

Economic Development Association of Minnesota
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2016 LEGISLATIVE UPDATE

Matt Brown – City of Coon Rapids Econ Development


**2016 EDAM Summer Conference
June 6 – 8, 2016**



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2016 Session Recap


- **Timeline**
 - Short, ten week session
 - Began March 8
 - Legislature not required to pass anything
- **Unfinished business**
 - Taxes
 - Transportation
 - Bonding
- **Access**
 - New Senate office building
 - Construction made Capitol inaccessible



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2016 Session Recap


- **Election year politics**
 - Both House and Senate up for re-election in 2016
 - Rural issues were primary focus
 - Retirements – 14 House retirements (5 are running for MN Senate, 13 Senate retirements)
- **The process**
 - Abbreviated deadlines made for challenging committee schedules
 - Very little time given on each bill hearing or sufficient time for public testimony.
 - Lack of transparent, open conference committee process. More so than ever deals were made behind closed doors.
 - Proposals included in final budget or tax bills that were never introduced or heard in committee.
 - Raucous end to session, which has become business as usual. Session ended with frantic action and chaos in the final moments.



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2016 EDAM GR Highlights


- EDAM continued to develop and build a stronger presence at the Capitol: pre-session meetings, committee overviews, EDAM member correspondences
- EDAM worked with a number of stakeholders to build coalitions to push broadband funding, support for JCF and MIF
- Hosted a pre-session stakeholders meeting in the Fall.



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2016 EDAM GR Highlights

- Successful and Robust Economic Day at the Capitol: Fourth year of the program with other groups-growing and becoming stronger (construction challenges this session)
- Pre-session meeting with Governor Dayton’s Aides.
- Pre-session meetings with a number of House and Senate Committee Chairs to discuss our platform and issues.



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2016 EDAM Platform

- Enhancing Tax Increment Financing (TIF) as an Economic Development Tool
 - Educate legislators about TIF and how it is used
- Economic Development Marketing
 - Create a statewide fund to promote ED in MN
- Passage of State New Markets Tax Credits
 - Support state program that mirrors federal program
- Broadband Infrastructure
 - Support increased grant funding and Office of Broadband

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2016 EDAM Platform

- DEED Program Funding
 - Ensure proper funding levels and support for programs
- Capital Investment
 - Support a comprehensive statewide bill that helps expand and attract new business to MN
- Transportation
 - Support comprehensive plan to help business growth and develop infrastructure critical to economic growth

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Final Days of the 2016 Legislative Session...
(much like the end of 2015)

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So What Passed?


- Supplemental Budget Bill- Economic Development
 - Cuts:
 - \$9 million cut to the Minnesota Investment Fund
 - \$11.5 million cut to the Job Creation Fund
 - New Investments:
 - \$2 million investment for the Redevelopment Grant Program
 - \$35 million for the Border-to-Border Broadband Grant Program



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Additional Economic Development Investments


- \$34.25 million to DEED for direct grants and competitive grants for workforce training, entrepreneurial training, small business economic development funds and programs targeted to specific ethnic populations.
- \$300K in the supplemental budget bill for DEED's Business and Community Development (workforce development fund)
- One-year extension for the angel investment tax credit
- \$750,000 to the Minnesota Housing Finance Agency for programs.



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Still Pending??

- **Omnibus Tax Bill:** Bill passed and was sent to Gov. Dayton and was vetoed due to \$100M error. Bill has become part of special session talks (similar bill w/fix) (TIF Language, New Market Tax Grants and LGA part of the bill that are acceptable to Gov. Dayton)
- **Transportation Bill:** No Transportation bill as leaders could not agree on a funding mechanism. (Could be a special session topic, but needs a lot of work)
- **Capital Investment Bill (Bonding):** \$1B bill fell apart in the final minutes (special session topic).



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What's Next?- 2016 Special Session?

- Governor and Legislative Leaders hopeful for a one day session if they can agree on parameters.
- All sides are laying out their wants and needs to be addressed if a special is called.(Tax fixes, Bonding, Transportation)
- Special session details will be pre-negotiated to stay on task- talks/negotiations started last week but have cooled since tax veto.



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Preparing for 2017-What's Next?

Session starts on Tuesday, January 3, 2017

- Fall 2016 Elections
 - Great time to talk to candidates about economic development and the programs you use.
- Thank Legislators
 - Thank them for their support and reintroduce yourself as well as hold their feet to the fire.



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New DEED Commissioner

- Commissioner Shawntera Hardy
 - Appointed by Gov. Dayton in April after former Commissioner Katie Clark Sieben announced she would be stepping down.



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Thanks to our DAC Partners

- League of MN Cities
- MAPCED
- SBDC's
- Metro Cities
