

# Fredrikson and Byron Legislative Update



## MAT/MATIT STATE LEGISLATIVE UPDATE

March 30, 2021

We are finally at the legislative spring break! This week is when legislators and staff take a pause from formal legislative business for the Passover and Easter holidays. But it doesn't mean that work isn't being done behind the scenes.

In fact preparations are happening behind the scenes for legislators' return on April 6, when quick work must be made in time to meet the Third Committee Deadline of April 9. That is when committees must approve all major finance bills and send them to the House Ways & Means or the Senate Finance committees in order to stay "alive" for the remainder of the legislative session.

To help these committees formulate these omnibus finance bills, House and Senate budget targets have now been released and Governor Walz has issued a revised budget. Budget targets are determined by majority caucus leadership and the respective finance chairs to determine how much of the general fund budget each committee can spend. Thanks lobbyist, Cap O'Rourke, you can see an easy, side-by-side comparison of the budget targets by committee further below (next page).

Both the Senate Republicans and House DFLers are proposing roughly a \$52 billion two-year budget. On paper, they are only separated by \$600 million in total spending; with the Governor's proposed budget targets between them. But there are still major policy and budget differences in many areas that need to be worked out (eg; tax increases versus no tax cuts). Throw in a \$1.3 billion budget surplus AND additional money on its way from the Federal Government and the legislature could easily be looking at a June special session to resolve these budget issues.

On matters related to MAT/MATIT, this week was spent working behind the scenes on legislation regarding workers' compensation, taxes, broadband, and volunteer drivers. But we cannot take our eyes off critical transportation funding.

**MAT needs 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, has only been used recently to contact legislators by a total of 144 town officials across the state. For townships to have a chance of receiving a significant funding increase **dozens of township officers need to contact their legislators in every Senate District this week!**

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

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Senate \$51.9 Billion Target		House \$52.5 Billion Target	
	\$ Million		\$ Million
E-12 Education:	\$20,581	Education:	\$20,810
		Early Childhood:	\$716
Health & Human Services:	\$16,250	Health & Human Services:	\$16,247
Higher Education:	\$3,451	Higher Education:	\$3,526
Agriculture:	\$168	Agriculture:	\$139
Housing:	\$116	Housing:	\$145
Environment & Natural Resources:	\$332	Environment:	\$372
Energy and Utilities:	\$26	Climate & Energy:	\$29
Commerce:	\$42	Commerce:	\$45
Jobs and Economic Growth:	\$347	Workforce & Business Development:	\$285
		Industrial Education & Economic Development:	\$66
Veterans:	\$219	Labor, Industry, Veterans & Military Affairs:	\$246
Transportation:	\$466	Transportation:	\$289
Judiciary and Public Safety:	\$2,628	Judiciary:	\$1,084
		Public Safety:	\$1,574
State Government:	\$936	State Government:	\$994
		Tax Aids & Credits:	\$4,164
		Capital Investment:	\$1,653

## Last Week's MAT Highlights:

- March 22 and March 24 – House Property Tax Division Hearings
  - The division considered 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](https://www.revisor.mn.gov/bills/text.php?number=HF978&version=0&session=ls92&session_year=2021&session_number=0)
    - At the March 24 hearing, a compromise had been reached on the HF1812 language between the Leech Lake Band, Cass County and the area townships. The county and townships will be held financially harmless by the change in the tax designation. Only the state is “on the hook.”
- March 22 – House Ways and Means Committee
  - [HF1203](#) (Wolgamott) COVID-19; workers' compensation claim presumption extended to Dec. 31, 2021.

