



Minnesota Legislative Summary Eighty-Seventh Session – 2011

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2011 MINNESOTA LEGISLATIVE SESSION SUMMARY

The Eighty-Seventh Session of the Minnesota Legislature was all about change. The November 2010 election resulted in all new leadership, a Democratic governor and Republican-controlled House and Senate. There were 39 new House members and 24 new Senate members. The newly-elected Governor was certified as the winner on December 16, 2010 after a lengthy recount process.

All of the elected officials came into office facing a huge budget deficit. In early December, 2010, it was announced that the State of Minnesota was facing a \$6.2 billion deficit for the 2012-2013 biennium. In February, 2011, the new economic forecast improved the deficit somewhat to \$5 billion. The job of balancing the budget remained a daunting task for the Legislature.

Many of the newly-elected members felt they have a clear mandate from their constituents to balance the state budget without raising taxes or creating new taxes, to improve the State's economy, to create job opportunities, and to make the operation of government leaner and more efficient. The Governor proposed to increase taxes for the wealthiest 5% of Minnesota taxpayers to wipe out half of the budget deficit and rely on spending cuts to erase the remaining deficit. There was also a difference of opinion as to the level of spending for the state in the next biennium. The Republican leadership of the Legislature proposed holding the line at \$34 billion which is a 6% increase from the last session. The Governor proposed a budget of \$37 billion. There was almost immediately talk of a special session within the halls of the Capitol in light of the two very different view points.

The session started out with some bipartisan successes. In early March, the Governor signed the Environmental Permitting Bill into law which will provide for permitting efficiencies and modifies environmental permitting requirements. The Governor also signed the Alternative Teacher License Bill into law in March which creates new pathways into the teaching profession for non-traditional teachers and mid-career professionals. In mid-April, the Governor signed the bipartisan Omnibus Agriculture bill into law as well as the so-called "Green Acres" bill which makes changes to the Green Acres and Rural Preserves programs.

However, as the legislature began passing the finance bills, it was obvious the two sides were far apart in their approaches to eliminate the budget deficit. The Governor put forth a proposal during the last week of session to meet the Legislature half way in an effort to solve the budget deficit, agreeing to postpone the repayment of \$1.4 billion to Minnesota education and proposing \$1.8 billion each in tax increases and spending cuts. The Republican legislators have remained steadfast in their opposition to increases in taxes. The legislature adjourned on May 23, the constitutionally mandated deadline and the Governor promptly vetoed all of their budget bills. A government "shutdown" will occur on July 1 if they cannot reach an agreement. Stay tuned...

The following is a summary of the legislation passed by the legislature during the 2011 session that has an impact on the members of the Suburban Transit Association.

1) **OMNIBUS TRANSPORTATION FINANCE BILL**

The Omnibus Transportation Finance Bill (House File 1140 - Beard) was re-passed by the House on 5/18/2011 by a vote of 71 – 61 after passing out of Conference Committee. It was re-passed the Senate on 5/19/2011 by a vote of 36 – 26. The Governor vetoed the bill on 5/24/2011. An important provision was included in the bill to provide the suburban transit providers with an appropriation equal to the amount they received in FY2011 for FY2012 and 2013. The language is found in Article 1, Section 5, METROPOLITAN COUNCIL, lines 8 – 15. A provision for grant application and awards (H.F. 1196) that creates a Grant Evaluation and Ranking System (GEARS) Committee, establishes a grant application process and identifies the amount of available funding for grant awards for transit projects was included in Article 2, Section 1, Subdivision 5 of the Omnibus bill. The funds are allocated from a metropolitan-area transportation sales-and-use tax. Provisions authorizing temporary transfers from the Metropolitan Livable Communities Fund and the Right-of-Way Acquisition Loan Fund for transit operating deficits (H.F. 1197) are included in Article 2, Sections 3 and 4. The provisions authorize a temporary transfer from the two funds noted above to cover transit operating deficits.

