



WEEKLY LEGISLATIVE UPDATE

January 14, 2025

Issue No. 1

Anoka | Blue Earth | Carver | Chisago | Crow Wing | Dakota | Olmsted | Otter Tail | Rice | St. Louis | Scott | Sherburne | Stearns | Washington | Winona | Wright

NEW YEAR, NEW FACES – AND NOT JUST FOR THE LEGISLATURE

We are excited to have **Anoka and Wright as full members of MICA** as of January 1. Staff and Commissioners from those counties have already started participating in committees and on the Board, so as you see new faces on the Zoom or in your meetings, please give them a warm welcome.

NEW MATT



As we shared previously, after almost five years of service, Matt Massman stepped down as the MICA executive director in December. The good news is that as of yesterday, we have a new ED. Please welcome Nathan Jesson!

With over a decade of experience working at the Capitol, Jesson brings a wealth of knowledge on tax and local government issues. His expertise spans various areas, including state budget and finance, property taxes, transportation taxes, and general government matters. Prior to joining MICA, Jesson held positions at the Minnesota Department of Revenue, the House of Representatives, and the League of Minnesota Cities. He holds a master's degree in public service from the Clinton School at the University of Arkansas and a bachelor's degree from Hendrix College.

Nathan is known for his ability to navigate complex legislative landscapes and work towards effective solutions. As the new Executive Director, he is poised to lead the organization in addressing critical policy matters that impact counties across Minnesota.

Nathan's background and understanding of intricate policy issues put him in a great position to hit the ground running. If you'd like to connect with him or offer your congratulations, his email is nathan.jesson@mica.org.

OTHER MEMBERS OF THE MICA LEGISLATIVE TEAM:



Nancy Silesky

Health & Human Services Liaison

Email nancy@cortholten.com

Cell 612-747-7242

Nancy is the human services and public health liaison for MICA, which often involves matters within the purview of the state Department of Human Services and Department of Health, as well as related issues in the areas of housing, child protection and courts.



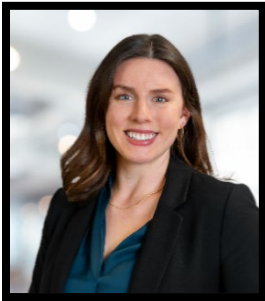
Amber Backhaus

Transportation Liaison

Email amberb@unitedstrategiesllc.com

Cell 612-963-2232

Amber is the transportation liaison for MICA, which includes budget and policy issues related to roads and bridges, transit, transportation-related bonding, taxes and fees, road system administration and related water and wetland issues.



Rachel Sosnowchik

Environment Liaison

Email rachel@goffpublic.com

Cell 402-651-0238

Rachel is the MICA liaison for environment policy. This portfolio includes issues such as waste management (including recycling, waste to energy, wood waste), invasive species, and groundwater issues.

AT THE CAPITOL

The 2025 legislative session will commence on Tuesday, January 14, at noon. This is the first year of the biennium, or the “budget” session, which is expected to last until Monday, May 19, the last day the Legislature can meet in regular session, pursuant to the State Constitution. For various reasons, this could be a year that goes into overtime.

Budget: Based on the November forecast, the State is currently projecting a \$616 million surplus for the current biennium (FY25-26) and a projected deficit of \$5.1 billion for the next (FY27-28). This information will be updated when the February forecast is released. The 2025 Legislature must balance the budget by June 30, or the State faces a shutdown. Governor Tim Walz is expected to release his recommendations as early as next week.

November Election: The results of the election resulted in the House being tied with 67 Democrats and 67 Republicans. To that end, leaders Melissa Hortman (DFL-Brooklyn Park) and Lisa Demuth (R-Cold Spring) began the process of negotiating an agreement for co-sharing power between the parties. Committees were established with co-chairs, co-vice-chairs and co-committee administrators. That was then.

District 40B Seat: After the election, a legal challenge was brought by Republican candidate Paul Wikstrom against his opponent Curtis Johnson in an open Roseville/Shoreview seat, alleging that he did not live in the district in which he ran, which is a statutory requirement. Just prior to Christmas, a Ramsey County judge ruled Johnson did not live in District 40B for six months prior to the election and was unable to be seated as a legislator. As a result, Mr. Johnson stepped down, resulting in the Republicans having a temporary one-seat majority (67-66).