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- HF1203 was passed out of committee to the full House for future consideration.
- March 23 – Senate Tax Committee
  - SF1766 (Howe) Volunteer drivers income tax subtraction for mileage reimbursement authorization [https://www.revisor.mn.gov/bills/text.php?number=SF1766&version=0&session=ls92&session\\_year=2021&session\\_number=0](https://www.revisor.mn.gov/bills/text.php?number=SF1766&version=0&session=ls92&session_year=2021&session_number=0).
    - MAT supports this bill and submitted a letter of support.
    - SF1766 was laid over for possible inclusion in the Senate omnibus tax bill.
- March 23 – House Labor Committee
  - [HF2253](#) (Sundin) Workers' Compensation Advisory Council Recommendations.
    - This bill was fast-tracked, passing through the House Ways & Means Committee and the House Rules Committee. It also passed the full House by a vote of 128-3.
- March 24 – Senate Labor Committee
  - SF2143 (Utke) Workers' Compensation Advisory Council recommendations adoption.
    - This bill passed out of committee and awaits action by the Senate Rules Committee.
- 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](https://www.revisor.mn.gov/bills/text.php?number=SF1536&version=0&session=ls92&session_year=2021&session_number=0)
    - This bill was laid on the table for possible inclusion in the Senate omnibus agriculture finance bill.
- March 25 – House Energy Committee
  - HF1850 (Bierman) - Offers temporary tax credit for the purchase and installation of solar energy systems. The program would operate through January 1, 2024 and is capped at an aggregate of \$5 million a year \$2.5 million of which must be reserved for household systems. These are systems on residential properties (up to \$5K credit) or small businesses (up to \$20K credit).  
[https://www.revisor.mn.gov/bills/text.php?number=HF1850&version=0&session=ls92&session\\_year=2021&session\\_number=0](https://www.revisor.mn.gov/bills/text.php?number=HF1850&version=0&session=ls92&session_year=2021&session_number=0)
    - HF1850 is supported by primarily roof top solar installers. No one testified in opposition. It was held over for possible inclusion.
- March 25
  - HF820 – 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)
    - HF 820 passed the House 124-7 and has been sent to the Senate. The Senate version, SF852, is awaiting action by the full Senate.

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- MAT supported this legislation and signed on to a joint letter with LMC and others.

## KEY MAT ISSUES

**Transportation** – At this point in the legislative session, **a large-scale MAT VoterVoice effort is required ASAP by all town officials to contact their legislators and push for a \$20 million annual township road funding increase.**

- In the House, Transportation Committee Chair Rep. Hornstein is looking at two possible options to increase funding for township roads:
  - HF1148 (Olson) - funding \$8 million in one-time funding for township roads over a two-year period; or
  - HF1620 (Lippert) - dedicate car rental sales tax revenue to small cities and townships for a \$19 million township road funding increase per year.
- In the Senate, Transportation Committee Chair Sen. Scott Newman is primarily looking at 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.
- **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. We now await the Senate and House omnibus finance bills to see if the funding is included.
- **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 and may have stalled out.
- **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 and House majorities in their respective budget targets. However, efforts to expand the broadband grant to include wireless projects continue (see above SF1536). This will all come into focus as we get closer to the Third Committee Deadline as omnibus finance bills are introduced next week. 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

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(Elkins/Jasinski) have been amended to reflect how townships already publish meeting minutes. These bills continue to sit on the House and Senate Floors for future action. 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. HF9, the House DFL majority's primary election reform bill, has gone through four different committees and sits in the House Taxes Committee. SF173, the Senate Republican's voter ID bill, has been sitting on the Senate floor since late February awaiting possible action. 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. SF1969/HF2282 - [https://www.revisor.mn.gov/bills/text.php?number=SF1969&version=0&session=ls92&session\\_year=2021&session\\_number=0](https://www.revisor.mn.gov/bills/text.php?number=SF1969&version=0&session=ls92&session_year=2021&session_number=0) – could have some promise for next year. It was introduced by Sen. Mary Kiffmeyer and Rep. Shane Mekeland.
- 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 (two weeks ago). 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, had a positive hearing in the Senate Tax Committee this past week (see above) with MAT submitting a letter of support. We now wait to see if it will be included in the Senate omnibus tax bill.

- Energy Issues – We now await the introduction of House and Senate omnibus energy bills next week to determine any impact to townships.