



# MUCA'S LEGISLATIVE UPDATE

## **The 2017/2018 Legislative Session has Begun**

Last week marked the start of the 2017 Legislative Session when legislators returned to a newly restored and recently re-opened Minnesota State Capitol Building. After the 2016 elections, Republicans now control the Minnesota Senate by a one vote 34-33 majority while House Republicans increased their majority from 73 to 76. A special session will be held in February to fill a vacant seat in the House.

Legislators and Gov. Mark Dayton begin the new legislative session acknowledging the volume of legislative business that was not completed during the 2015-2016 biennium. In 2015-2016, both political parties made transportation and infrastructures funding their top priorities, but legislative leaders were unable to find enough middle ground to pass legislation. Even when compromise could be found in the form of tax relief, a tax bill that passed on the final day of the legislative session was vetoed by Gov. Mark Dayton due to concerns over a drafting error which could have created a \$100 million hole in the state's budget.

The main task before the legislature this year will be to craft a two-year state budget for all state agencies and programs.

## **Infrastructure Funding**

Last week, Gov. Mark Dayton revealed a \$1.5 billion package of bonding projects. A nearly \$1 billion bonding bill fell apart in the final moments of the 2016 session over partisan disagreements about light rail funding. Gov. Dayton said his new bonding bill, which includes many of the same projects that were proposed last year, would create a total of 23,000 new jobs. Details of the proposal can be found [here](#).

## **Gov. Dayton Announces Tax Priorities**

Gov. Dayton last week announced a tax relief proposal that would include nearly \$300 million in cuts for more than 450,000 Minnesotans, and prioritizes federal tax conformity, the Working Family tax credit, Child Care tax credits, and reducing property taxes while increasing Local Government Aid. The governor's office released a fact sheet that provides more detail on Gov. Dayton's tax proposal.



# MUCA'S LEGISLATIVE UPDATE

## **Federal Tax Conformity**

After a largely ceremonial start to the 2017 legislative session Tuesday, the House passed legislation last Thursday designed to help Minnesota taxpayers. A federal tax conformity bill which includes conformity provisions from 2016 that did not become law received bipartisan support following a suspension of House Rules to declare an urgency. Generally non-controversial, the legislature typically passes legislation early in session to conform to federal tax changes. The Senate is expected to take up the issue this week and details of the bill can be found [here](#).

## **This Week**

Most legislative committee activity this week will focus on state agency budget and program overviews. However, federal tax conformity legislation which has already passed the House is expected to be heard in the Senate Taxes

Committee this week. Legislation providing for health care insurance premium relief is also expected to quickly make its way through the committee process in both the House and the Senate.

## **Where to Find Legislative Information**

Both the House and Senate websites contain useful information to help track legislation and stay in touch with your legislators. MUCA encourages its members to visit the [House](#) and [Senate](#) websites and sign up for legislative updates from your legislators.