The language of the conference committee report can be found at the link below:

<https://www.revisor.mn.gov/bin/bldbill.php?bill=ccrhf1140A.html&session=ls87>

2) **METROPOLITAN AREA TRANSIT AND PARATRANSIT CAPITAL EXPENDITURE ADDITIONAL FINANCING PROVIDED, AND CERTAIN OBLIGATIONS ISSUED – RTC BONDS**

This legislation, the RTC bond funding, (H.F.1261 - Holberg) would provide the additional financing of metropolitan area transit and paratransit capital expenditures and authorize the issuance of bonds or other indebtedness. H.F. 1261 received a hearing in the Committee on Taxes on 5/4/2011 and was recommended to pass to the House floor. On 5/14/2011 a motion was made on the House floor to re-refer the bill to the Committee on Ways and Means. On 5/16/2011 the bill was heard in the Committee on Ways and Means and recommended to pass to the House floor. The bill did not receive a vote on the House floor and was returned to the Committee on Ways and Means for the interim. Senator Ortman did not introduce this bill in the Senate.

The language of H.F. 1261 can be found at the link below:

<https://www.revisor.mn.gov/bin/bldbill.php?bill=H1261.0.html&session=ls87>

3) METROPOLITAN TRANSPORTATION PLANNING MODIFIED, METROPOLITAN TRANSPORTATION BOARD CREATED, AND BOARD DESIGNATED AS THE METROPOLITAN PLANNING ORGANIZATION FOR PURPOSES OF FEDERAL TRANSPORTATION LAW

This legislation (H.F. 1403 - Beard/S.F. 1157 - Robling) would create the Metropolitan Transportation Board as the designated planning agency for long-range comprehensive transportation planning. The Board will assure administration and coordination of transit planning with appropriate state, regional and other agencies, counties, and municipalities. The House bill received a hearing in the Committee on Transportation and was laid over for discussion during the interim. The Senate bill received a hearing in the Committee on Local Government and Elections where it was amended and re-referred to the Committee on Transportation.

The language of H.F. 1403 can be found at the link below:

<https://www.revisor.mn.gov/bin/bldbill.php?bill=H1403.0.html&session=ls87>

4) USE OF SHOULDERS BY BUSES

This legislation (H. F. 1289 – Mack/S.F. 1098 - Gerlach) would have authorized a road authority to permit transit buses and Metro Mobility buses to use a shoulder of a freeway or expressway. Buses authorized to use the shoulder may be operated on the shoulder only when main-line speeds are less than 35 miles per hour. Drivers of the buses being operated on the shoulder may not exceed the speed of the main-line traffic by 15 miles per hour. The bill was heard in the Committees on Transportation Policy and Finance as well as the Committee on Public Safety and Crime Prevention Policy and Finance. It passed in the house by a vote of 127 – 1 on 5/5/2011. The Senate file did not pass out of the Senate on its own. The language of the bill was also included the Omnibus Transportation Policy bill (H.F. 1068), section 36. The Omnibus Transportation Policy bill did not receive a vote on the House or Senate floor.

The language of H.F. 1289 can be found at the link below:

<https://www.revisor.mn.gov/bin/bldbill.php?bill=H1289.0.html&session=ls87>

5) METROPOLITAN AREA TRANSPORTATION SALES AND USE TAX FUNDS ALLOCATED FOR TRANSIT OPERATIONS

This legislation (H.F. 1196 - Holberg) would allocate funds for transit operations from a metropolitan area transportation sales-and-use tax. It would also create a Grant

Evaluation and Ranking System (GEARS) Committee, establish a grant application process and identify the amount of available funding for grant awards. This bill was included in the Omnibus Transportation Finance Bill that was vetoed by the Governor.

The language of H.F. 1196 can be found at the link below:

<https://www.revisor.mn.gov/bin/bldbill.php?bill=H1196.0.html&session=ls87>

6) TEMPORARY TRANSFERS AUTHORIZED FROM THE METROPOLITAN LIVABLE COMMUNITIES FUND ACCOUNTS AND THE RIGHT-OF-WAY LOAN ACQUISITION FUND FOR TRANSIT OPERATING DEFICITS, AND FUNDING SOURCES MODIFIED FOR METROPOLITAN LIVABLE COMMUNITIES FUND ACCOUNTS.

