



2015 WEEKLY LEGISLATIVE UPDATE

March 20, 2015

SUPPLEMENTAL BUDGET RECOMMENDATIONS

On Tuesday, the Governor released his supplemental budget recommendations. These revised general fund recommendations are based upon the February 2015 forecast that increased available resources projected for the current biennium and the next. The supplemental recommendations add \$444.2 million to his \$42 billion proposal.

Most of the additional spending was dedicated to education priorities. However, additional dollars were also invested in tax credits for child care and working families, nursing homes, and essential public safety improvements.

Revisions to the Governor's budget can be found on the MMB website (<http://www.mn.gov/mmb/>) including:

1. A listing of the Governor's total recommendations. Changes from the January submission include new recommendations (proposals that were not in the earlier budget submission), revised recommendations (due to the forecast or other changes), and corrected recommendations (where an error in an earlier recommendation is being corrected);
2. Revised budget documents, with updated fiscal and change item pages;
3. Fund statements;
4. Other supporting documents.

DEADLINES AND IMPORTANT DATES

- TODAY! Friday, March 20th – First Deadline – Deadline for committees to act favorably on bills in the house of origin.
- Friday, March 27th – Second Deadline – Deadline for committees to act favorably on bills, or companions of bills, that met the first deadline in the other house.
- Saturday, March 28th – Monday, April 7th – Easter/Passover Break at the Legislature
- Wednesday, April 8th – Governor's State of the State
- Friday, April 24th – Third Deadline – Deadline for committees to act favorably on major appropriation and finance bills.

EARLY VOTING

The Senate's omnibus elections bill, SF455 (Sieben), has been making its way through the committee process. This bill includes a provision that would create an early voting system in Minnesota. The early

voting system would be established for elections held on or after Aug. 1, 2015. This proposal would only change the in-person absentee voting. It would not affect cities that do not currently administer absentee voting. The bill was heard in Senate Judiciary on Wednesday, where it was passed and re-referred to the Finance Committee.

The House companion, HF840 (Sanders), does not include an early voting provision. The House has not heard early voting legislation this session. Rep. Fenton's early voting bill, HF1981, was scheduled for a hearing in Government Operations Committee yesterday, but was pulled from the agenda.

RETROACTIVE CHALLENGES TO LEVY INCREASES

Rep Drazkowski has introduced a bill in the House that would allow voters to retroactively challenge the levy increases of cities and counties. HF1671, titled the Property Tax Payers' Empowerment Act, would apply to all cities and counties and would be effective beginning with taxes levied this fall and payable in 2016. There is no companion bill introduced in the Senate and no hearing has been scheduled in the House.

MET COUNCIL BILLS

Today, the Senate took up two met council bills in the State and Local Government Committee. The first bill, SF71 (Osmek), would modify the process for selecting and confirming appointees to the Met Council. It would clarify that the Governor must consult with legislators after receiving a list of nominees and before selecting a nominee. It would require the Governor to notify the cities and towns in each district of his selection. It would also allow for a council member to be removed by the majority of cities and towns in the district submitting resolutions asking for their removal.

On a roll call vote of 5-8, the bill did not pass.

Next, the committee took up SF1560 (Dibble). This bill would establish a task force to study and make recommendations to the legislature on metropolitan governance. It provides for a 17 member task force, which must study and evaluate models of metropolitan governance to address regional planning, financing, construction or acquisition, and operation of infrastructure and services.

This bill was passed and re-referred to the Rules Committee.

In the House, the Government Operations Committee heard two Met Council bills this week, HF1297 (Uglen) and HF195 (Runbeck).

Among other things, HF1297, as amended, would provide for staggered terms of Met Council members, effective immediately. It would modify the membership of the nominating committee, would require members also be elected by city council members, and would provide for the members of the council to elect the chair. The bill would also convert the Metropolitan Council to a state fiscal year budget from a calendar year budget and require annual enactment of a state law approving the council's budget for its proposed budget to take effect. If no law is enacted, the previously approved budget would remain in effect. Additionally, it would state that the development guide is advisory and local governments are not required to conform. It would strike the council review of local comprehensive plans for compatibility with other local governments' plans and would state that the council cannot require changes to local ordinances.

