



2015 WEEKLY LEGISLATIVE UPDATE

January 16, 2015

HOUSE PASSES TAX CONFORMITY BILL

The Minnesota House passed its first bill of the 2015 session on Thursday. This measure that would align state tax law with recent federal changes, providing an estimated \$20 million in tax relief. Among the tax-relief provisions included in the bill are \$4.6 million in mortgage insurance premium deductions, \$2.1M in higher education tuition deductions and \$1.2M in teacher expense deductions. The changes apply to the 2014 tax year. In addition, the bill includes clarifying language related to how state aid is calculated for the Mayo Clinic's Destination Medical Center project in Rochester.

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Senate Majority Leader Bakk said that the Senate would likely take up this legislation Thursday, January 22.

SENATE TRANSPORTATION PRESS CONFERENCE

On Monday, Senator Dibble unveiled a transportation proposal that would raise nearly \$800M in 2016 for road, bridge and transit projects throughout Minnesota. A new fuel surcharge and higher vehicle registration fees are key components of this plan. It also includes an increase in the vehicle registration tax, which would raise about \$125M per year. A straight sales tax increase for the seven-county metro area that would raise more than \$250M per year, mostly for mass transit projects. Combined with several other sources of revenue, the Senate DFL plan would raise about \$1.1B per year.

The package is likely to face resistance from House Republicans, who unveiled their own transportation bill last week. Funding sources for the House bill include \$200M from the general fund and \$505M in unused trunk highway funds.

GOVERNOR APPOINTS NEW MET COUNCIL CHAIR

Governor Dayton appointed Adam Duininck to be the first full-time chair of the Metropolitan Council. Duininck is currently chairman of the Met Council's Transportation Committee and has been a member of the council since 2011. His professional experience includes working as the legislative and political director for the International Union of Operating Engineers Local 49, and more recently he was executive director of Win Minnesota, a nonprofit that works to advance progressive causes in Minnesota.

Following his appointment, Duininck said he plans to conduct a seven-week, seven-county tour to build strong relationships with the communities in the region. He's also putting a priority on securing funding for transportation.

GOV. DAYTON MAY PROPOSE AN \$850M BONDING BILL

The rumor is that Governor Dayton plans to announce an \$850M bonding bill. We expect an announcement soon with details on this proposal.

PROPERTY TAX MEETING IN STEWARTVILLE

Republican lawmakers are encouraging residents who are dismayed by property tax increases to turn out for a meeting next week in Stewartville. Rep. Pierson, of Rochester, and Rep. Quam, of Byron, are sponsoring a listening session on property taxes at 7PM on Thursday, January 22 at the Stewartville Civic Center. Also expected to attend is House Property Tax and Local Government Finance Committee Chairman Drazkowski.

REMINDER – REGIONAL LEGISLATIVE BREAKFASTS

This morning was the first of our three Legislative Breakfast. We had a great turnout and some excellent dialogue with legislators! As a reminder, here are the dates and times of our next two breakfasts:

January 23rd – MLC Regional Legislative Breakfast

Location: Eagan Community Center

Time: 7:30 AM – 9:00 AM

Participating Cities: Apple Valley, Burnsville, Eagan, Inver Grove Heights, Lakeville, Savage

February 13th – MLC Regional Legislative Breakfast

Location: League of Minnesota Cities Building

Time: 8:00 AM – 9:30 AM

Participating Cities: Maplewood, Shoreview, Woodbury

BILL INTRODUCTIONS

Senate Bills

Bill Number	Author	Short Description
SF 58	Osmek	Sunday off-sale intoxicating liquor sales authorization
SF 71	Osmek	Metropolitan council member appointment local approval requirement and removal method
SF87	Dibble	Transportation funding provisions modification; gross receipts motor fuels tax establishment; vehicle registration tax and metropolitan area transit sales sale provisions modification; highway user fund and county state aid funding distribution modification; trunk highway bonds and general obligation bonds authorization
SF118	Senjum	Mandatory fire sprinkler installation prohibition
SF127	Chamberlain	Legislative commission on metropolitan government metropolitan council budget cycle modification and legislative approval requirement
SF129	Rest	Property tax refund additional amount modification

House Bills

Bill Number	Author	Short Description
HF 67	Hertaus	Off-sale intoxicating liquor sales modified.
HF 70	Anderson S	Sunday liquor sales of growlers by small brewers allowed.
HF 75	Runbeck	Metropolitan Council guidelines and plans made advisory.
HF 80	Gruenhagen	Carver County; Trunk Highway 212 right-of-way acquisition and construction funding provided, and money appropriated.
HF82	Loon	Estate tax federal exclusion amount conformed.
HF91	Nornes	Property tax exemptions authorization granted to municipalities for new and expanding business property.
HF 108	Isaacson	Ramsey County; marked I-694 and Rice Street interchange funding provided, bonds issued, and money appropriated.
HF 109	Isaacson	Ramsey County; I-694 and Rice Street interchange funding provided, and money appropriated.
HF 112	Quam	Eminent domain power limited outside of city.
HF 115	Drazkowski	Intoxicating liquor off-sale permitted on Sunday.
HF 121	Swedzinski	Sunday growler sales allowed for small brewers.
HF 122	Swedzinski	Motor vehicle purchases by local governments exemption expanded.
HF 130	Drazkowski	Sunday intoxicating liquor off-sale authorization permitted by municipalities.
HF 131	Drazkowski	Sunday intoxicating liquor off-sale pilot project established.
HF 135	Peppin	Municipal fiscal disparity contributions limited.
HF 140	Carlson	Additional property tax refund modified.
HF 186	Yarusso	Metropolitan area transportation sales tax allocation requirements

		amended.
HF 195	Runbeck	Metropolitan Council prohibited from indebtedness secured by pledge of motor vehicle sales tax revenue.
HF 196	Hansen	Inflow and infiltration reduction program funding provided, and money appropriated.