This legislation (H.F. 1197 - Holberg) would authorize temporary transfers from the Metropolitan Livable Communities Fund and the Right-of-Way Acquisition Loan Fund for transit operating deficits. It also modifies the funding sources for the Metropolitan Livable Communities Fund accounts. This bill was included in the Omnibus Transportation Finance Bill that was vetoed by the Governor.

The language of H.F. 1197 can be found at the link below:

<https://www.revisor.mn.gov/bin/bldbill.php?bill=H1197.0.html&session=ls87>

7) OMNIBUS TRANSPORTATION POLICY BILL

The Omnibus transportation Policy Bill (H.F. 1068 - Beard) did not receive a vote on the House or Senate Floor. It contained the language of H.F. 587 which would repeal the restrictions on the Dan Patch commuter rail line. It also included changes to the use of bus shoulders by buses described in Item 2.

The language of H.F. 1068 can be found at the link below:

<https://www.revisor.mn.gov/bin/bldbill.php?bill=H1068.2.html&session=ls87>

8) CEDAR AVENUE BUS RAPID TRANSITWAY FUNDING PROVIDED, BONDS ISSUED, AND MONEY APPROPRIATED

This legislation (H.F. 443 - Mack/S.F. 463 - Gerlach) would appropriate \$9 million in bonds to the Metropolitan Council for environmental assessment, preliminary engineering, design, right-of-way acquisition, and construction of bus shoulders and transit facilities as part of the Cedar Avenue Bus Rapid Transitway (BRT). Neither bill received a committee hearing.

The language of H.F. 443 can be found at the link below:

<https://www.revisor.mn.gov/bin/bldbill.php?bill=H0443.0.html&session=ls87>

9) GOVERNMENT AGENCY ENERGY FORWARD PRICING MECHANISMS PROVISIONS MODIFIED

This legislation (H.F. 560 - Downey) would modify provisions governing energy forward pricing mechanisms for government agencies including diesel fuel and unleaded fuel.

The language of H.F. 560 can be found at the link below:

<https://www.revisor.mn.gov/bin/bldbill.php?bill=H0560.1.html&session=ls87>

10) DAN PATCH COMMUTER RAIL LINE RESTRICTIONS REMOVED

This legislation (H.F. 587 - Beard/S.F. 360 - Robling) would remove restrictions on the Dan Patch commuter rail line planning and development. It would repeal Minnesota Laws 2002, chapter 393, section 85. The House bill received a hearing in the Committee on Transportation Policy and Finance and laid over for possible inclusion in the Omnibus Transportation Policy Bill. It was included in the Omnibus Transportation Policy Bill (H.F. 1068), section 36. The Omnibus Transportation Policy bill did not receive a vote on the House or Senate floor.

The language of H.F. 587 can be found at the link below:

<https://www.revisor.mn.gov/bin/bldbill.php?bill=H0587.0.html&session=ls87>

11) MUNICIPAL STREET IMPROVEMENT DISTRICT ESTABLISHMENT AND STREET IMPROVEMENT FEE APPORTIONMENT WITHIN DISTRICTS AUTHORIZED, STREET IMPROVEMENT PLAN ADOPTION REQUIRED, AND COLLECTION OF FEES AUTHORIZED

This legislation (H.F. 661 - Hornstein) would authorize municipalities to establish street improvement districts and apportion street improvement fees within districts. It would require the adoption of street improvement plans and authorize the collection of fees.

The language of H.F. 661 can be found at the link below:

<https://www.revisor.mn.gov/bin/bldbill.php?bill=H0661.0.html&session=ls87>

**12) PROPERTY TAX AND OTHER PROPERTY TAX
AUTHORITY FUNDING POWER ELIMINATED**

This legislation (H.F. 680 - Carlson) would eliminate the power to impose property taxes and other property tax funding of authorities for regional rail lines.

