2016 LEGISLATIVE UPDATE
Matt Brown – City of Coon Rapids Econ Development

2016 EDAM Summer Conference
June 6 – 8, 2016

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

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.
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.

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.

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
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

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

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
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.

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).

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.
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.

New DEED Commissioner

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

Thanks to our DAC Partners

• League of MN Cities
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