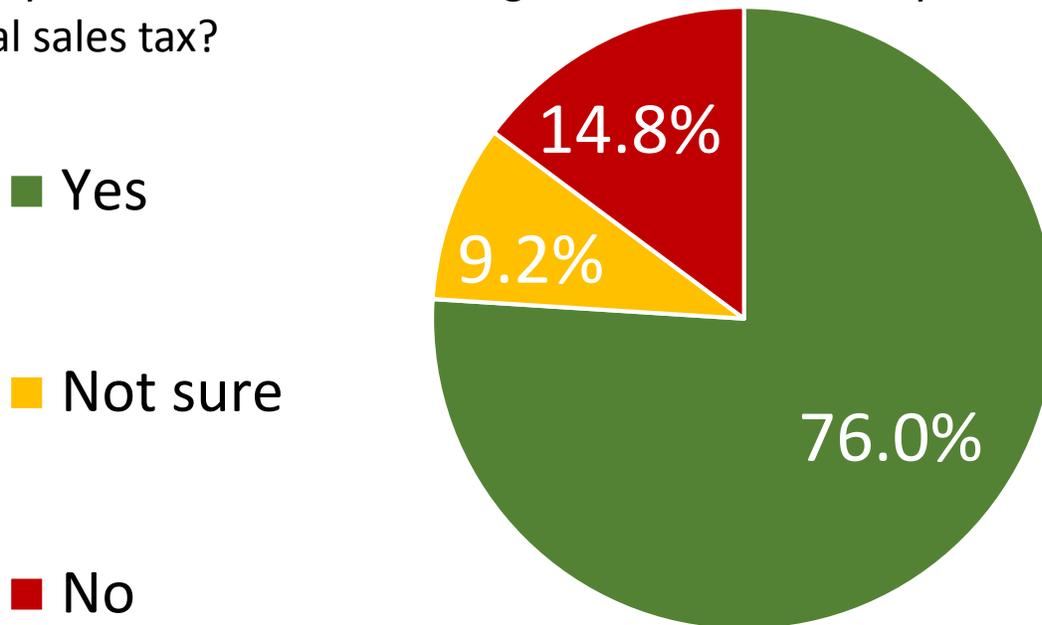
5. Should general fund money be shifted to transportation and away from other areas like education and health and human services?



Selected Comments:

- "Absolutely not! Money should never be shifted away from education/health/human services."
- "Infrastructure is a core function of government, probably the core function."
- "Other areas are important as well."
- "Even 10% would help."
- "This is the worst of the options."
- "Transportation funding needs to be dedicated, sustainable, and long-term."

6. Would you support allowing the Metro to go forward with light rail construction if it is paid for solely with metro area funding such as a metro only local sales tax?



Selected Comments:

- “I do not live in the metro so it’s easy for me to say yes to this. I understand how it benefits the whole state though and that metro residents would not want the sole burden of the tax.”
- “Economics don’t necessarily make sense but think what congestion will be like in twenty years. We need more options for people.”
- “I think it should be paid for with state money. Metro funds often come to greater MN. We are one state and should act like it.”
- “Local control. If they want it they can pay for it.”
- “Only if it were given a referendum so the people in the metro area would have a vote on it.”
- “The cost to operate should be paid for by the riders.”
- “We need more transit in both metro and greater MN”



Survey Methodology

The survey was sent out to followers of the U.S. Highway 14 Partnership by e-mail, Facebook notice and twitter. The survey was open for 2 ½ weeks from August 24 to September 8, 2016. Responses were automatically limited to one per person. A brief memo outlining the transportation funding debate and options preceded survey questions is attached.

Published results reflect 696 responses from counties along U.S. Highway 14 in Brown, Blue Earth, Nicollet, Waseca, Steele, Dodge and Olmsted County.

Overall, 987 total people opened the survey; 772 completed all responses.

