

February 20, 2024

Chair Klevorn and Members of the House State and Local Government Finance and Policy Committee:

On behalf of the Association of Minnesota Counties (AMC), we appreciate the opportunity to share concerns on HF 3582, a bill that would require local governments to establish a replacement fund to maintain and replace capital projects that receive state funding.

AMC is a voluntary association representing all of Minnesota's 87 counties. One of our top priorities for the 2024 Legislative Session is to advocate for a bonding bill that includes funding for transportation-related programs, including the Local Road Improvement Program (LRIP), the Local Bridge Replacement Program (LBRP), and the Local Government Roads Wetland Replacement Program (LGRWRP). While HF 3582 as amended by the DE2 would not impact these programs, it would impact all individual county projects requesting state funds.

Because many of these projects have a statewide or regional significance, the local entity should not be fully responsible for the maintenance and replacement fund. In addition, counties remain concerned that the requirements in HF3582 would divert taxpayer dollars throughout the life cycle of the project that could be used for other local projects or needed purposes, hindering counties flexibility to address the most pressing needs of their communities. This kind of rigidity limits local government's ability to make the most of out of limited state and local resources and could result in project delays or fewer projects being completed in a similar timeframe.

We appreciate the opportunity to share our concerns with HF3582 and look forward to continued conversation.

Sincerely,

Emily Murray

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Association of Minnesota Counties