

Fredrikson and Byron Legislative Update



MAT/MATIT STATE LEGISLATIVE UPDATE

March 21, 2021

We have officially passed the First and Second Committee Deadlines as of this past Friday, March 19. However, the grueling committee hearing schedule won't let up this week as many legislators are scrambling to get their finance bills heard in time to possibly be included in committee omnibus finance bills, which must be completed by April 9. That may seem a couple of weeks away (it is) but the legislature has its Passover/Easter Break starting the end of this week through April 5. So the pressure is on!

Meanwhile, Governor Walz has announced his revised budget plan which includes dropping a number of his previously sought revenue increases.

- [Changes to Governor's Original General Fund Recommendations](#)
- [Walz drops some tax increases in revised budget plan](#)
- [Revised Walz Budget Drops Some Tax Hikes, Makes Some PPP Loans and Unemployment Benefits Tax-Free](#)

Senate Republicans have also released their budget targets. Of no surprise, there will be no new taxes in the Senate Republican tax bill and a significant portion will include forgiving taxes on the federal stimulus packages from last year. Details will be clear in the next couple of weeks.

- [Minnesota Senate Republicans counter Walz budget proposal](#)
- [Minnesota Senate Republicans Offer Their Own Budget Proposal](#)

Now the DFL House will release their budget targets this coming week. Expect many similarities to the Walz proposal.

Finally, here's reminder that **we need to increase grassroots advocacy on MAT's top priority, transportation funding**. MAT's VoterVoice, urging legislators to support a \$20 million annual increase for town roads and bridges, was only used recently to contact legislators a total of 126 times across the state. For townships to have a chance of receiving a significant funding increase, **we need 126 township officers to contact their legislators in every Senate District!**

If you have any further questions about grassroots advocacy or other issues listed below, feel free to contact Steve Fenske.

Last Week's MAT Highlights:

- March 15 – House Agriculture Committee
 - HF1524 (Sundin) - Department of Agriculture, Board of Animal Health, and Agriculture Utilization Research Institute budget established; border-to-border broadband fund account money transferred; agriculture policy and technical changes made; biofuels program and advisory committee created; and money appropriated.
https://www.house.leg.state.mn.us/comm/docs/v4HTVE3s0UiOYHHf8_Rbog.pdf
 - HF1524 was laid over for possible inclusion in the agriculture committee omnibus finance bill.

Fredrikson and Byron Legislative Update



- March 16 – House Transportation
 - [HF1148](#) (Olson) - Town roads and bridges funding provided, and money appropriated.
 - [HF1620](#) (Lippert) - Motor vehicle rental tax revenue allocation amended.
 - [HF586](#) (Murphy) - Volunteer drivers receiving funding from public transit participation program clarified as not for hire.
 - See below in the transportation/volunteer driver sections.
- March 17 – House Industrial Education and Economic Development
 - [HF14](#) (Ecklund) Broadband grant program money deposit transferred.
 - HF14 passed out of the committee and was re-referred to House Ways & Means Committee.
- Energy Legislation (via F&B's Melissa Rahn)
 - HF1879 (Lippert) <https://www.revisor.mn.gov/bills/bill.php?b=House&f=HF1879&ssn=0&y=2021> which would allow for solar on closed landfills was heard and held over for inclusion in House Energy and Climate. Connexus testified in support on the closed Ramsey/Anoka landfill. Kirk Koudelka with MPCA testified and indicated wanting more discussions; Rick Evans with Xcel testified mostly with opposition of RDA usage to retire debt of another political subdivision (Connexus). It was held over for possible inclusion in an omnibus bill.
 - The Senate Energy Committee heard SF1508 (Rarick) Community Solar Garden https://www.revisor.mn.gov/bills/text.php?number=SF1508&version=latest&session=ls92&session_year=2021&session_number=0 modifications. It was held over for possible inclusion. It would require community access projects to have 50 percent or more be subscribed by residential customers, it couldn't discriminate against subscribers based on income or credit scores, and it would be able to purchase from the retail rate instead of value of solar. Xcel energy signaled they weren't opposed to the idea if it were included in a broader package of CSG reforms.

This Week's MAT Highlights:

- March 22 – House Property Tax Division
 - The division will consider the [A21-0106.pdf](#) amendment to HF1735. This will serve as the property tax division article as part of the House omnibus tax bill.
 - The amendment includes items of interest to MAT:
 - HF978 - Fire protection special taxing district creation authorized with levy/bonding authority https://www.revisor.mn.gov/bills/text.php?number=HF978&version=0&session=ls92&session_year=2021&session_number=0
- March 22 – House Ways and Means Committee
 - [HF1203](#) (Wolgamott) COVID-19; workers' compensation claim presumption extended to Dec. 31, 2021
- March 23 – Senate Tax Committee
 - SF1766 (Howe) Volunteer drivers income tax subtraction for mileage reimbursement authorization

Fredrikson and Byron Legislative Update



https://www.revisor.mn.gov/bills/text.php?number=SF1766&version=0&session=ls92&session_year=2021&session_number=0

- MAT supports this bill.

