

# Fredrikson and Byron Legislative Update



## MAT/MATIT STATE LEGISLATIVE UPDATE

March 1, 2021

Welcome to March! I don't know where February went but this legislative session is moving fast!

The big news this past week was the February Budget Forecast announcement that the estimated budget for the Fiscal Biennium (FY22-23) is now showing a **\$1.57 Billion surplus!** This is a positive turn of events from the \$1.2 billion budget deficit that was projected back in November. From the Minnesota Management and Budget Office (MMB):

“Minnesota’s budget outlook is significantly better for this biennium and the next due to an improved U.S. economic outlook that is bolstered by large federal actions that have emerged since November and were not incorporated in earlier projections. There is no longer an anticipated shortfall for FY 2022-23 and we now project a positive balance of \$1.6 billion because of a higher revenue forecast, lower state spending, and an increased surplus for the current fiscal year. Improvements to the economic outlook have not been spread equally as unemployment continues to disproportionately impact lower-wage workers.”

The forecast is highly dependent on the course of the pandemic, the rollout of the vaccine, and financial relief from the federal government. A large majority of the budget surplus is rollover from the current biennium, but there is still a projected structural surplus of \$260 million which is projected to increase to \$845 million in FY2024-25 as revenues are growing faster than state spending. You can find more information on the budget forecast [here](#) or see the attached document from MMB.

Going forward, we will see the Governor, House Democrats, and Senate Republicans position themselves for end of session negotiations. The Republicans are already removing tax increases from the table and the Democrats and Governor Walz are taking away any cuts to education.

### Last Week's MAT Highlights:

- MAT received some nice recognition in “The Morning Take,” a daily Capitol e-newsletter:
  - “TOWNSHIPS: From the Minnesota Association of Townships, VERBATIM: “Minnesota’s 1,781 townships will hold their annual meeting on Tuesday, March 9. Known as Township Day, these annual meetings are held every year on the second Tuesday in March. Residents of the townships will meet to voice their opinions about local issues with other township residents and also vote directly on their annual tax levy; direct democracy in action. Citizens attending annual meetings also often discuss and vote on other local issues. In addition, many of the state’s townships will hold their township officer elections on Tuesday’s Township Day.”
- MAT’s annexation bill, SF1032 was introduced in the Senate by Sen. Anderson.
- Meeting with Rep. Bjorn Olson, who has committed to being our House chief author on both annexation bills.
- Meeting with Sen. Newman, chair of the Senate Transportation Committee.
  
- Monitored this month’s Workers’ Compensation Advisory Council (WCAC) Meeting which reviewed legislation to extend the COVID presumption coverage deadline to July 2022 (HF1203/SF1203) and general presumption of coverage to firefighters with certain forms of cancer. MATIT weighed in with a letter not opposing HF1203/SF1203 (see attached).

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- Bill Hearings:
  - HF820 (Koegel) Open Meeting Law; public body member allowed to attend meetings from a private location more than three times in 2021
    - [https://www.revisor.mn.gov/bills/text.php?number=HF820&version=1&session=ls92&session\\_year=2021&session\\_number=0&type=div](https://www.revisor.mn.gov/bills/text.php?number=HF820&version=1&session=ls92&session_year=2021&session_number=0&type=div).
    - Amended to not disclose military base or home address.
    - Passed out of House Local Government Division and House State Government Finance & Elections and on to the House Floor.
  - HF1140 (Elkins) Open Meeting Law; terminology and requirements modified related to meetings conducted through the use of telephone or interactive technology.
    - [https://www.revisor.mn.gov/bills/text.php?number=HF1140&version=1&session=ls92&session\\_year=2021&session\\_number=0&type=div](https://www.revisor.mn.gov/bills/text.php?number=HF1140&version=1&session=ls92&session_year=2021&session_number=0&type=div).
    - Amended to clarify votes kept by journal or minutes.
    - Passed out of House Local Government Division and House State Government Finance & Elections and on to the House Floor.
  - HF978 (Becker-Finn) Fire protection special taxing district creation authorized, and property tax levies and bond issuance authorized.
    - [https://www.revisor.mn.gov/bills/text.php?session=ls92&number=HF978&session\\_number=0&session\\_year=2021&version=list](https://www.revisor.mn.gov/bills/text.php?session=ls92&number=HF978&session_number=0&session_year=2021&version=list)
    - Amended and laid over for possible inclusion in the House Property Tax Division omnibus finance bill.
  - Both Broadband bills heard in the Senate Agriculture & Rural Development Finance and Policy Committee and laid over for possible inclusion in the Senate agriculture omnibus finance bill
    - S.F. 946 (Westrom) - Broadband grant program funds transfer
      - [https://www.revisor.mn.gov/bills/text.php?number=sf946&version=latest&session=ls92&session\\_year=2021&session\\_number=0](https://www.revisor.mn.gov/bills/text.php?number=sf946&version=latest&session=ls92&session_year=2021&session_number=0).
    - S.F. 1186 (Draheim) - Broadband grant program appropriation.
      - [https://www.revisor.mn.gov/bills/text.php?number=SF1186&version=0&session=ls92&session\\_year=2021&session\\_number=0](https://www.revisor.mn.gov/bills/text.php?number=SF1186&version=0&session=ls92&session_year=2021&session_number=0).