Governor Tim Walz set a special election for January 28 for the 40B seat. However, the Republican party has filed litigation regarding the validity of calling a special election before the seat was technically vacated. The Supreme Court directed briefing to be filed by Friday, January 10; oral arguments are set for Wednesday, January 15. If the Court sides with the GOP, the earliest a special election could be held is 20 days after session begins on January 14.

Speaker Election/Control of the House: While a majority of votes are required to elect a Speaker, which the Republicans will have on January 14 (67), it takes 68 votes to pass anything on the House floor. At this point, it looks as though Representative Demuth will be elected Speaker for the next two years, even if there is a tie after the special election because neither side will have the required 68 votes to remove her. The GOP has indicated that, since there is no tie currently, they plan to set up the committee structure unilaterally – rather than the previously agreed-to co-sharing power agreement.

In response, the DFL Caucus has now threatened to boycott the first day of session, preventing a quorum of 68 members. On Monday, the House GOP announced plans to file recall petitions against any state lawmaker who doesn't show up to work at the State Capitol for opening day on Tuesday. Secretary of State Steve Simon, the presiding officer of the House on the first day, has signaled his understanding that 68 votes are required to constitute a quorum. The GOP argues that since there are currently 133 members (with one open seat), 67 is the number that constitutes a quorum.

DFL House Sworn into Office on Sunday, January 12: In an unprecedented move, the entire House DFL Caucus met privately and was sworn into office late Sunday. This included Representative Brad Tabke (DFL-Shakopee) whose seat is in question.

District 54A Seat: Another court case relates to the seat held by Representative Brad Tabke (DFL-Shakopee), who won the seat by 14 votes. Unfortunately, 20 ballots went missing in one Shakopee precinct. Litigation was filed by the House GOP; this morning Judge Tracy Perzel declared Tabke the winner, and "There is no basis in fact or law for holding a special election," the judge ruled. However, this is advisory only; under the State Constitution, it is up to the Minnesota House to seat members, regardless of what the judge advised in this case. Republicans have stated that they do not intend to seat Tabke – arguing that there is no concrete way to determine how those 20 individuals voted. We expect the judge's ruling to be appealed to the State Supreme Court.

As of this morning, although they have been meeting, no agreement has been reached between House leaders Lisa Demuth and Melissa Hortman.

Senate: Meanwhile, the Senate is also currently tied 33-33 – due to the recent death of Senator Kari Dziedzic (DFL-Minneapolis). After the 2022 election and the return of DFL control in the Senate, Dziedzic was nominated by her peers to serve as Senate Majority Leader. She was instrumental in holding together the Senate DFL caucus in 2023 as they passed, with a one-vote majority, a variety of Democratic priorities. Governor Walz has called a special election for January 28 for her seat. There are a number of individuals running for the seat, so a primary will be necessary; it is scheduled for January 14.

Unlike in the House, Senate leaders Erin Murphy (DFL-St. Paul) and Mark Johnson (R-East Grand Forks), announced over the weekend that they have come to an agreement to share power until the results of the January 28 special election in Senate District 60 (the open Dziedzic seat) are known. The agreement will be passed as a resolution on the Senate floor on Tuesday.

Joint presiders of the Senate will be elected by their respective parties. The DFL intends to nominate current President Bobby Joe Champion (DFL-Minneapolis); the GOP will nominate Senator Jeremy Miller (R-Winona). In addition, committee co-chairs will be appointed.

It should be noted that the agreement will end after the January 28 special election, which is expected to return the DFL to power by one seat. Both leaders have indicated that they intend to work in a bipartisan fashion.

Key items in the agreement include:

- Each caucus leader will appoint a co-presiding officer; caucus leaders will agree who will convene each day.
- Each committee has joint chairs, with gavel sharing determined by the chairs.
- Equal representation of DFL and GOP members on committees.
- No changes to Senate rules through 2025.
- Agreement is in place until there are 34 votes to end the agreement.

