

Date: May 14, 2020

To: The I-35W Solutions Alliance Board of Directors

From: Rob Vanasek

Re: Legislative Report

Four days remain of regular session – they can pass bills until the end of Sunday. In past years committee chairs would be exchanging offers, a multitude of backroom conversations would have been taking place and public press conferences on an assortment of policies would be occurring daily.

Not this year.

COVID 19 response is the primary conversation and fiscal and policy conversations on most issues all feel the pull of that black hole.

Bonding

On Tuesday an amendment was adopted to HF 2692, authored by Capital Investment Chair Mary Murphy, that created a House bonding bill. It passed out of committee to the House floor but on a party line vote. The Minority Leader has announced his caucus will not support the bill until the peace time emergency is over.

Yesterday the governor announced an extension of that emergency until June, yet he stated the stay at home order will not be extended after it expires on Monday. Many expect the emergency order to be extended a couple more times this summer and COVID 19 cases to peak in July here.

Currently in the House bonding bill there's \$347M in General Obligation Bonds and \$102M in Trunk Highway Bonds for transportation projects. These include:

Local Road Improvement Program - \$102,188,000

Local Bridge Program - \$111,728,000

Safe Routes to Schools - \$10M

Passenger Rail \$15M

MnDOT Facilities \$40M

Shakopee pedestrian overpass \$2,126,000

Northfield Transit Station \$2.5M

Met Council Busway Capital Improvement BRT - \$55,000,000 (**includes the D line**, not the B line)

Apple Valley Transit - \$2,625,000

Ramsey Co Riverview - \$2M

Ramsey Co Rushline - \$2M

DEED – TED program - \$3M

Also, there's language that extends the availability of previously issued funds for the 77th ST Underpass until 2024.

Unless there's a change of heart by the minority party by Saturday the House bill will fail on the floor. The Senate was expected to release its bonding bill earlier this week, but that bill has not yet been made public. I expect a fair amount of Greater Minnesota transportation programs and projects included in that bill. This year, a bonding bill will not come together unless there's a global agreement by the leaders of the four legislative caucuses and the governor.

Revenues Have Fallen

Due to the lack of car sales, drop in motor fuel purchased, fewer auto registrations, and a reduction in auto parts sold, the tax revenues that fund the Highway User Tax Distribution Fund are projected to be reduced by almost \$400M from the \$5.05B February forecast – about an 8% decline.

Motor Vehicle Sales Taxes (\$162M) and the gas tax (\$137M) account for 3/4s of the loss. The County State Aid Fund is forecast to take a \$138M blow and the MSA Fund is expected to take a \$33M hit – about a 15% reduction to each. This year's allocations don't change, but will have to be made up in 2021.

Special Session

A special session is expected on June 12, due to the expectation that the governor will extend his peacetime emergency declaration and that triggers the legislature to return. The order continues, unless both chambers voted to end/reject the declaration, which is very unlikely.