

# Bill would give counties authority to boost transportation taxes

Heather J. Carlson | Posted: Monday, April 15, 2013 5:43 pm

ST. PAUL — County officials in greater Minnesota would soon have more authority to raise local taxes for transportation under a bill advancing in the Minnesota House.

The House transportation bill would allow county officials to raise local-option sales taxes by half a cent for transportation without having to put it before the voters first. It would also allow them to impose a "wheelage tax" on cars of up to \$10 per vehicle. That would jump to \$20 per vehicle beginning in 2018. Officials in the seven-county metro area already have the power to impose these sorts of taxes.

Getting the authority to impose a wheelage tax has been a priority for Olmsted County this session. County board Chairman Jim Bier said it is only fair that county officials in greater Minnesota have the same options as those in the metro.

"It's good to be able to have these tools," he said. "Will we use them? I don't know."

But not everyone's happy about the new taxing authority. Rochester GOP Rep. Mike Benson opposes giving counties the ability to raise sales taxes without getting voter approval. During a House Transportation Finance Committee hearing on Monday, Benson offered an amendment that stripped out the sales and wheelage tax authority from the bill.

"There are additional taxes we could have raised that I could have gotten behind, but I think this is one the public needs to weigh in on," he said.

Benson's amendment failed. He tried another amendment that would have prohibited counties, like Olmsted, from raising the sales tax if it would exceed half a cent when added to other local-option sales taxes imposed by jurisdictions in the county. Voters in Rochester last November recently voted in favor of extending a half-cent sales tax. That amendment also failed.

House Taxes Committee Chairman Frank Hornstein defended his decision to give counties additional taxing authority in his bill.

"That is an important tool in the toolbox for local government and local roads and local projects," he said.

Benson vowed to offer an amendment on the House floor to remove the sales tax language. He said he is less concerned about the wheelage tax language because voters can easily remove county officials and repeal such a tax.

The Senate transportation bill does not include the language providing additional taxing authority for non-metro counties.

Olmsted County Engineer Michael Sheehan said the county has 100 miles of roadways that need some kind of work. The county's current transportation budget allows for regrading and paving an average of 5 miles of roads a year.

### **Rochester transportation study funding removed**

A Democrat from Edina successfully stripped out language in the House transportation bill that would have allocated \$175,000 for a 20-year study of Rochester's transportation needs. Rep. Ron Erhardt said the study appeared to duplicate efforts underway as part of Mayo Clinic's \$6 billion expansion plan adding, "it's a bad idea."

Benson, who pushed for the funding, said there are four different transportation studies already underway in the region, and there is a need to take a comprehensive look at Rochester's long-term needs as the city's population continues to swell. He accused fellow Rep. Kim Norton, DFL-Rochester, of killing the proposal in a partisan move because she was not being included in early discussions.

Norton said she would be open to supporting a study but she wants to make sure there would be no duplication of efforts going on as part of Mayo Clinic's Destination Medical Center initiative. She said it had nothing to do with partisan politics.

"I didn't sign on because I thought it circumvented the whole DMC process," she said.

### **No funding for U.S. 14 expansion**

Notably lacking from the bill is additional funding for U.S. Highway 14. Rep. Clark Johnson, DFL-North Mankato, said residents of southern Minnesota have been waiting 50 years for the state to fix the deadly highway.

"Evidently, the political will just doesn't exist at this point in time to raise the revenue to do what needs to be done for Minnesota," he said.

Both the Senate and House transportation bills do not include funding to upgrade U.S. 14. That comes after DFL Gov. Mark Dayton voiced his opposition for moving ahead with a gas tax increase this session. Hornstein said he had wanted to include a 7 1/2-cent gas tax increase to improve "corridors of commerce," which would include U.S. 14. At this point, he said he is not giving up on the possibility of finding additional transportation funding somewhere. That could include a constitutionally dedicated transportation fee.

"There is definitely time (left in the session)," he said, "and I think that all of us who care deeply about transportation can use this time to ensure that the public weighs in even more strongly on the need for

jobs, infrastructure, growth, safety, mobility — all of the things that a robust and balanced transportation bill can provide this great state."