

Date: April 9, 2026

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

From: Rob Vanasek

Re: Legislative Report

Unlike many prior even numbered years at this point in session, there is not a formal agreement on supplement budget targets in either chamber, let alone between the House or Senate. There's not even an agreed upon process yet for how to reconcile the bills that could pass either legislative body.

In the Senate committees are putting together omnibus bills in most cases. I spoke to Chair Dibble this week and confirmed that he will assemble an omnibus transportation bill next week. The House on the other hand is not expected to send out omnibus bills out of very many committees, and for those committees that do, it's likely that the bills do not spend much, if any new funds.

All major appropriations bills, a maximum of one per finance committee, need to come together next week, amended and passed to the Senate Finance and House Ways and Means Committees by next week's end, which is the Third Committee Deadline.

The bonding committees have been regularly meeting and will continue without deadline.

Transportation Committees

The good news is that unlike previous sessions, I and our members have not had to testify and play defense on attempts to raid our individual projects' funding or funding programs for our projects. Though worth noting is House Transportation did hear HF 3562, Anderson, Patti (R, Dellwood), that would reduce tab fees to pre-2023 schedules and would create a major funding gap for road and bridge construction. An amendment was adopted backfilling with General Fund dollars, but the bill failed on a party line vote.

The bad news is efforts to revamp or modify aspects of very significant cost drivers to our projects like the Green House Gas Impact Assessment Law of 2023 and 2024 have not gained traction. Yesterday there was an intense hearing on the impacts of the GHG Impact Assessment law with two county commissioners, a couple of cities and MnDOT's Jon Solberg testifying and presenting. Here's some high-level take aways:

MnDOT has established an assessment process that is made up of three steps: determining if a project needs to be assessed, calculating vehicle miles traveled (VMT), and calculating greenhouse gas (GHG) emissions using the MnDOT Carbon Emissions Tool (CET). There are eleven types of emissions offsets:

- Transit expansion
- Transit service improvements
- Active transportation infrastructure
- Micromobility
- Transportation demand management
- Parking management

- Land use
- Traffic operations
- Natural systems
- Land acquisition
- Others as specified by the Commission

An example, to add a 5-mile lane in Wilmar, 4,900 MT CO₂ emissions would be impacted. To meet that emissions impact there would need to be very far-reaching past project engineering to go to policy and government entity offsets that are unrelated to a project. In Wilmar, they changed a residential density from two units per acre to nine units per acre to make up for the offset.

Koznick: What would the cost be for offsets in Wilmar?

Solberg: Unknown, in our conversations from other states we believe this would be between 30-50% of additional project costs.... There are concerns about this putting additional stress on projects with tight timelines for spending state or federal funds.

Commissioner Bigham, Washington County on behalf of AMC and MICA: We have a project at trunk highway 36 and trunk highway 120. This project is important for safety concerns. Grade separation is the only viable long-term solution. The project will cost \$50M and will be required to have full funded offset money in place prior to starting the project—adding \$20M in spending to the project just for offsets. This is blowing up the comp plans that cities and counties are required to submit. This law was not well vetted and the Met Council did not chime in on it. We don't understand how this will work. It will have a chilling effect on highway projects. MnDOT told us this will result in fewer, more expensive, projects. We have safety concerns and revenue problems. Suggests legislators draft bills to exempt projects from this process.

Commissioner Jeppson, Anoka County Commissioner: There is a project on highway 65 that will cost \$180M funded by 17 sources. MnDOT told us that if this was delayed the offset requirements would be between \$30-\$100M in offset expenses.

Unlike in the Seante, it is not at all clear if Co-Chairs Koznick and Tabke will find agreement and get a deal put together on an omnibus transportation bill that might contain some version of any of the bills that have been previously heard and laid over.

Bonding

Most, but not all remain hopeful there will be a bonding bill enacted this year. House Democrats had been asked by Co-Chair Fue Lee (D, Minneapolis) to share their top priorities with him last week as he attempts to shape his bonding bill proposal. Co-Chair Mary Franson (R, Alexandria), Lee, and Senate Capital Investment Chair Sandy Pappas (D, Saint Paul) have successfully enacted a bonding bill just last year, and doing one this year would get them back on schedule.

Work in earnest on assembling a bonding deal between the Chairs, Legislative Leadership and the Governor will take place over the next 5+ weeks.

On Tuesday HF 4476, Hanson, (SF4755, Port) Marked Trunk Highway 13 and associated local road improvements funding provided, bonds issued, and money appropriated, received a hearing and was laid over for possible inclusion. Savage Mayor Kelly and Lisa Freese testified in favor. The bill requests \$18.4M General Obligation bonds for Burnsville and/or Savage, and \$50.1M from Trunk Highway bonds for the HWY 13 project west of 35W. Carlson, Pratt and Tabke all became co-authors two weeks ago. We submitted written testimony – see our letter.