



## 2015 WEEKLY LEGISLATIVE UPDATE

February 27, 2015

### **FEBRUARY FORECAST**

This morning, Minnesota Management and Budget (MMB) released the 2015 February forecast. FY16-17 revenues are now forecast to be \$42.497 billion, a \$616 million (1.5%) increase over November estimates. Current law spending is forecast to be \$41.128 billion, \$115 million (0.3percent) below previous projections. Changes to revenue and spending in the current biennium add \$107 million to the FY2016-17 beginning balance. As a result, the projected forecast balance in the next biennium is now \$1.869 billion, an increase of \$832 million over the November forecast.

### **FY2016-17 General Fund Forecast**

(\$ in millions)	November 2014 Forecast	February 2015 Forecast	\$ Change
<b>Beginning Balance</b>	\$1,745	\$1,852	\$107
Revenues	41,880	42,497	616
Spending	41,243	41,128	(115)
Reserves	1,344	1,344	-
Stadium Reserve	1	7	5
<b>Available Balance</b>	<b>\$1,037</b>	<b>\$1,869</b>	<b>\$832</b>

Additionally, the improved budget outlook continues into the planning horizon as revenue growth exceeds spending growth. There is a structural balance of \$3.184 billion for FY 2018-19. Expenditure and revenue projections for the planning years will be affected by any economic changes and an enacted budget for the 2016-17 biennium.

More detailed information on the budget forecast can be found on the MMB website at:

<http://www.mn.gov/mmb/forecast/forecast/>

### **PRELIMINARY LEVY DATE CHANGE FOR SPECIAL TAXING DISTRICTS**

SF555 (Bonoff) was heard in the Senate Taxes Committee on Thursday. This MLC-supported bill would change the levy certification date for special taxing districts like economic development authorities (EDAs) and housing and redevelopment authorities (HRAs) from Sept. 15 to Sept. 30.

Luke Fischer, Administrative Services Director for the City of Plymouth, testified in favor of this legislation. The discussion was brief with no concerns identified and the bill was laid over for possible inclusion in the tax omnibus bill.



### **DEFICIENCY BILL**

On Thursday, following a brief conference committee, the MN Senate passed the deficiency bill, SF174, by a vote of 35-27. This bill would provide the following stop-gap funding:

- \$10.68 million to the Department of Human Services for the Minnesota Food Assistance Program (\$246,000) and the Minnesota Security Hospital in St. Peter (\$10,437,000);
- \$2.89 million to the Department of Health for costs of statewide Ebola activities and for grants to certain hospitals for Ebola-related expenditures;
- \$1.35 million for Minnesota Zoo operations: and
- \$568,000 to the natural resources for law enforcement activities.

The bill also includes a compromise amendment that delays Governor Dayton's authority to give raises to agency heads until July 1. For one day – the start of the new fiscal year – the governor could act on raises. Then, effective July 2, the governor would be required to seek legislative approval for future increases.

The House also took up this bill on Thursday, where it passed on a vote of 108-20. The bill will now go to the Governor for final approval.

### **SUBCOMMITTEE ON METROPOLITAN COUNCIL ACCOUNTABILITY AND TRANSPARENCY**

On Wednesday, the Subcommittee on Metropolitan Council Accountability and Transparency had an informational hearing on H.F. 75 (Runbeck). This bill would make a number of changes to the Met Council's scope of authority. Among other things, the bill would make the metropolitan development guide advisory and local governments would not be required to conform to it, it would strike the council's review of local comprehensive plans for compatibility, and remove the council's authority to require any changes to local plans or local ordinances.

The subcommittee took public testimony from a number of city and county representatives, including individuals from Plymouth, Woodbury. Most of the public testimony was in favor of this legislation and in favor of limiting the Met Council's scope of authority.

### **EMERALD ASH BORER GRANT PROGRAM**

A coalition of local government partners are working on a proposal to develop an Emerald Ash Borer Grant Program. They are working on draft language that would appropriate \$5 million in competitive grants through the Department of Agriculture for planning, removal, and replanting, giving priority to communities within the EAB quarantine county. This proposal would also provide an ongoing appropriation to ensure a source of funding is available to communities as EAB spreads.

A copy of the draft proposal is attached. If you have interest in engaging in this proposal, please contact Erin Campbell. She will keep those interested apprised of any ongoing activity.

### **WATER BILLS**

On Thursday, the House Environment and Natural Resources Policy and Finance Committee heard two water quality bills, HF616 and HF617.

HF616 (Fabian) would require legislative approval of certain water quality standards and rules as well as require cost benefit analysis of certain water quality standards. HF617 (Fabian) would require independent peer review of certain water quality work, including proposals that support or propose a change with an estimated fiscal impact to affected permittees of \$50 million or more within the first five years of implementation; support or propose a significant new precedent, model, or methodology; address a significant controversial issue; support or propose a change that would significantly impact another state agency; or has the potential to significantly impact the agency's resources.

The committee had a robust discussion on each of these proposals, but were not able to complete all testimony on the bills. The committee will be taking them up again on Tuesday to continue the conversation and provide time for additional testimony.

### **LICENSE PLATE READERS**

On Wednesday, the Senate Transportation and Public Safety Committee took up the LPR bill, S.F. 86 (Latz). This bill would require government entities to maintain an inventory of surveillance technology, and provide an annual report to the legislature. The bill also regulates and classifies data related to the use of automated license plate readers, among other things, requiring the destruction of data within 90 days, if the data are not part of an active criminal investigation.

After a lengthy debate on the bill, the committee decided meet again Monday to continue discussion on the bill and the bill was laid on the table.

The companion bill, H.F. 222 (Cornish), was also taken up this week. On Thursday, the House Civil Law Committee had an information hearing on this bill as well as H.F. 155 (Scott), which is a reflection of the recommendations from the Legislative Commission on Data Practices. Both bills were laid over for future consideration.

### **BILL INTRODUCTIONS THIS WEEK**

<b>HF #</b>	<b>Author</b>	<b>SF#</b>	<b>Author</b>	<b>Short Description</b>
1113	Hansen			Clean Water Council membership modified.
1123	Davids	993	Rest	Tax increment financing (TIF) provisions modifications
1144	Hornstein	780	Dibble	Metropolitan council members election; grant evaluation and ranking system (GEARS) committee elimination
1184	Erhardt			Mayors authorized to perform civil marriages.
1195	Lesch			Mayors authorized to perform civil marriages.
1218	Atkins			Dakota County allowed to impose sales and use tax to fund transportation spending.
1239	Loon			Municipalities authorized to allow off-sale intoxicating liquor sales on Sundays.
1250	Fischer			Authority to charge surcharges and fees to water users within the north and east metro groundwater management area provided, and money appropriated.
1251	Hornstein			Railroad assessment provided, and money appropriated.
1254	Swedzinski	1130	Dahms	Local approval of local sales and use tax and validation of prior act provided.
1265	Davids			Cities provided dedicated aid to fund transportation costs.
1269	Davids	1176	Pappas	Local government units provided reimbursement grants for public safety personnel on authorized leave.
1280	Sanders			Ranked-choice voting adoption by jurisdictions authorized; procedures for adoption, implementation, and use-of ranked-choice voting established, and rulemaking authorized.
		1004	Carlson	Metropolitan council nominating committee membership modification