

Date: February 13, 2025

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

From: Rob Vanasek

Re: Legislative Report

Unlike the breakneck speed of the opening weeks of the last biennial session, this first month has been historic too but for its slow start, until this week when the key turned the ignition on while the gas pedal was halfway to the floor.

House Is Now Organized

A power sharing agreement was reached between Demuth and Hortman. On February 6th the House elected GOP leader Lisa Demuth as Speaker. Committees will be led by GOP chairs, each with a one-vote Republican advantage. DFL Representative-Elect Brad Tabke, Shakopee, will be seated. If, after the special election to fill the Roseville “residency issue” seat 40B, the body will be tied 67-67, and committees will move to co-chairs with equal membership. The only exception would be the Republican-controlled new Fraud Prevention and Agency Oversight Committee.

The Roseville (40B) special election writ has been issued: On 02/06/25 Governor Walz issued the following press release: “.... A special election to fill the vacancy will be held on Tuesday, March 11, 2025....” This seat is open due to a court ruling that the previous candidate did not meet residency requirements. The Democrat is expected to win this seat, which would bring the House to a 67-67 tie expected on March 17th. To pass a bill they need 68 votes in the House.

House Transportation Committee Membership Changes

A few changes since last month include Myers (Tonka Bay) is now Vice Chair, former Sustainable Infrastructure Policy Chair and Transportation Vice Chair Koegel is currently the Ranking Member (and non-voting D member) unless a tie where she would become Co-Chair, and Jon Koznick is the only Chair but would be a Co-Chair if a tie. As a reminder, Koegel enacted a law providing state funds (\$315M) for local match requirements for federal grants from the IJA.

Senate’s Power-Sharing Agreement Ended February 3rd

The January 28th Special Election to fill Kari Dziedzic’s seat after her death resulted in the election of Democrat Doran Clark, restoring Senate Democrats to their 34-33 majority. On 02/03/25 Democrats used their 34-33 vote majority to end the power-sharing agreement despite Republican opposition and swing-seat Democrat nervousness.

Senate Transportation Committee Membership

The Committee has grown by 1 to 11 members. Returning Senator Johnson Stewart replaces Morrison as Vice Chair. Farnsworth, Nelson, and Pha have been added and Port and Coleman have left the Committee. Chair Dibble and Ranking Member Jasinski have continued to partner together to run hearings, with Dibble at times giving the gavel to Jasinski and hearing several of his bills. Much uncertainty surrounding staffing, rules process and political realities are cleared up with a single Majority caucus now.

Governor's Budget

The Governor's Budget Recommendations came out very early and there's no major changes being proposed in policy or financing at MnDOT. The Administration is proposing \$3M in new base funding for statewide corridor planning; integrating state priorities with the selection and development of future state highway projects; MnDOT is working with a policy advisory and technical advisory committees; and participated in supplemental activities to engage stakeholders in corridor planning.

Metropolitan Council Budget Recommendations propose allowing the transit sales tax in the metro to pay upfront costs for MnDOT to start work in a coordinated roadway and BRT transitway construction in trunk highway corridors to minimize roadway and community disruption and redundant construction closures or impacts. Also, the Budget proposes to shift certified Metro Mobility users to regular route service by incentivizing them with free regular route fares. This follows a similar pilot required by the legislature. Lastly, the Budget recommends reducing its general fund support to zero from its current \$3245M appropriation.

Bonding

The Governor proposed a relatively slim \$887M (\$790M in General Obligation bonds) bonding bill that omits funding for Local/High Priority Bridges and the Local Road Improvement program and has \$15M for design, environmental work, right-of-way, engineering, and construction of regional busway corridors.

HF 5, Joy

HF 5 is a caucus priority bill that heard in Transportation and passed to Taxes Monday. It eliminates the 50 cent delivery fee on items over \$100, eliminates gas tax indexing, and eliminates social security income taxes. HF 5 increases funding gaps in the various accounts for HUTDF, Transportation Advancement Account, CSAH and MSA. Partial metro transit tax receipts are reallocated to counties, and the Dept. of Public Safety is required to do a report that would likely recommend lowering tab fees and their revenues.

SF 285, Jasinski

Richfield's Mayor, amongst others, testified in support of SF 285 that would eliminate cost share requirements of local governments in trunk highway projects. It was laid over.