

February 23, 2018



ewald at the capitol

The Legislative Session Has Come to Order

The second year of the 90th legislative session came to order at noon on Tuesday, Feb. 20. This session will span three months with a constitutional adjournment deadline of Monday, May 21, and 58 official legislative days are allowed (a legislative day is one in which the House and Senate meet on their respective chambers' floor in session). The House of Representatives currently has a Republican majority, with 77 Republicans to 57 Democrats. The Senate also has a Republican majority, but much narrower, with 34 members to the Democrats' 33.

The 2018 February Budget and Economic Forecast will be presented on February 28, and this will provide lawmakers with an outlook on the health of the state's financial condition. The 2017 November forecast showed a projected deficit of \$188 million, but that was before the federal government funded the Children's Health Insurance Program (funding was approved earlier this year). The upcoming budget forecast will impact the work of the legislature this year,

depending on whether there is a projected budget surplus or deficit.

Important Issues in 2018

With just three months in the legislative session, the legislature will have to work quickly to address a number of important issues facing the state of Minnesota. In some cases the legislature has already started the work to address these issues.

Tax Conformity

The tax bill passed by the federal government at the end of 2017 had a dozens of provisions that will impact the collection of state taxes. Tax conformity will result in taxpayers having a more simplified process when filing their taxes, but may have the potential to increase state taxes for some individuals. The House Tax Committee has already held multiple hearings on the issue of federal tax conformity, and it is likely that those hearings will continue well into the legislative session.

Bonding Bill

The even year of the biennium is generally when the legislature passes a significant

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They said it:

"We've just been crunching numbers all day long, all week long, all year long so far, ever since the bill got signed, to try and figure this thing out. I don't see where we get to a point where we can hold everyone harmless. There are going to be some folks who pay a tax increase, but it's my goal to have as few in that category as possible."

– Rep. Greg Davids (R-Preston), chair of the House Taxes Committee

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capital investment (bonding) bill. Gov. Mark Dayton recently released a [\\$1.5 billion package](#) that focused on infrastructure and higher education facility improvements. House and Senate Republicans have stated previously they expect to pass a bonding bill this year, likely around \$1 billion in total investment.

MNLARS

The new Minnesota License and Registration System (MNLARS) has faced problems since it first started operating in the summer of 2017. The system cost \$93 million over approximately 10 years before being implemented. Yet systematic failures have drastically increased waiting times for license plates and vehicle titles. Gov. Dayton has stated that it may cost an additional \$43 million to fix the system, but legislators will likely be reluctant to invest that much state money into a plagued system. Because of increased costs and declining revenue, there is a real threat of private and public Deputy Registrar offices closing their doors.

Senate President/Lieutenant Governor

When former U.S. Sen. Al Franken resigned due to allegations of sexual misconduct, Gov. Dayton was tasked with appointing Franken's successor until a general election could take place. Gov. Dayton chose to appoint Lt. Gov. Tina Smith to the position, which caused a constitutionally mandated order of succession. According to the state constitution, the sitting president of the senate shall become the lieutenant governor if the position becomes vacant. This resulted in Senate President Michelle Fischbach (R-Paynesville) becoming lieutenant governor, though she has not yet taken the oath of office. Democrats in the Senate have stated their opposition to Sen. Fischbach retaining both positions, saying it violates the separation of powers clause of the constitution. Sen. Ron Latz (DFL-St. Louis Park) went on the official record this week when he voiced his opposition to Sen. Fischbach remaining in her position as president of the senate at the beginning of the 2018 legislative session. Senate Democrats have indicated they may take the matter to court once Sen. Fischbach has voted on legislation in the Senate.

Legislative Funding Approved

At the conclusion of the 2017 legislative session Gov. Dayton, unhappy with provisions in the omnibus tax bill passed by the legislature, used his line item veto authority to eliminate funding to the legislature in an attempt to bring back legislators for a special session. Instead of agreeing to a special session, Republican legislative leadership filed a lawsuit against the governor, saying he had violated the constitution by effectively defunding a co-equal branch of the government. The state supreme court ruled that Gov. Dayton's use of the line item veto was constitutional, and the legislature has been in limbo ever since. This week, the first bill passed by the House and Senate was to restore the funding to their chambers. The bill allocates roughly \$64 million to both the House and Senate, and will cover the legal fees from the lawsuit filed by the majority party against the governor. Gov. Dayton still has to sign the bill into law, but he has already stated his commitment to signing a "clean" bill that contains only provisions related to funding for the legislature.

Helpful Links

The Minnesota Legislature provides excellent resources on its website and makes it easy to stay connected with your elected officials. Here are key links to find important information.

[District Finder/Who Represents Me?](#)

[House and Senate Committees](#)

[House of Representatives Email Update Lists](#)

[Senate Email Update Lists](#)

[Legislative Calendar](#)

[Governor's Legislative Tracker](#)

Road to 2018

Another legislator has announced his retirement, as two-term Rep. Jon Applebaum (DFL-Minnetonka) will not seek re-election in 2018. Rep. Applebaum represents HD 44B, which is considered a swing district and will be heavily targeted by both parties in the 2018 general election.