The bill was passed and sent to the General Register.

HF195 would modify transit finance and development provisions (primarily relating to the Metropolitan Council). It would prohibit completion of alternatives analyses or selection of locally preferred alternatives for new light rail transit projects without either legislative authorization or an appropriation of money for the project. It would prohibit the Metropolitan Council from using motor vehicle sales tax revenues in bonding for transit capital costs. It would eliminate any state contribution to light rail transit operating costs after farebox revenue and any federal funds. It would also reduce the state general fund base appropriation to the Metropolitan Council for transit operations by the amount of growth in motor vehicle sales tax revenue over the level in fiscal year 2015.

The bill was passed and re-referred to Transportation Policy and Finance, where it is being heard on Monday.

LIQUOR BILL

This week, Rep Hoppe, Chair of the House Commerce Committee, announced that he is not sure he will hold a hearing on legislation that would allow Sunday liquor sales. It appears that there are not enough votes to move the bill out of the committee.

Rep Hoppe also announced that the proposal will not be included in his broader liquor omnibus bill. However, it is likely that supporters will propose an amendment to add Sunday sales to the bill when it is debated on the floor.

LMC-SPONSORED TIF BILL

Last week, the House Property Tax Division heard HF1123 (Davids). This bill is a League-sponsored bill that would clarify a number of provisions in the TIF statutes. This bill would authorize spending tax increments for maintenance and preservation of properties that were acquired with tax increments, subject to the percentage limits on administrative expenses. In addition, the bill would narrow the definition of increments that are subject to the percentage restrictions on pooling and five-year rule. Finally, the bill would liberalize the procedural rules governing interfund loans that are paid back with tax increments, as well imposing some new limits on those loans.

The bill was discussed and laid over for possible inclusion in the division omnibus bill.

TRANSPORTATION UPDATE

Today, the Senate Transportation and Public Safety Committee took up SF87 (Dibble). This is the Senate's transportation funding proposal. This proposal would spend \$800 million in 2016 and \$1.1 billion annually starting in 2017 to invest in both transit as well as road and bridge improvements. In order to fund this spending, the bill would create a new 6.5% wholesale gas tax, increase the vehicle registration fee, use bonding dollars for local bridge and road repair, increase the metro-area sales tax for transit projects, and increase the motor vehicle lease tax for Greater MN transit.

During the hearing, over 20 amendments were added to the bill, so the final language is different than previous iterations of this legislation. Of note, Article 5 of the bill would create an increase in the surcharge on motor vehicle transfer fees. This in place of the Municipal Street Improvement District language. That language has been removed from the proposal.

This bill still has many steps to make before the language is finalized. We will send more information on the individual provisions of the bill when we have a more concrete picture of what the final bill will look like.

The House has not yet rolled out their transportation proposal, but it is likely to happen next week.

BILL INTRODUCTIONS THIS WEEK

HF #	Author	SF #	Author	Short Description
1835	Runbeck	1726	Chamberlain	Metropolitan area water supply advisory committees provisions modifications; north and east metro groundwater management area plan suspension
1887	Runbeck	1840	Thompson	Local housing incentives program and other funding programs link stricken.
1969	Vogel			Legislative approval of housing incentives and allocations by the Metropolitan Council required.
1971	Nash	1842	Thompson	Thrive MSP 2040 metropolitan development guide approval before implementation required, and revision after local government input required.
2018	Marquart			Railroad and pipeline taxation and safety governed, railroad property tax amended, railroad and pipeline company assessment sunset eliminated, railroad crossing improvement funding provided, and money appropriated.
2034	Quam			First class city per capita aid limits imposed.
2050	Albright			Metropolitan Land Planning Act modified to eliminate authority of the Metropolitan Council to require local comprehensive plan amendments in response to council policies, plans, and system statements.