## This Week's MAT Highlights:

- March 2 - Committee on State Government Finance and Policy and Elections
  - S.F. 1422 (Kiffmeyer) - Challenged voters process modification; notification of challenge and process to contest challenge; challenged ballots use requirement; penalty; conforming changes.
    - [https://www.revisor.mn.gov/bills/text.php?number=sf1422&version=latest&session=ls92&session\\_year=2021&session\\_number=0](https://www.revisor.mn.gov/bills/text.php?number=sf1422&version=latest&session=ls92&session_year=2021&session_number=0)

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- March 2 - Senate Committee on Civil Law and Data Practices Policy
  - S.F. 652 (Kiffmeyer) - Election judges lists with party affiliation submission to secretary of state requirement.
    - [https://www.revisor.mn.gov/bills/text.php?number=SF652&version=0&session=ls92&session\\_year=2021&session\\_number=0](https://www.revisor.mn.gov/bills/text.php?number=SF652&version=0&session=ls92&session_year=2021&session_number=0)
- March 2 - House Transportation Finance and Policy
  - HF9 (Greenman) \*Art. 1, Sec. 12. Art. 1, Sec. 13.\*
    - [https://www.revisor.mn.gov/bills/text.php?number=HF9&version=3&session=ls92&session\\_year=2021&session\\_number=0](https://www.revisor.mn.gov/bills/text.php?number=HF9&version=3&session=ls92&session_year=2021&session_number=0).
  - HF607 (Bahner) - Automatic voter registration system provided.
    - [https://www.revisor.mn.gov/bills/text.php?session=ls92&number=HF607&session\\_number=0&session\\_year=2021&version=list](https://www.revisor.mn.gov/bills/text.php?session=ls92&number=HF607&session_number=0&session_year=2021&version=list)
- March 3 - Local Government Division
  - HF702 (Becker-Finn) Cities and towns allowed to require additional licensing for hotels.
    - [https://www.revisor.mn.gov/bills/text.php?number=HF702&version=0&session=ls92&session\\_year=2021&session\\_number=0](https://www.revisor.mn.gov/bills/text.php?number=HF702&version=0&session=ls92&session_year=2021&session_number=0)
  - HF1359 (Freiberg) Towns and political subdivision authorized to established inflow and infiltration prevention programs and make loans or grants to property owners.
    - [https://www.revisor.mn.gov/bills/text.php?number=HF1359&version=0&session=ls92&session\\_year=2021&session\\_number=0](https://www.revisor.mn.gov/bills/text.php?number=HF1359&version=0&session=ls92&session_year=2021&session_number=0)
  - HF1565 (Elkins) Municipality authorized to establish street improvement district.
    - [https://www.revisor.mn.gov/bills/text.php?number=HF1565&version=0&session=ls92&session\\_year=2021&session\\_number=0](https://www.revisor.mn.gov/bills/text.php?number=HF1565&version=0&session=ls92&session_year=2021&session_number=0)
- March 3 – Meeting with Sen. Howe to discuss SF625 -  
[https://www.revisor.mn.gov/bills/text.php?number=SF625&version=1&session=ls92&session\\_year=2021&session\\_number=0](https://www.revisor.mn.gov/bills/text.php?number=SF625&version=1&session=ls92&session_year=2021&session_number=0) - a bill to dedicate part of sales taxes on auto parts for town and small cities roads and bridges.

## KEY MAT ISSUES

- Local Govt. Street Assessment – MAT continues to participate in the coalition to push legislation forward in the legislative process.
- Culvert Replacement Cost Shift – MAT leadership, MAT staff and F&B lobbyist are in a holding pattern on this issue as proper state agencies/boards determine if legislation is necessary.
- Broadband – Various funding proposals from key legislators continue to be heard in the House and the Senate. The Governor has recommended funding for broadband. This will come into focus as we get closer to the Third

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Committee Deadline. MAT and F&B lobbyists will continue to monitor and, if appropriate, testify in committee.

- Open Meeting Law/Mandated Public Comments – MAT continues to work in coalition with other state/local government stakeholders to make sure that, as this and other germane legislation moves through the legislative process, it is user-friendly for townships and doesn't create unfunded mandates. An example of this was seen last week in the HF1140 hearing (see above).
- Elections – Various election-law bills are currently moving through the legislative process (eg; HF9, SF173). Because of the 2020 election outcomes and its aftermath, there are strong feelings and it could be a while before any significant changes make it into law.
- Transportation – MAT leadership, MAT staff and F&B lobbyists are exploring transportation funding options with the House and Senate transportation committee chairs. We are also working with the small cities coalition and Sen. Howe on SF625, which dedicates a percentage of revenue from auto sales parts to a township road account and a small cities account.
- Annexation – Sen. Anderson introduced SF1032 last week on the orderly annexation agreement change. MAT staff & F&B lobbyists are working with him to introduce a second annexation bill which includes the orderly annexation stipulation, elimination of other city annexation powers and strengthens townships' detachment powers. This second bill is in the drafting stage and will be ready in several weeks for introduction. Rep. Bjorn Olson will chief author both bills in the House and should be introduced in the near future.
- Volunteer Driver Legislation – HF1716 (volunteer driver definition legislation) was just introduced in the House. F&B lobbyists are awaiting an update/direction from the MN Public Transit Association on this issue.
- Decommissioning Solar Panels – While consensus language with an MPCA stakeholders' group is still a year away, MAT Board Members are concerned about any current legislation that will not prohibit continued disposal of solar photovoltaic panels (and wind turbines too) into town landfills, creating hazardous leaching into soils and the water table.

## Bill Watch

Fredrikson & Byron is trying a new Bill Watch format this legislative session. Attached are MAT and MATIT bills of interest that F&B lobbyists are tracking for you. Please review these as new ones are added every week. If you have specific questions about the bills included or if there is legislation that is not on this list that you have questions about, please let Steve Fenske or me know. Thank you!