

# Legislative Session Update

Intergovernmental Relations Department  
April 17, 2014



# Overview

- Supplemental Budget
- Taxes
- Bonding
- Other Policy Items

# Supplemental Budget

- February Forecast - \$1.2 billion surplus
- Already signed into law this session:
  - \$446 million tax cut bill
  - \$150 million put into budget reserve
  - \$20 million in low income home energy assistance

# Supplemental Budget

- HF. 3172 - Omnibus Supplemental Budget
  - House Total Appropriation:
    - \$319 million in FY14-15
    - \$933 million in FY 16-17
  - Senate Total Appropriation:
    - \$209 million in FY14-15
    - \$741 million in FY 16-17
- Current Status: Conference Committee
  - 10 conferees appointed
- Budget bill includes appropriations and policy

# Supplemental Budget

- HHS
  - 5% rate increase for home and community based workers serving the elderly and disabled
    - \$80 million in FY 14-15 (25% of House target, 38% of Senate target)
  - Healthy Homes appropriation:
    - House version:
      - \$100,000/year for education training grants
    - Senate version:
      - \$500,000/year, with specific allocations:
        - \$100,000 for education training grants
        - \$300,000 for healthy homes implementation
        - \$100,000 for lead poisoning prevention

# Supplemental Budget

- Housing
  - House includes:
    - Language to continue efforts to reduce racial and ethnic inequities in home ownership rates
    - Requirement to submit annual report related to progress in closing the racial disparity gap and low-income concentrated housing disparities
- Jobs and Economic Development
  - House includes:
    - \$25 million funding and establishes program to provide broadband “border to border”
    - Seven regional initiative funds, each receiving \$1 million

# Supplemental Budget

- Environment
  - Recycling and SCORE Funding:
    - House: \$7.5 million with policy goals, excludes commercial property
    - Senate: \$750,000 without policy goals
  - Pollinators:
    - House and Senate both include compensation for pesticide damage
  - Water Issues

# Supplemental Budget

## Transportation Investments

- House Bonding Bill (HF. 2490)
- House Capital Investment Cash Bill (HF. 1068)
- House Supplemental Budget Bill (HF. 3172)
- Senate Transportation Investment Bill (SF.2859)

# Supplemental Budget

## Transportation Investments

- House Bonding Bill:

- Bridge Replacement \$21.75 million
- Local Road Improvements \$18.35 million
- Safe Routes to Schools \$1.5 million

- House Capital Investment Cash Bill:

- I-35 W Storm Tunnels \$4.5 million
- Transit Development \$14.47 million

# Supplemental Budget

## Transportation Investments

- House Supplemental Budget:

- City Winter Street Maintenance \$ 3.5 million
- Transportation Economic Development \$4 million
- Corridors of Commerce \$10 million

- Senate Transportation Investment:

- City Winter Street Maintenance \$3.5 million
- Transportation Economic Development \$10 million
- Corridors of Commerce \$30 million
- Safe Routes to Schools \$6 million
- Transitway Development \$14.5 million

# Taxes

## Omnibus Tax Bill I

- Signed into law on 3-21-14
- \$446 million (net) in expenditures
  - Federal income tax conformity
  - Repeal of three B2B sales taxes
  - Repeal of gift tax and increase in estate tax exemption level from \$1 million to \$2 million

# Taxes

## Omnibus Tax Bill II

- Current status:
  - Conference Committee
  - 10 conferees appointed
- House:
  - \$103 million in FY14-15
  - \$213 million in FY16-17
- Senate:
  - \$101 million in FY14-15
  - \$107 million in FY16-17

# Taxes

## Omnibus Tax Bill II

- Similar Provisions:
  - Extension of 5-year TIF rule for certain districts
  - City and county levy certification date change from Sept. 15<sup>th</sup> to Sept. 30<sup>th</sup>
  - Clarifications to local government sales tax exemption
  - Technical LGA “fix”

# Taxes

## Omnibus Tax Bill II

- Major Differences:
  - House bill includes:
    - Annual LGA increase for inflation starting in FY16
    - One-time add'l homeowner and renter direct property tax relief
    - One-time agricultural property tax relief
    - Repeal of Minneapolis Library Debt Service Aid starting FY17
    - An exclusion of the first tier of commercial-industrial property value (statewide) up to \$150,000 from the state general levy
  - Senate bill includes:
    - Broader definition of “local governments” as it relates to the sales tax exemption
    - Incorporation of mixed-use properties in special services districts