The language of H.F. 680 can be found at the link below:

<https://www.revisor.mn.gov/bin/bldbill.php?bill=H0680.0.html&session=ls87>

**13) TRANSIT SHELTERS AND STOPS DESIGN,
ACCESSIBILITY, AND MAINTENANCE REGULATED;
AND ACCESS REQUIRED IN SPECIAL
TRANSPORTATION SERVICE BUSES**

This legislation (H.F. 714 - Clark/S.F. 1128 - Dibble) would regulate the design, accessibility, and maintenance of transit shelters and stops. It would require the retrofit or replacement of all buses used in special transportation service.

The language of H.F. 714 can be found at the link below:

<https://www.revisor.mn.gov/bin/bldbill.php?bill=H0714.0.html&session=ls87>

**14) TRANSIT IMPROVEMENT AREA PROVISIONS
MODIFIED**

This legislation (H.F. 869 - Nelson /S.F. 464 - Rest) would provide tax increment financing to economic development districts located in a transit improvement areas and will be used to support activities for which the transit improvement area was designated. The bill was laid over in the House for possible inclusion in the Property and Local Tax Division Report and in the Senate was laid over for possible inclusion in the Omnibus Capital Investment bill. Neither bill was rolled into an Omnibus bill.

The languages of H.F. 869 can be found at the link below:

<https://www.revisor.mn.gov/bin/bldbill.php?bill=H0869.0.html&session=ls87>

**15) METROPOLITAN COUNCIL AUTHORIZED TO
DISQUALIFY CRIMINAL OFFENDERS FROM
BECOMING BUS AND LIGHT RAIL VEHICLE
OPERATORS**

This legislation (H.F. 1080 - Woodard/S.F. 910 - Jungbauer) would authorize the Metropolitan Council to disqualify criminal offenders from becoming bus and light rail vehicle operators.

The language of H.F. 1080 can be found at the link below:

<https://www.revisor.mn.gov/bin/bldbill.php?bill=H1080.0.html&session=ls87>

16) RAMSEY NORTHSTAR COMMUTER RAIL STATION FUNDING PROVIDED, BONDS ISSUED, AND MONEY APPROPRIATED

This legislation (H.F. 1165 - Abeler/S.F. 903 - Jungbauer) would appropriate \$4 million in bonds for funds to the Metropolitan Council for the Ramsey Northstar Commuter Rail Station.

The language of H.F. 1165 can be found at the link below:

<https://www.revisor.mn.gov/bin/bldbill.php?bill=H1165.0.html&session=ls87>

17) LAKE STREET TRANSIT STATION FUNDING PROVIDED, BONDS ISSUED, AND MONEY APPROPRIATED

This legislation (H.F. 1456) would appropriate \$6.75 million in bonds for funds to the Metropolitan Council for a grant to Hennepin County for design of a transit station in the Lake Street area at marked Interstate Highway 35W in the city of Minneapolis.

The language of H.F. 1456 can be found at the link below:

<https://www.revisor.mn.gov/bin/bldbill.php?bill=H1456.0.html&session=ls87>

18) SOUTHWEST CORRIDOR LIGHT RAIL TRANSIT-LINE FUNDING PROVIDED, BONDS ISSUED, AND MONEY APPROPRIATED

This legislation (H.F. 1696 – Simon /S.F. 1391 - Latz) would appropriate \$5 million in bonds for funds to the Metropolitan Council for preliminary engineering for the Southwest Corridor light rail transit line from the Hiawatha light rail transit line in downtown Minneapolis to the vicinity of the Southwest Station transit hub in Eden Prairie.

The language for H.F. 1696 can be found at the link below:

<https://www.revisor.mn.gov/bin/bldbill.php?bill=H1696.0.html&session=ls87>

**19) NEWPORT PARK-AND-RIDE FACILITY BOND ISSUE
AND APPROPRIATION**

This legislation (S.F. 834 - Sieben) would appropriate \$5 million in bonds for funds to the Metropolitan Council for a grant to Washington County for the costs of environmental review, preliminary and final engineering, design, and construction of a park-and-ride facility in the city of Newport.

The language of S.F. 834 can be found at the link below:

<https://www.revisor.mn.gov/bin/bldbill.php?bill=S0834.0.html&session=ls87>