Lastly, we are still awaiting Senator Nicole Mitchell's (DFL-Woodbury) felony burglary trial. Unless a plea deal agreement is reached, her trial is scheduled for January 27, and a five-day trial is expected. If Mitchell is found guilty, a push for her expulsion from the Senate is likely, further impacting control of the body and the legislative session which will already be underway. Defense lawyers are seeking to postpone the trial until after the legislative session; not surprisingly, the Becker County prosecutor opposes this move.

Key Session Dates

- January 14: Minnesota lawmakers convene the 2025 legislative session
- January 24: Governor Walz releases 2025 Budget recommendations
- End of February: February Budget Forecast
- April 12-20: Likely Easter/Passover break
- May 19: Last day of the regular 2025 legislative session
- June 30: Budget must be completed or the State shuts down on July 1.

Deadlines

- First Committee Deadline - TBD
- Second Committee Deadline - TBD
- Third Committee Deadline - TBD
- Monday, May 19: Constitutional deadline for adjournment.

Breaks

- Easter, Eid, Passover recess(es): TBD

LEGISLATIVE LEADERSHIP

House DFL:

Representative Melissa Hortman (DFL-Brooklyn Park)
Representative Jamie Long (DFL-Minneapolis)
Representative Athena Hollins (DFL-St. Paul)
Representative Liish Kozlowski (DFL-Duluth)

House Republicans:

Representative Lisa Demuth (R-Cold Spring)
Representative Harry Niska (R-Ramsey)
Representative Jim Nash (R-Waconia)
Representative Ben Bakeberg (R-Jordan)
Representative Walter Hudson (R-Albertville)
Representative Jim Joy (R-Hawley)
Representative Andrew Myers (R-Tonka Bay)
Representative Kristin Robbins (R-Maple Grove)
Representative Paul Torkelson (R-Hanska)
Representative Natalie Zeleznikar (R-Hermantown)
Representative Bidal Duran (R-Bemidji)

Senate Republicans:

Senator Mark Johnson (R-East Grand Forks)
Senator Julia Coleman (R-Waconia)
Senator Gary Dahms (R-Redwood Falls)
Senator Karin Housley (R-Stillwater)
Senator John Jasinski (R-Faribault)
Senator Michael Kreun (R-Blaine)
Senator Jordan Rasmusson (R-Fergus Falls)
Senator Jeremy Miller (R-Winona)

Senate DFL:

Senator Erin Murphy (DFL-St. Paul)
Senator Liz Boldon (DFL-Rochester)
Senator Nick Frentz (DFL-North Mankato)
Senator Grant Hauschild (DFL-Hermantown)
Senator Foug Hawj (DFL-St. Paul)
Senator Mary Kunesh (DFL-New Brighton)
Senator Clare Oumou Verbeten (DFL-St Paul)
Senator Bonnie Westlin (DFL-Plymouth)
Senator Bobby Joe Champion (DFL-Minneapolis)
Senator Ann Rest (DFL-New Hope)

COMMITTEE ROSTERS

Given recent changes and agreements (some of which are still in development) mean that committee rosters are still in flux. In order to avoid distributing old and possibly incorrect information, we will share committee membership once committee rosters are finalized.

TAX & FISCAL POLICY

Unlike other spending committees, a tax bill does not have to pass during a budget session to fund the appropriations for the various state aid and refund programs in its jurisdiction. Typically, omnibus tax bills have become law during budget years though, the most recent year in which one did not become law was 2015. Since the mega-omnibus spending bill (HF 5247) that passed last year included so few tax provisions, it is expected that many of the same issues from 2024 will return this year. Given the new dynamic of the House GOP, there will be interest in a few new tax cuts as well. Any potential tax cuts or increases in spending will be tempered by the structural deficit in FY28-29, which is being reported as \$5.1 billion but could be viewed as high as \$5.7 billion if the legislature spends down the \$616 million surplus in the current biennium.