# Bonding

- Governor:
  - \$986 million general obligation bonding bill
    - \$20 million for Nicollet Mall
- House
  - \$850 million in general obligation bonds (60% to pass)
    - \$4.5 million for Nicollet Mall planning funds
  - \$125 million in cash appropriation (simple majority)
    - \$1.9 million for Pioneers and Soldiers Cemetery Fence
    - \$4.5 million for 35W North and South storm tunnel preservation

# Bonding

- Senate
  - Bill not yet released
  - Expected next week
  - Senate taking same approach as the House (GO bonds and cash)
  - Senate will have larger cash appropriations bill to include \$138 million in one-time transit and transportation investments

# Other Policy Items

- Expungements (HF.2576/SF.2214)
  - Expands judicial authority to expunge juvenile records and expands scope of statutory expungement to include certain convictions
  - Passed House floor, awaiting Senate floor vote
- Automatic License Plate Readers (HF.488/SF.210)
  - House bill = 0 days hold time; Senate bill = 90 days
  - Establish new statewide standards
  - Passed both chambers

# Other Policy Items

- Domestic Abuse
  - Firearms (HF. 3238/SF.2639)
    - Imposes collateral firearm consequences on persons who are subject to certain orders for protection and persons who are convicted of misdemeanor domestic violence.
    - On the floor of each chamber
  - Crime of Violence (HF. 263/SF. 1772)
    - Adds fifth degree assault, felony domestic assault, and felony assault by strangulation to the list of “Crimes of Violence” and prohibits these offenders from possessing a firearm
    - On House floor, and in Senate Finance committee
  - Probable Cause Arrests (HF. 2141/SF. 2042)
    - Expand law enforcement ability to arrest perpetrators who leave the scene of domestic violence crimes. Time window for arrest expanded to 72 hours (current = 24hrs)
    - Passed House floor, and in Senate Rules committee
  - Victim Notification (HF. 2142/SF.2043)
    - Expand victims’ right to notification of the location of release for domestic violence offenders when such offenders are released, post-sentence served.
    - On House floor, and in Senate Finance committee

# Other Policy Items

- Women's Economic Security Act (HF. 2536/SF. 2050)
  - Equal pay certificate of compliance
  - High wage, high demand, nontraditional jobs funds and apprenticeships
  - Women entrepreneurs business development funds
  - Report on potential retirement savings plan
  - Increased pregnancy and parenting leave (12 weeks)
  - Expanded sick leave to grandchild, domestic abuse, sexual assault and stalking
  - Pregnancy and nursing mother accommodations
  - Family caregiver protections
  - Wage disclosure protection

# Other Policy Items

- Farmers Markets (Chapter 163/SF. 2060)
  - Creates a definition of farmers market for the limited purpose of “Licensing Food Handlers”
  - Authorizes certain vendors to provide food sampling and food demonstration at farmers markets without a food handlers license
  - Authorizes seasonal food stands to remain in one location for more than 21 days with local gov’t approval.
  - Local gov’t may be more restrictive than state (zoning, licensing)

# Other Policy Items

- Cell phones
  - Acquisition and Resale of Cell Phones (SF. 1964/HF. 2388)
    - SF. 1964 on Senate Floor
    - HF. 2388 in committee
  - Anti-Theft Protection (HF. 1952/SF. 1740)
    - HF. 1952 on House Floor
    - SF. 1740 on Senate Floor; Provisions of SF. 1964 amended into bill.
- Pollinator Labeling (HF. 2798/SF. 2695)
  - bills on floor of each chamber

# Other Policy Items

- Omnibus Liquor Bill (HF. 2720/SF. 2346)
  - Bills on floor of each chamber
    - License Conditions
    - All Star Game – Hennepin County Cities
    - Small Brewer Growler Sales
    - Microdistillery Cocktail Room License
    - Special Law Provisions

# Other Policy Items

- Pensions (HF. 1951/SF. 1803)
  - Passed House, Senate bill in Finance
  - Increase contribution (1/4% of salary) effective January 1, 2015

# Other Policy Items

- Medical Marijuana (HF. 1818/SF. 1641)
  - No recent action taken on HF 1818 (Melin)
  - SF. 1641 (Dibble) was heard on 4-10-14 and discussion will continue after break
- Minimum Wage (Chapter 166/HF. 2091)
  - Governor Dayton signed into law on 4-14-14
  - Raised wage to \$9.50 by 2016 (for large businesses) and indexed to inflation

# Questions?