Of the 772 respondents that answered the complete survey, 84 were not from counties along U.S. Highway 14. Of the 84, 64 were from Southern Minnesota counties, 15 were from other Minnesota counties and 5 were from outside Minnesota.

64 Southern MN (not Hwy 14) responses:

Q1	Yes 67.2%	Not Sure 9.4%	No 23.4%			
Q2	5 cents 28.1%	8 cents 12.5%	10 cents 21.9%	12 cents 17.2%	Not Sure 3.1%	No 17.2%
Q3	Raise \$100M 29.7%	Raise \$200M 14.1%	Raise \$300M 7.8%	Not Sure 9.4%	No 39.1%	
Q4	Yes 79.7%	Not Sure 9.4%	No 10.9%			
Q5	Yes 28.1%	Not Sure 9.4%	No 62.5%			
Q6	Yes 68.8%	Not Sure 15.6%	No 15.6%			

Question	Blue Earth	Brown	Dodge	Nicollet	Olmsted	Steele	Waseca
Would you support an increase in the gas tax?							
Yes	76.9%	73.3%	62.9%	56.1%	70.4%	53.8%	52.8%
Not sure	1.3%	8.4%	16.4%	11.0%	9.2%	12.8%	12.4%
No	21.8%	18.3%	20.7%	32.9%	20.4%	33.3%	34.8%
What is the highest gas tax increase you would support?							
5 cents	14.1%	13.7%	27.9%	12.2%	14.3%	23.1%	31.5%
8 cents	9.0%	7.6%	12.9%	4.9%	10.2%	7.7%	7.9%
10 cents	34.6%	32.8%	22.1%	25.6%	27.6%	20.5%	22.5%
12 cents	24.4%	24.4%	13.6%	15.9%	25.5%	16.7%	5.6%
Not sure	2.6%	6.9%	7.1%	6.1%	4.1%	5.1%	2.2%
None	15.4%	14.5%	16.4%	35.4%	18.4%	26.9%	30.3%
Would you support an increase in the tab fees?							
Yes, to raise \$100 million	35.9%	23.7%	32.9%	23.2%	23.5%	14.1%	19.1%
Yes, to raise \$200 million	14.1%	13.0%	7.1%	11.0%	18.4%	12.8%	6.7%
Yes, to raise \$300 million	14.1%	19.8%	8.6%	11.0%	17.3%	9.0%	0.0%
Not sure	10.3%	6.1%	10.0%	11.0%	9.2%	17.9%	13.5%
No	25.6%	37.4%	41.4%	43.9%	31.6%	46.2%	60.7%
Should some of the state's surplus be spent on highways?							
Yes	71.8%	83.2%	88.6%	69.5%	78.6%	69.2%	77.5%
Not sure	7.7%	7.6%	7.1%	12.2%	12.2%	15.4%	5.6%
No	20.5%	9.2%	4.3%	18.3%	9.2%	15.4%	16.9%
Should money be shifted from other programs for transportation?							
Yes	16.7%	27.5%	27.9%	40.2%	22.4%	20.5%	18.0%
Not sure	11.5%	13.0%	18.6%	6.1%	15.3%	2.6%	14.6%
No	71.8%	59.5%	53.6%	53.7%	62.2%	76.9%	67.4%
Support metro funding for metro transit?							
Yes	87.2%	82.4%	65.0%	72.0%	82.7%	66.6%	78.7%
Not sure	5.1%	6.9%	10.0%	11.0%	8.2%	16.7%	7.9%
No	7.7%	10.7%	25.0%	17.1%	9.2%	16.7%	13.5%
Number of responses							
	78	131	140	82	98	78	89

Full Contents of the U.S. Highway 14 Partnership Transportation Funding Survey

The U.S. Highway 14 Partnership is non-partisan advocacy organization that lobbies for funding the four-lane expansion of U.S. Highway 14 from Rochester to New Ulm. We will only support a transportation funding package which includes a plan to finish Highway 14.

This survey will take less than 5 minutes. We would like to hear what people think about transportation funding, so we can report it back to the Legislature and try to break the transportation gridlock at the Capitol.

