

## MLC UPDATE

### MESSERLI & KRAMER INTRODUCES NEW TEAM MEMBER



This November, Messerli & Kramer welcomed Charlotte de Julio to the team. She came to Messerli & Kramer after spending over six years working at the Minnesota House of Representatives. She began there in 2007 as a

Legislative Assistant and, most recently, she worked as the Committee Administrator for the House Judiciary Finance and Policy Committee, the Civil Law Committee and the Data Practices Subcommittee during the 2013 session.

Charlotte de Julio grew up in Burnsville, Minnesota and graduated from Burnsville Senior High School. She went to the University of Wisconsin, Madison, where she graduated in 2006 with a degree in Political Science and International Studies. She is currently pursuing her juris doctorate at William Mitchell College of Law, where she attends class part-time and expects to graduate in 2016.

### MLC REGIONAL LEGISLATIVE BREAKFASTS

Once again, MLC will be hosting Regional Legislative Breakfast Meetings. The dates, times and locations for these breakfast are listed below. Formal invitations will be delivered soon. We hope to see many of you there!

#### REGION 1 BREAKFAST

Friday, January 31<sup>st</sup> – 7:30 AM – 9:00 AM – Eagan Community Center  
(Apple Valley, Burnsville, Eagan, Inver Grove Heights, Lakeville, and Savage)

#### REGION 2 BREAKFAST

Friday, February 14<sup>th</sup> – 8:00 AM – 9:30 AM – League of Minnesota Cities Building  
(Maplewood, Shoreview, and Woodbury)

#### REGION 3 BREAKFAST

Friday, February 21<sup>st</sup> – 7:30 AM – 9:00 AM – Plymouth Crowne Plaza  
(Bloomington, Eden Prairie, Edina, Maple Grove, Minnetonka, Plymouth, and Shakopee)

# MLC UPDATE

## 2014 LEGISLATIVE SESSION AND MLC LEGISLATIVE PROGRAM

The Minnesota Legislature is scheduled to reconvene in Regular Session on Tuesday, February 25, 2014. This is the second year of the legislature's biennial session and is considered the "short year," typically lasting from February to late April or early May. However, leaders in both the House and Senate have cautioned that time will be very limited this year, suggesting that session may be even shorter than in years past.

These short session years are considered non budget years, meaning the Legislature will focus mainly on policy issues, budget corrections, bonding and constitutional amendments. Governor Mark Dayton's stated purpose for the 2014 session is an "Unsession." Therefore, the session will be devoted to undoing and eliminating laws, regulations and practices that burden people and hinder efficiency.

Legislators indicate that in addition to the work noted above, they will focus on passing an increase in the minimum wage and anti-bullying legislation. Outside interest groups are gearing up to push for a compressive transportation funding package in 2014, although the fate of that legislation in the next legislative session is unclear. Finally, because the November Forecast showed a significant budget surplus (\$1.08 billion), there will be conversations about eliminating business to business sales taxes passed last year and a discussion of other spending priorities (their ability to address these items will depend largely on what the February Forecast shows, which will come out at the end of February).

With this focus in mind, below is a summary of MLC's Legislative Priorities for this 2014 session:

- I. Promote accountability and transparency in the State/local fiscal relationship
  - A. Support policies that help promote a more equitable property tax burden as a percentage of income (Voss Database).
  - B. Protect the circuit breaker program.
  - C. Fix issues with the sales tax exemption for local government.
  - D. Support policies that help simplify the property tax system.
  - E. Improve the predictability and timeliness of Fiscal Disparities information.
  - F. Oppose fiscal limitations on local units of government.
  
- II. Invest in job retention and growth
  - A. Support providing DEED with the tools and incentives necessary to attract and retain businesses.
  - B. Support flexibility in Tax Increment Financing (TIF) policies.
  - C. Support a broad based transportation funding package that promotes economic development and growth in the region and keeps Minnesota competitive.

## MLC UPDATE

- III. Support local government policies that promote fairness and equity
- A. Oppose mandates relating to expenditure-type reporting.
  - B. Support Street Improvement Districts.
  - C. Water Resource Management-reduce or better align agency oversight.

### WATER ISSUES

In conversations with legislators, agency staff and our MLC members, everyone seems to agree that issues related to water are becoming an increasing priority. There is significant action around this issue presently, ranging from discussions surrounding the high profile White Bear Lake problems, to various studies commissioned by lawmakers on how best to address long term water resource management and organization.

In the short term, MLC members have noted an interest in addressing DNR fee policies that act as a disincentive for surface water reuse and strategic water resource management. Longer term, our communities want to ensure that policies adopted by the agencies and the legislature take into account not only water use, but a community's effort to offset use through the implementation of strategies that reduce their draw on ground water by capturing and reusing surface water.

Messerli & Kramer staff have been in contact with legislative liaisons in the Department of Natural Resources and the Pollution Control Agency. Both have indicated an understanding of the issue and an openness to a conversation about how to address these issues so as not to disincentivize good water management practices. The DNR indicates they will be releasing a water study this January that may address the fee structure issues, acknowledging the affect it has on communities making good faith efforts.

To further that conversation, agency staff have agreed to meet with the MLC government relations team and MLC communities that have voiced their concerns. That meeting is scheduled for January 9<sup>th</sup> at 4:00p at the Department of Natural Resources. MLC staff will send out an update after the meeting. Please feel free to contact Erin Campbell with any questions of concerns (651-556-9220).

### MN DEPARTMENT OF REVENUE NAMES SENIOR MANAGER FOR TAX POLICY

The Minnesota Department of Revenue announced today that Jenny Starr was named Senior Manager for Tax Policy. Starr will lead the department's tax policy operations and manage the tax policy

## MLC UPDATE

development process between the department and the legislature beginning Jan. 4, 2014. She will report to the Deputy Commissioner.

Starr has been with the department since 2007 and is currently the lead attorney in the areas of corporate franchise, estate, and gift taxes. She is also an adjunct professor at William Mitchell College of Law. Prior to joining the Minnesota Department of Revenue, Starr provided free legal services to indigent residents of Dakota County as a staff attorney and volunteer programs manager at Legal Assistance of Dakota County.

Starr holds a Juris Doctor, cum laude, from the University of Minnesota Law School and a Bachelors Degree from the University of Minnesota College of Liberal Arts. She is married with one child and lives in St. Paul.

In November, Susan Von Mosch announced her retirement from the Department of Revenue after 32 years of dedicated public service to state and local government in Minnesota. Susan has been a recognized, thoughtful leader on tax and budget policy for many years and played an integral role in the enactment of significant tax reforms in 2013.