

Date: May 14, 2026

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

From: Rob Vanasek

Re: Legislative Report

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Regular session is coming to an end, with just four days left to write, debate and pass bills. Legislators have until midnight on Sunday to pass any bills. The following day, most will return to the capital for retirement speeches. A very large number of members have announced their retirements and before elections in the fall (and any surprise announcements on Monday) there will be at least 37 members not returning to the legislature in 2027. Nearly 400 years of combined legislative experience of these incumbents will be gone. There are more legislators leaving than even during the last redistricting year.

Late in the day a few key legislators were sharing with me that a lot of good progress was being made throughout the day and then later that there was a framework for global deal made that includes budget targets, a \$1.2B bonding bill, stabilization for HCMC, property tax relief, anti-fraud measures, county IT modernization funds and several other agreements. See below.

Given the lack of time, a lack of many details yet to be worked out, and a sizable staff turnover in the Revisor's office, there are many hard choices yet to be made within the framework of the agreed upon targets. The targets are not completed bills. Not a lot of time to write, debate and pass language that still needs vetting and further negotiations and agreements.

### **Transportation**

There's 12 major finance bills and another 7 specific finance bills that now have budget targets; transportation is not amongst these. The House could not produce a transportation omnibus this year so there's nothing to line up the Senate transportation omnibus bill with.

The biggest news for transportation is not good: \$250M will be used for a one-time reduction in tab fees. It's not clear how this will impact interchange, road, bridge and pavement projects as we're still learning which pot of money this will come out of, but most likely it's from the Highway User Tax Distribution Fund (HUTDF) and projects will be delayed.

### **Bonding**

The Senate Republicans agreed to do a bonding bill after getting the tab fee reduction. The \$1.2M agreed to by legislative leaders was also blessed by the Governor provided cuts would be

made elsewhere to cover the debt service. The Senate and House Ds were hoping for \$1.4B, the House Rs had been at \$995M, and in my conversations with Senate Rs, they had just a week ago started talking about doing a bonding bill at a total level less than the House Rs.

Real work will have to get done with a lot of disappointment amongst many in coming days before a final bonding bill comes together. The House caucuses have been working diligently all session long but have burned the candle at both ends the last few weeks. The Senate Capital Investment Chair has privately been creating bonding bills at several different levels but now all four caucuses must merge their members priorities together and eliminate many projects.

Rep. Koznick has been skillfully positioning and working the bonding request for 35 and 50/5, HF 1349/ SF 1265 Duckworth, and 35 and County Rd 2, HF 1694/SF 1867 Duckworth) as a key leader on transportation in the legislature.

### **Highway 13**

The State Highway 13, HF 4476 Hanson, Tabke, Berg, Bakeberg /SF 4755, Port, Pratt, Carlson, Jasinski), bonding request has faced a very steep hill to climb due to the size of the request since it was heard in the House the week of our last meeting. Senator Pratt presented this bill on behalf of Senator Port in Senator Dibble's committee a couple weeks ago.

The project has been slimmed down to \$189M total to lessen the funding gap from \$68M to \$46M (\$18.4M GO, \$27.7M in TH) by removing bridges and getting down to the bare essentials. **If there's not some funding in this year's bonding bill to close the \$46M gap, the Highway 13 project is set to lose \$71M (\$47.7M in Corridors of Commerce 6/30/2027 and \$23.5M in Federal funds the next year).** There's also about \$10M/year additional inflation costs if delayed. It's likely the project is greatly delayed or even falls apart if the bonding bill doesn't contain meaningful funding.

The Highway 13 project would complete work envisioned 30 years ago and would finish the 25 years of construction in this corridor. It is a significant ask and we understand that every dollar in GO and TH that can be prioritized for this project helps MnDOT fill the \$46M gap and not lose the \$71M at risk of being lost.

5% of the world's grain travels on this stretch of State Highway in many of 4,400 trucks that travel this corridor each day. This is the only East/West corridor in the south metro and south of the river. Freight and commuters go through it from the southern half of the state to the Ports of Savage and Burnsville, Fabcon, CHS, Cargill, Waste Management, and many others. There's about 96,500 jobs within 5 miles of the project.