



2015 WEEKLY LEGISLATIVE UPDATE

January 23, 2015

COMMITTEE DEADLINES SET

According to a memo from House Speaker Daudt and Senate Majority Leader Bakk, the three committee deadlines for the 2015 session have been established:

- March 20, committees must act favorably on bills in the house of origin;
- March 27, committees must act favorably on bills, or companion bills, that met the first deadline in the other house; and
- April 24, committees must act favorably on major appropriation and finance bills.

Additionally, legislative leaders have agreed to a Passover/Easter break from March 28 through noon, April 7. However, committees may begin meeting at 8 a.m. April 7.

SENATE PASSES TAX CONFORMITY BILL

The Minnesota Senate passed a 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.

This bill passed the House unanimously last week and will now head to the Governor for final approval.

SENATE AND HOUSE TRANSPORTATION PLANS

Below is a side-by-side comparison of the House and Senate transportation funding plans. The Governor's proposal is likely to be released on Monday. It also sounds like he will be releasing his budget recommendations on Tuesday.

	<u>SENATE DEMOCRATS</u>	<u>HOUSE REPUBLICANS</u>
<u>AMOUNT OF FUNDING</u>		
	\$800M in 2016	\$750M over four years

	\$1.1B annually starting in 2017	
<u>SOURCE OF FUNDING</u>		
	New 6.5% wholesale gas tax (\$580M/yr)	State budget surplus (\$200M)
	Vehicle registration fee increase(\$125M/yr)	Trunk Highway Fund (\$223M in 2016–17, \$282M in 2018–19)-- Dedicates 90% of "unreserved balance" of the fund
	Bonding for local bridge/road repair(\$567M)	MnDOT efficiencies (\$65M)
	Metro-area sales tax increase for transit projects (\$251M/yr)	
	Motor vehicle lease tax increase for Greater MN transit (\$32M/yr)	
	MnDOT efficiencies (Unspecified amount)	

HOUSE GREATER MN WORKFORCE AND ECONOMIC DEVELOPMENT COMMITTEE

The House Greater MN Workforce and Economic Development Committee heard an overview of the Department of Employment and Economic Development (DEED) on Tuesday. There was considerable discussion about the focus on greater Minnesota vs. the metro area, with a variety of questions and comments from legislators teasing out their concerns.

Of particular interest, DEED highlighted that the new Job Creation Fund has given out 27 grants and that the unemployment insurance rate is historically low.

At one point during the committee discussion, Rep. Miller asked Kevin McKinnon, Deputy Commissioner Economic Development, to name three key challenges to businesses in Minnesota and businesses moving to Minnesota. McKinnon commented that it was dependent on the project, but transportation issues, community issues, and financing issues rank highest, with transportation coming up most frequently. Rep Miller went on to ask about permitting issues. McKinnon noted that DEED has had an initiative for many years that brings together several agencies to explain the permitting process to businesses.

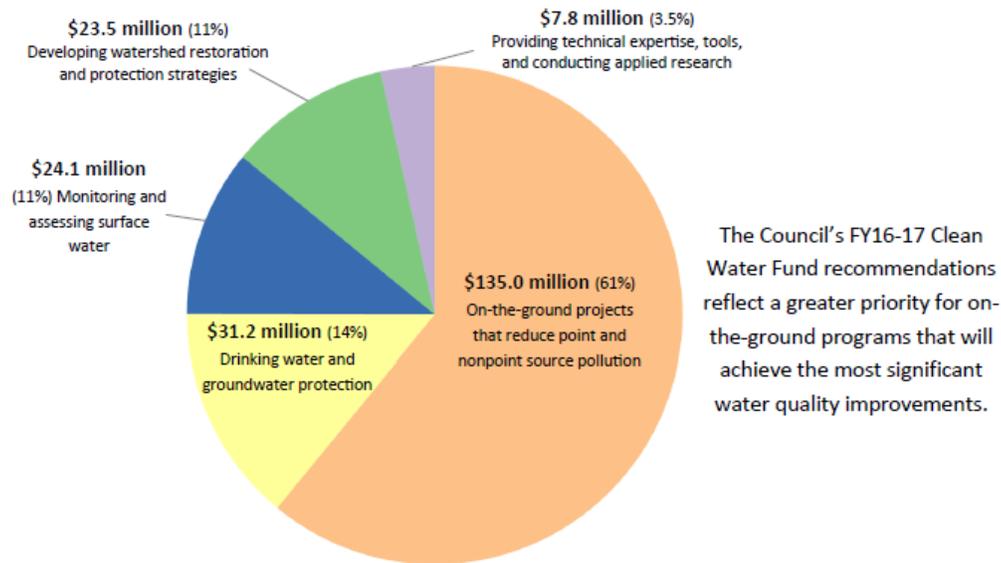
CLEAN WATER COUNCIL RECOMMENDATIONS

The Senate Environment, Economic Development and Agriculture Budget Division heard recommendations from the Clean Water Council on Wednesday.