Transportation Funding Background

In 2015-2016, the Minnesota Legislature and the Governor agreed on a bi-partisan basis that Minnesota's system of highways, county roads and streets needs about \$600 million/year of *new* money. However, they disagreed over the sources of this additional funding and how or whether metro transit should be included in the transportation package. The gas tax and tab fees are dedicated, so they must be spent on highways, roads and streets.

Transportation Funding Options

- A **10 cent gas tax increase** would raise an estimated \$300 million of the \$600 million needed. The average driver in Minnesota drives 10,700 miles/year. With a car that gets 20 miles per gallon, a 10 cent increase **would cost the average driver \$54** per year.
- License plate **tab fees** are what you pay to keep your vehicle legally licensed to drive. If the rate on the tab fee is increased, it could raise from \$100 million to \$400 million. A change in the depreciation schedule could raise an estimated \$100 million. Increasing the minimum fee and increasing the tab fee rates raise larger amounts of revenue.
- **Surplus money** refers to unexpected income to the State general fund. Some years Minnesota has a surplus, other years it faces a deficit. This money cannot be depended on year to year. Other ideas for the surplus money include tax cuts and education.
- The **general fund** currently pays for things like education, health and human services, and state aid to reduce property taxes. Transportation is funded from dedicated funds (including the gas tax and tab fees) in a separate fund. Money could be moved from the general fund into the transportation fund, but then other services may face cuts.

SURVEY QUESTIONS

1. Would you support an increase in the gas tax dedicated to highways and roads to help meet the \$600 million/year needed for highway and street funding?? Y/N
2. What is the highest gas tax increase you would support?
 - a. 5 cents (raises \$150 million, costs the average driver \$27/year)
 - b. 8 cents (raises \$240 million, costs the average driver \$43/year)
 - c. 10 cents (raises \$300 million, costs the average driver \$54/year)
 - d. 12 cents (raises \$360 million, costs the average driver \$65/year)
 - e. None. Do not support a gas tax increase.
3. Would you support an increase to tab fees dedicated to highways and roads to help meet the \$600 million/year needed for highway and street funding?
 - a. No
 - b. Yes, to raise around \$100 million
 - c. Yes, to raise around \$200 million

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- d. Yes, to raise more
- 4. Should some of the State's surplus money be spent on highways, roads and streets, even if that funding may not last long term? Y/N
- 5. Should general fund money be shifted to transportation and away from other areas like education and health and human services? Y/N
- 6. Funding for the light rail in the Twin Cities metro area has become a major stumbling block in reaching a transportation deal. Would you support allowing the Metro to go forward with light rail if it is paid for solely with metro area funding such as a local sales tax? Y/N
- 7. What county do you live in? _____

Summary of MN Transportation Alliance Poll

November 9, 2015

From Harper Polling

400 registered voters polled in Blue Earth, Brown, Dodge, Nicollet, Olmsted, Steele and Waseca Counties.

Would you favor a gas tax increase “if the revenue generated from the gas tax increase would be specifically directed to fund the completion of the repairs and widening along Highway 14?”

- a. Favor: 61% (strongly: 33%)
- b. Oppose: 29% (strongly: 20%)

Moderates: 67% favor, 28% oppose

Liberal/Progressives: 74% favor, 13% oppose

Conservatives: 52% favor, 36% oppose

DFL Voters: 77% favor, 14% oppose

Independents: 53% favor, 37% oppose

Republicans: 49% favor, 39% oppose

By County:

Blue Earth: 57% favor, 28% oppose

Brown: 62% favor, 22% oppose

Dodge: 66% favor, 27% oppose

Nicollet: 58% favor, 36% oppose

Olmsted: 65% favor, 26% oppose

Steele: 65% favor, 34% oppose

Waseca: 40% favor, 48% oppose

For information on the full survey, please contact Carolyn Jackson at 651-259-1928 or ccjackson@flaherty-hood.com