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# *NEWS RELEASE*

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**PAWLENTY/MOLNAU ADMINISTRATION ANNOUNCES 10-YEAR  
\$7.15 BILLION TRANSPORTATION PLAN**

*~ Proposal is the largest transportation investment package ever proposed by a Governor ~*

**Saint Paul** – Governor Tim Pawlenty and Lt. Governor Carol Molnau today proposed a 10-year, \$7.15 billion transportation investment program that will accelerate construction of dozens of major highway and transit projects without raising taxes. The package is the largest transportation investment program ever proposed by a Minnesota Governor.

Beginning in 2007, the proposal would fund construction of new highway capacity and dedicated transitways in the metropolitan area, as well as significant improvements to statewide interregional corridors. The plan would also provide additional long-term funding for local roads and transit.

“Minnesota’s quality of life depends in part on our ability to move people and goods around efficiently,” said Governor Pawlenty. “In the 15 years prior to our administration, Minnesota fell woefully behind in investing in transportation. In 2003, we passed the largest transportation funding package in state history. The plan we are unveiling today is even larger. It shows our commitment to battling congestion, investing in new transit, improving statewide mobility and fostering economic growth. This is a fiscally responsible package that achieves our transportation goals without raising taxes.”

The Pawlenty/Molnau “Building More, Building Faster, Moving Better” proposal has two main financing components:

- Constitutional amendment to permanently dedicate 100% of the Motor Vehicle Sales Tax (MVST) to transportation, providing \$2.65 billion over 10 years
- \$4.5 billion, 10-year bonding package that will accelerate construction of major highway projects

Currently, MVST revenues are deposited in the state’s general fund and approximately 54 percent is distributed by statute to highways and transit. The Pawlenty/Molnau proposal would allow voters in the 2006 general election to decide if the state should dedicate the entire

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amount to highways and transit, with 60 percent going to the state Highway User Tax Distribution Fund and 40 percent for metro and Greater Minnesota transit.

“It has long been recognized that MVST revenues should be part of the permanent, dedicated stream of funding for roads and transit,” said Lt. Gov. Molnau, who also serves as Minnesota’s transportation commissioner. “State gas taxes and auto license fees have been constitutionally dedicated to roads for decades. It just makes sense that sales taxes on motor vehicles should also be dedicated to transportation. After years of talk, this plan finally puts those revenues where they belong – and permanently.”

The MVST dedication would provide \$2.65 billion in new revenues for transportation through Fiscal Year 2017: \$1 billion for metro area transit, \$950 million for state highways, \$580 million for county and city roads, and \$40 million for transit in Greater Minnesota. The MVST constitutional amendment would be on the ballot in 2006 and, if passed, would be phased-in over five years.

Funding from the MVST dedication proposal would assist in moving forward on construction of major transitway corridors in the metro area such as Northstar Commuter Rail, Northwest Corridor, Cedar Avenue Corridor, Central Corridor and bus rapid transit (BRT) on I-35W. “The Governor’s plan would provide an additional \$100 million a year for transit,” said Peter Bell, Chair of the Metropolitan Council. “This infusion of resources would enable the Council to develop these important transitways as well as make significant improvements in the region’s bus system.”

The second financing component of the Pawlenty/Molnau proposal is a \$4.5 billion, 10-year bonding package that will accelerate construction of major highway projects throughout the state that have been delayed or perpetually unfunded for years. Targeted projects address congestion, provide capacity improvements, remove bottlenecks and improve statewide interregional corridors.

The bonds would be paid off by dedicating less than 50 percent of projected growth over Fiscal Year 2005 levels in gas tax revenue, vehicle registration fees and federal funds for trunk highways through Fiscal Year 2038.

“Bonding makes sense and is fiscally responsible,” said Lt. Gov. Molnau. “To equal the amount of revenue gained by bonding we would need to raise the gas tax by 20 cents – and that is just not practical.”

“Transportation is a vital link to Minnesota’s future,” said Governor Pawlenty. “Now is the time to take bold, historic steps to ensure that we have a transportation system that serves Minnesotans well into the 21<sup>st</sup> century.”