- March 23 – Senate Transportation Committee
 - SF2045 (Dornink) Construction materials special permits modification.
https://www.revisor.mn.gov/bills/text.php?number=SF2045&version=0&session=ls92&session_year=2021&session_number=0
 - MAT supports this bill.
- March 23 – House Labor Committee
 - [HF2253](#) (Sundin) Workers' Compensation Advisory Council Recommendations
- March 24 – Senate Labor Committee
 - SF2143 (Utke) Workers' Compensation Advisory Council recommendations adoption.
- March 24 – House Property Tax Division
 - Mark-up of HF1735 (See above)
- March 24 – Senate Agriculture Committee
 - SF1536 (Duckworth) - Broadband grants use for fixed wireless broadband and mapping requirements clarification.
https://www.revisor.mn.gov/bills/text.php?number=SF1536&version=0&session=ls92&session_year=2021&session_number=0

KEY MAT ISSUES

- Transportation – Last week, Rep. Hornstein heard HF1148 (Olson), funding \$8 million in one-time funding for township roads over a two-year period. But Rep. Hornstein is more interested in HF1620 (Lippert), which was amended in committee to dedicate car rental sales tax revenue to small cities *and* townships. This way, townships could see an increase in ongoing funding of \$38 million per biennium (or \$19 million a year)! Both bills were laid over for possible inclusion in the House omnibus transportation finance bill.

Contrast the House possibilities with the funding option that seems to be gaining support in the Senate: a legislative increase of dedicated revenue from auto sales parts to a township road account and a small cities account (SF625). This would amount to \$9 million in new annual revenue for townships. MAT, the small cities coalition, the Mn Transportation Alliance are working with Sens. Newman (Senate Transportation Committee Chair), Jasinski and Howe to increase this amount beyond \$9 million as we await the rollout of the Senate omnibus transportation finance bill.

But for any of these possibilities to happen, maximum pressure must be placed on all legislators for significant increased funds for town roads; to the amount of \$20 million more per year! **This will require a large-scale MAT VoterVoice effort by all town officials to contact their legislators as soon as possible!**

Fredrikson and Byron Legislative Update



- Agriculture – MAT has submitted a letter of support to the House and Senate agriculture committees for the Governor’s Noxious Weed Management Program budget recommendations.
- Local Govt. Street Assessment – MAT continues to participate in the coalition to push legislation forward in the legislative process. HF527/SF277 was last heard in the House State Government Finance Committee on February 18th. It was laid over for possible inclusion but it has not been heard in the Senate.
- 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 move through the legislative process in the House and the Senate. The Governor has recommended funding for broadband and so have the Senate Republicans in this past week’s budget targets. However, efforts to expand the broadband grant to include wireless projects continue. This will all come into focus as we get closer to the Third 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. HF1140/SF1544 (Elkins/Jasinski) have been amended to reflect how townships already publish meeting minutes. These bills are now on the House and Senate Floors. There doesn’t seem to be any movement on HF52(Nash)/SF180(Benson).
- 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.
- Annexation – MAT staff & F&B lobbyists have now moth-balled the collective annexation legislation as it did not pass out of the appropriate policy committees before the First Committee Deadline. Our strategy is to work with Sen. Anderson, possibly Rep. Youakim (as a possible House chief author) and the city associations during the interim. SF1969/HF2282 - https://www.revisor.mn.gov/bills/text.php?number=SF1969&version=0&session=ls92&session_year=2021&session_number=0 – could also have some promise for next year. It was introduced by Sen. Mary Kiffmeyer and Rep. Shane Mekeland and could be a legislative way to get the bill moving.
- Volunteer Driver Legislation – HF586 (Volunteer drivers receiving funding from public transit participation program clarified as not for hire) was heard and passed out of the House Commerce Committee and the House Transportation Committee (this past week). Unfortunately the bill may be dead for session as it did not get a hearing in the Senate Commerce Committee prior to the Second Committee Deadline.

However, [SF 1766 as introduced - 92nd Legislature \(2021 - 2022\) \(mn.gov\)](#), which allows volunteer drivers to get an income tax subtraction for mileage reimbursement, is up for a hearing in the Senate Tax Committee this week.

- Energy Issues – The House heard bills this week that would provide changes to community solar gardens. HF653 and HF1397 were held over for inclusion without amendment, despite a long list of ones offered. Rep.

Fredrikson and Byron Legislative Update



Long's bill hasn't yet been introduced, it had a brief informational discussion and will have more consideration and action in a future hearing. There is nothing of note for the townships in the discussion. These bills have not been heard in the Senate; it is worth noting that Sen. Rarick has the companion to HF653, the contiguous county change. Sen. Dibble has the companion to Rep. Long's HF1397.

- 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. F&B energy lobbyist Melissa Rahn is keeping a close watch on legislation of interest. For Melissa's summary of key legislation this past week, see above.