



WEEKLY SESSION UPDATE

April 22, 2016

THIRD DEADLINE

Thursday, April 21 marked the third and final committee deadline for the Minnesota Legislature. This deadline required committees to act favorably on all major appropriation and finance bills – often referred to as omnibus bills. The Senate Finance Committee and the House Ways and Means Committee met at length this week to complete their work.

SUPPLEMENTAL BUDGET UPDATE

After three days of hearings, the House Ways and Means Committee approved all supplemental budget bills, combining them into three larger omnibus budget bills. The health and human services, state government finance, and public safety bills were merged into HF 3467. The education and higher education bills were merged into HF 2749. Finally, agriculture, environment, and jobs bills were merged into HF 3931.

On Monday, the House will take up the first of these three omnibus bills on the floor – HF 2749. It is expected, at some point, that these three omnibus bills will be combined into one larger package.

The Senate also wrapped up their hearings on supplemental budget bills this week. They are planning to put all financial proposals into one package. Sen. Bakk announced that he hopes to take up this larger package of proposals on the Senate floor next week.

HOUSE TRANSPORTATION BONDING PROJECTS

On Wednesday, the House Transportation Policy and Finance Committee referred almost 40 proposed road, bridge, and transit projects for potential inclusion in a bonding bill. The proposed projects, totaling roughly \$358.4 million in bonding and highway funding requests, were put forward in bills by more than two-dozen Republicans and DFLers, both rural and urban. The proposals range from small asks like \$700,000 to expand a Highway 11 overpass in

tiny Ranier in Koochiching County, to \$85 million for reconstruction of the congested Interstates 35W and 494 interchange in Bloomington. A full list of projects is attached.

During this hearing, Rep. Kelly told members that a new omnibus transportation bill would not be considered, but expressed confidence that they would be able to reach an agreement on a long-term funding plan this session.

TIF LEGISLATION

On Wednesday, the House Property Tax and Local Government Finance Division took up HF 3758 (Drazkowski), which proposes to change TIF pooling limits. This legislation would overturn longstanding practice in TIF law and significantly restrict the ability of cities to pool TIF revenue. Under current practice, a TIF authority can pool up to 25% of tax increments received over the life of a district. The bill would establish the 25% limit on an annual basis. The bill does not affect pre-1990 districts.

A number of city officials, including Minnetonka Mayor Terry Schneider, testified along with the League of Minnesota Cities staff to share concerns about the bill. MLC also wrote a letter to the author expressing concerns – a copy is attached. Ultimately, the bill was laid over.

Earlier this week, we met with the Senate author, Sen. Rest, to discuss concerns. Sen. Rest does want to clarify the law regarding how cities can pool TIF revenue, but she is open to working with us to address issues we have with the bill.

DONATION OF SURPLUS EQUIPMENT

On Thursday, the Senate took up the conference committee report for HF 1003 (Laine/Goodwin). This bill would permit local governments to donate still-working items no longer needed by public agencies – such as cell phones or emergency medical and firefighting equipment – to nonprofit organizations. It also limits the liability of local governments regarding donated equipment and would require them to adopt policies on determining what equipment and organizations are eligible to be donated.

The bill passed on a vote of 58-0. The legislation, which has already passed in the House, now goes to the Governor for final approval.

MASSAGE THERAPY

Both the House and Senate versions of health and human services budget bills originally contained provisions that would establish registration for massage and bodywork therapists, and provide for the regulation of massage and bodywork therapists by registration with the

Board of Nursing. However, during the House Ways and Means Committee on Thursday, the author of the bill, Rep. Dean, removed this provision before the legislation was passed and sent to the floor. The Senate bill still contains the language, so this issue will be worked out in conference committee.

TRANSIT FOR LIVABLE COMMUNITIES LETTER

Last week, we received an email from Transit for Livable Communities. They put together a commentary from suburban mayors that they hoped to get posted in the Star Tribune and/or Pioneer Press. The letter focuses on the need for a comprehensive transportation plan. It also highlights the need for adequate funding, prioritizing state surplus dollars as well as increasing dedicated transportation tax revenues.

A number of our MLC mayors signed on to this letter and Mayor Hovland submitted it to the paper. A copy of it is attached. The letter has not been published yet, but we will share a link to the commentary if it does.