

MUCA Members,

With week two now in the books the pace has been much slower than it was last session at this time. With a handful of new members in the House and this being a budget year, many of the House and Senate committees have been holding overview hearings to hear from state agencies about their structure and the programs they oversee. Part of these hearings are to help introduce new legislators to the process and tasks at hand but also in preparation for the budget debate. Governor Mark Dayton will be releasing his budget plan on January 27. From there both the House and Senate will release their budget plan. With three perspectives of what should be funded and at what level, the hearings help legislators decide on what their budget priorities should be. In the next week we will begin to see a number of bills start to move forward. Many of these will be the priorities for each caucus. Last week House Republicans and Senate DFLer's unveiled their list of top items that they discussed on the campaign and in the fall. One item that both agree on that needs to pass is a transportation bill, but they is where the agreement ends. The two sides now have to decide how to fund a bill and just what those transportation priorities are.

As part of that transportation discussion this week, the House Transportation committee received a presentation from nonpartisan staff in the House regarding the history of Transportation Finance and Transportation Taxes. You can find copies of the PowerPoint attached. This presentation was step one as the committee begins what could be a long discussion on what to do this session.

#### House vs. Senate Transportation Plan

[HF 4](#) – House Transportation plan authored by Rep. Tim Kelly (R-Redwing)

[SF87](#) – Senate Transportation plan authored by Sen. Scott Dibble (DFL-Minneapolis)

Last week Rep. Tim Kelly (R-Red Wing), chair of the House committee on Transportation Policy and Finance, introduced a bill that would utilize the state's projected budget surplus, the state highway trunk fund, and MnDOT efficiencies to reallocate roughly \$750 million of extra transportation funding over the next four years. This would be accomplished without increasing taxes or the state's revenue. This week Sen. Scott Dibble (D-Minneapolis), chair of the Senate committee on Transportation and Public Safety, unveiled his plan to increase transportation funding to \$800 million by next year, and increase funding levels by \$7 billion over the next decade. The increased revenue for Sen. Dibble's plan would come from a 6.5% wholesale gas tax, increases to car registration fees, and a one cent increase to the metro-area sales tax for metro transit projects.

Rep. Kelly responded to the Senate plan by saying, "to come out and talk about tax increases for that amount, I think, is premature" — while the response to the House GOP plan from DFL senators and the governor has been that it is inadequate to fix the long-term budget problems facing our transportation system. The expectation will be that these two bills are a starting point for both chambers, and negotiations will bring the two sides to some middle ground. Both bills are currently in their respective Transportation committees, and likely won't be acted on until the governor has announced his budget proposal.

## House Greater Minnesota Economic and Workforce Development Policy Committee

As part of the overview the Greater Minnesota Economic and Workforce Development Policy Committee heard an overview from Jeff Freeman, Director of the Minnesota Public Facilities Authority (PFA). As the budget discussions start, this is one area that we will be watching in regards to funding Clean and Safe Drinking Water. We expect that funding discussion will be worked out in the Job Growth & Energy Affordability Policy & Finance Committee (Garofalo).

### Upcoming MUCA Meetings

One of the goals this session is for MUCA to become a resource for legislators as well as help grow our profile at the Capitol. To help reach these goals, MUCA will be meeting with a number of chairs in the House and Senate that have jurisdiction over the areas that MUCA is watching. If you are interested in attending a meeting or have a connection with a legislator, please let Stephanie know so we know to include you on the invite. We are always looking for constituents from the district as well. In the next few weeks we will be meeting with the following members:

- Rep. Pat Garofalo (R-Farmington) Chair of the House Job Growth and Energy Affordability Policy and Finance Committee: Wednesday, January 21<sup>st</sup> at 4:14pm
- Rep. Joe Hoppe (R-Chaska) Chair of the House Commerce Committee: Wednesday, January 28<sup>th</sup> at 1:30pm
- Sen. David Tomassoni (DFL-Eveleth) Chair of the Senate Environment, Econ Development and Ag Budget Division: Tuesday, February 3<sup>rd</sup> at 11:00am

### Bills Introduced that MUCA is Watching

- SF87- Transportation funding bill
- HF4 - Transportation funding plan
- HF21 – Establishing goal for pipeline permitting efficiency
- HF81- Creating loan program to renovate rural municipal water treatment facilities
- HF163- Dedicating a portion of LGA to create a loan program to renovate rural municipal water treatment facilities
- HF170 –appropriating money for wastewater treatment facility necessary improvements for ClearLake/Clearwater Sewer Authority
- HF196- appropriating money for inflow and infiltration reduction programs

If you have any questions please let me know,

Thanks,  
Nick

Nick de Julio  
Government Relations Consultant  
Ewald Consulting  
1000 Westgate Dr., Suite 252 | St. Paul, MN 55114  
c: 651.470.7957 | p: 651.290.6286 | f: 651.290.2266  
[www.ewald.com](http://www.ewald.com)