



Minnesota Utility Contractors Association

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The Minnesota Utility Contractors Association (MUCA) is an association that represents over 140 companies and thousands of workers across Minnesota in the underground utility construction industry ranging from underground contractors to suppliers. MUCA provides services to members such as safety training, governmental relations, communications, industry updates, etc.

2017 Legislative Priorities

1. Support Infrastructure Investment

A. Transportation: MUCA participates on the MN Chamber of Commerce Transportation Policy Committee and agrees with the Center for the American Experiments "Transportation Policy Blueprint". Our priorities include passing a long-term funding bill that includes roads and bridges; we recommend this is financed by the following:

- **The General Fund**- 34 states use general fund dollars. Ongoing budget surpluses and a historically high budget reserve allow for reasonable General Fund investment over the coming years.
- **MnDOT Efficiencies**- MnDOT has experienced meaningful savings through efficiencies and reinvestment back into the transportation system. We believe this should be expanded to include the **Metropolitan Council** at a 15% efficiency target.
- **Trunk Highway Bonding**
- **Private-sector cost-sharing mechanisms**

B. Water Infrastructure: Clean, Wastewater, Safe Drinking Water: MUCA Members are engaged in constructing, updating and maintaining Minnesota's wastewater and drinking water infrastructure.

- Support fully funding the Public Facilities Authority to ensure utilization of the federal matching funds available for Clean Water State Revolving Funds (SRF) and Drinking Water SRF through the EPA.

2. Business Tax Relief– Minnesota continues to be a high-tax state in which to do business.

- Businesses have 12.4% of the total property market value but pay 32% of the total property tax.
- Minnesota Commercial Property Taxes are among the highest in the nation. (No. 2 for rural properties and No. 6 for metro properties).
- **Repeal of the statewide business property tax inflator.** Businesses pay 95% of the \$856 million tax (2015) that was first imposed in 2002 at \$592 million. This tax is automatically increased every year.
- Minnesota is one of only 14 states that still has an estate tax. The tax threshold of \$2 million is a much lower level many of the other 14 states and far below the federal level of \$5.4 million.

3. Repeal the Responsible Contractor Law (16C.285) – It's burdensome, onerous and raises the cost of public projects for taxpayers. It does not allow for due process and there is no recourse for those who may have made simple calculation errors or inadvertently misclassified a worker. Indiana (Code 4-13.6-1-15), New Mexico (N.M. Stat. 13-1-92), Washington (RCW 47.60.690), Georgia, Virginia, Pennsylvania and California all have more reasonable, less costly statutory definitions of a Responsible Contractor.