Over the past two years, the Clean Water Council has developed recommendations for the Legislature and Governor on how FY16-17 Clean Water Funds should be appropriated, policies that could accelerate water quality improvements, and resolutions important to the success of achieving clean water. The

Council's full report is available at www.pca.state.mn.us/cleanwatercouncil. The Council believes a higher percentage of Clean Water Fund dollars must be dedicated to on-the-ground restoration activities to meet water re-source challenges over the long term. A greater proportion of local, state, and federal funding sources will be vital to achieve Minnesotans' vision for clean and sustainable water.

Clean Water Council FY16-17 Clean Water Fund Recommendations by Category (\$221.6 million):



MET COUNCIL RELEASES DRAFT WATER RESOURCES POLICY PLAN

The Met Council has released a public comment draft of the [2040 Water Resources Policy Plan \(WRPP\)](#). The plan places a new emphasis on integrating what the Council does in water supply, surface water, and wastewater.

The Council is accepting comments on the plan through 5 p.m. on Friday, March 20. They are hosting formal public hearings at two upcoming informational meetings:

- Thursday, Feb. 12, 9 to 11 a.m. at Maplewood Community Center, 2100 White Bear Avenue
- Monday, Feb. 23, 1 to 3 p.m. at Ridgedale Library, 12601 Ridgedale Drive

If you wish to attend either of these events, please RSVP at least four days before the meeting to Judy Sventek by phone at 651-602-1156 or email judy.sventek@metc.state.mn.us.

More information on this plan can be found at: <http://www.metrocouncil.org/News-Events/Wastewater-Water/Newsletters/Council-releases-Draft-Water-Resources-Policy-Plan.aspx>

NORTHEAST METRO WATER SUPPLY STUDY IS RELEASED

The Metropolitan Council has released a report that evaluates approaches to preserve and protect water supply in the northeast metro. The report assesses the feasibility and costs of several alternatives designed to help restore the aquifer that supplies groundwater to northeast metro communities.

More information on this report, including a summary as well as the full report, can be found at:
<http://www.metrocouncil.org/News-Events/Wastewater-Water/News-Articles/Northeast-Metro-Water-Supply-Study-is-released.aspx>

COALITION OF GREATER MINNESOTA CITIES OUTLINES LEGISLATIVE AGENDA

The Coalition of Greater Minnesota Cities officials say the Legislature needs to break down obstacles so rural areas can better share in the state's economic growth. They expect unprecedented attention toward rural Minnesota this session, with focus on Local Government Aid funding, broadband infrastructure, job training, workforce housing and transportation.

For more information on their priority initiatives, here is a link to a press release with details on specific areas of focus:

<http://greatermncities.org/newsite/wp-content/uploads/2015/01/Remove-barriers-to-econ.-growth-1.20.15.pdf>

LEAGUE EXECUTIVE DIRECTOR JIM MILLER TO RETIRE IN JULY

Longtime League Executive Director Jim Miller has announced plans to retire from his position, effective July 31, 2015. He formally announced his decision at the League of MN Cities Board of Directors meeting on Jan. 15.

Miller's 22 years of service at the League were the culmination of a career in local government spanning four decades. Previously, he worked for 13 years as the city manager of Minnetonka and was earlier employed as an assistant city manager for Des Moines, Iowa, and for Janesville, Wisconsin.

During his time as a city official, Miller was the driving force behind establish the MLC. He served a term as LMC president and also held various volunteer leadership roles with the National League of Cities.

The succession policy adopted by the LMC Board of Directors calls for the Board president to appoint a search committee consisting of the Executive Committee of the Board and up to three additional people, who will begin the recruitment process for a new executive director. It is expected that a successor will be named prior to Miller's retirement.

BILL INTRODUCTIONS THIS WEEK

HF #	House Author	SF #	Senate Author	Short Description
228	Knoblach	226	Limmer	Nurse Licensure Compact provided, appointments provided, and money appropriated.
231	Loon			Off-sale intoxicating liquor sales permitted of

				Sundays.
242	Quam			Counties and cities required to have written procedures available to the public and to provide notice of availability to the public.
249	Lenczewski			Interstate 35W and I-494 funding provided for interchange improvements, bonds issued, and money appropriated.
262	Scott	72	Thompson	Plat approval by government modified, new certificate by examiner's directive authorized after cancellation of contract for deed, and new certificate of possessory interest by directive authorized after cancellation of contract for deed.
272	Kresha			Fluoridation of water supply opt-out allowed for cities.
282	Petersburg			Corridors of commerce program funding provided, and money appropriated.
310	Pugh	277	Chamberlain	Light rail transit (LRT) projects municipal prior consent process requirement
321	Mack	253	Sheran	Interstate medical licensure compact
		166	Osmek	Metropolitan council guidelines and plans to be advisory in nature
		208	Latz	Property tax valuation exclusion for homestead and commercial-industrial property improvements expansion
		225	Limmer	Fiscal disparities contributions for municipalities limitations
		265	Reinert	Sunday off-sale intoxicating liquor sales authorization
		279	Schmit	Educational diversion programs for traffic offenses establishment