



MUCA Legislative Update

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Last week the legislature returned from their week-long break in observance of Easter and Passover. Legislators now have just over five weeks to finish their work before the constitutional deadline of Monday, May 21. The third committee deadline is on Friday, April 20, and at that point all major finance bills should be either sent to the House Ways and Means committee, Senate Finance committee, either chamber's Tax committee or awaiting action on the chamber's floor.

Keep up on the action being done by the legislature by viewing the [legislative calendar](#).

House Republicans Release Budget Targets

Earlier this year Gov. Mark Dayton released his [supplemental budget proposal](#), which legislators in the House and Senate have been reviewing in committee hearings. This week House Republicans released their budget targets for their supplemental budget proposal.

The 2018 House Budget targets include:

- \$107 million for tax reform/conformity
- \$101 million for transportation projects
- \$30 million for K-12 safety improvements
- \$15 million for jobs and energy
- \$10 million for health and human services
- \$8.9 million for capital investment (allowing for an \$825 million bonding bill)
- \$7 million for public safety
- \$5 million for higher education
- \$750,000 for environment and natural resources
- \$250,000 for agriculture
- (\$7 million) to be cut from state agency budgets
- \$50 million for various initiatives (including opioid crisis, elder abuse)

Senate Republicans who hold a one vote majority are expected to release their budget sometime this week.

MUCA Legislative Priorities:

Gopher State One Call (H.F. 2719 and [S.F. 3441](#))

MUCA and the Association of General Contractors continue to drive legislation that would require Gopher State One Call to collect, maintain and update the contact information for each operator in Minnesota. SF3441 (Lang) and HF2719 (Miller) making it available 24/7 to excavators and on locate tickets. SF3441 has been approved by the Senate Judiciary and Senate Energy Committees and is awaiting possible debate and a vote on the Senate Floor. HF2719 received a hearing in the House Jobs Committee and has been laid over for possible inclusion in a future omnibus bill.

Project Build

Legislation in the House and Senate proposing to invest \$1 million in Project Build Minnesota to help aid the construction industry in raising awareness, finding and developing our quality contractors for tomorrow continues to move forward at the Legislature. MUCA Executive Director Stephanie Menning testified before the Senate Jobs and Economic Development Committee in support of [SF3430](#) (Draheim). The bill was laid over for possible inclusion in the next Senate omnibus jobs bill. HF3810 (Barr) received a hearing in the House Jobs Committee and has been laid over for possible inclusion in the House omnibus jobs bill.

Tax Competitiveness

One of the most contentious debates at the Legislature will be due to the difference of opinion on the amount of tax relief Minnesota's residents and businesses will see this session. The Governor proposes to use two-thirds of the projected \$329 million budget surplus for additional spending and zero for tax relief, leaving \$122 million on bottom line. The House proposal, which was released last week, proposes using \$107 million of budget surplus for tax relief and takes advantage of federal tax reform passed in December. Over the next two weeks or so, the House and Senate Tax Committees will be working on formulating their omnibus tax bills.

Transportation Infrastructure Investments

A bill proposing a constitutional amendment be placed on the general election ballot in November to constitutionally dedicate all the sales tax collected on auto parts, as well as the sales tax on leased vehicles and rental vehicles to fund transportation was approved 8-7 by the Senate Transportation Finance and Policy Committee last week. SF3837 (Newman) was [amended](#) by a delete-all amendment and re-referred to the Senate Rules Committee.

Proponents of the constitutional amendment estimate it will provide approximately \$250 million per year in dedicated transportation money. Opponents argue that taking money from the general fund may reduce the state's expenditures in other areas such as education, healthcare, local government aid, etc.

The bill provides that the following language be placed on the ballot in November:

“Shall the Minnesota Constitution be amended so that the following taxes already being collected are used exclusively for road and bridge construction and transportation purposes: sales tax on vehicle and trailer repair and replacement parts, taxes on rental vehicles, and the motor vehicle lease sales tax?”

Currently, a House companion bill has NOT been introduced.

Infrastructure Investments

Governor Dayton has recommended that the Legislature fully fund the Public Facilities Authority priorities to ensure utilization of the federal matching funds for the Clean Water State Revolving Funds and the Safe Drinking Water State Revolving Funds through the EPA. As the House and Senate Capital Investment Committees develop their omnibus capital investment bills over the next couple of weeks, MUCA will continue to advocate for full funding.