Tax Priorities: MICA will be working on and monitoring a number of priorities in tax committees, including:

- Increase County Program Aid (CPA) Annually to Inflation and prevent any harm to CPA
- Support Equitable Access to Local Sales Tax Base for County Government Functions and State Mandates
- Exempt Counties from Sales Tax on Motor Vehicles
- Fund County Clean-Up Costs of Tax Forfeited Properties and Adjust Related 2024 Policy Reforms
- Enact a Refund Exemption for All Sales Tax Paid on Construction Materials Used by Local Governments
- Strengthen Transparency and Local Control of Property Taxation

TAX COMMITTEE SCHEDULE AND MEMBERSHIP

House: The House Committee on Taxes is scheduled to meet Tuesday-Thursday at 10:15 in Room 120 at the Capitol.

Committee membership will be shared once committee rosters are finalized

Senate: The Senate Tax Committee is scheduled to meet Tuesday-Thursday mornings at 8:30 in Room 15 at the Capitol.

Committee membership will be shared once committee rosters are finalized

TRANSPORTATION

MICA's top transportation priorities for the session include:

- Appropriating \$200 Million in Bonds for the Bridge Replacement Program and \$250 Million for the Local Road Improvement Program and Grants.
- Establishing base funding of \$19 million for the Local Road Wetland Replacement Program (LRWRP) to meet the ongoing needs of the program combined with bonding and/or one-time general fund dollars of \$26.5 million to overcome the current credit deficit.
- Providing an additional \$85 million of State Appropriations to Fund Federal Infrastructure Investment and Jobs Act (IIJA) Match Requirements.
- Limiting greenhouse gas (GHG) and vehicle miles traveled (VMT) assessments for highway expansion projects to trunk highway corridors and provide state funds to pay for mitigation efforts so they will not be incorporated into the costs of the project and borne by local matching funds.
- Retaining the distribution of the proceeds from the sales tax on leased vehicles established in 2017 and reaffirmed in 2023.

While the first two on the list are housed in the budgets of other committees (Capital Investment and Environment), MICA will need the support of the Transportation Committee members, especially the chairs, to engage their peers on the importance of these projects for the efficient and safe movement of people and freight around the state.

And speaking of chairs, MICA is delighted to have two members of its legislative delegation co-chairing the House Transportation Committee this session: Representative Erin Koegel (DFL-Spring Lake Park) of Anoka

County and Jon Koznick (R-Lakeville) of Dakota and Scott Counties. Their leadership will be incredibly valuable for MICA counties that are more road- than transit-dependent, and in conversations about funding formulas.

TRANSPORTATION COMMITTEE SCHEDULE AND MEMBERSHIP

The House Transportation Committee is scheduled to meet on Monday and Wednesday afternoons from 1:00-2:45 in room 123 Capitol.

Committee membership will be shared once committee rosters are finalized

The Senate Transportation Committee is scheduled to meet on Monday and Wednesday afternoons from 3:00-5:00 p.m. in 1100 MSB.

Committee membership will be shared once committee rosters are finalized

PUBLIC HEALTH & HEALTH AND HUMAN SERVICES

Yesterday DHS Commissioner Jodi Harpstead announced that she would be leaving her role effective February 3, 2025.

SENATE HEALTH AND HUMAN SERVICES COMMITTEE SCHEDULE AND MEMBERSHIP

The Senate HHS Committee is scheduled to meet on Tuesday, Wednesday, and Thursday mornings from 8:30-10:30 a.m. in 1100 MSB.

Committee membership will be shared once committee rosters are finalized

SENATE HUMAN SERVICES COMMITTEE SCHEDULE AND MEMBERSHIP

The Senate Human Services Committee is scheduled to meet on Monday and Wednesday afternoons from 3-5 p.m. in 1200 MSB.

Committee membership will be shared once committee rosters are finalized

HOUSE HEALTH FINANCE AND POLICY COMMITTEE SCHEDULE AND MEMBERSHIP

The House Health Finance and Policy Committee is scheduled to meet on Monday and Wednesday afternoons from 1-2:45 p.m. in 120 Capitol.

Committee membership will be shared once committee rosters are finalized

HOUSE HUMAN SERVICES FINANCE AND POLICY COMMITTEE SCHEDULE AND MEMBERSHIP

The House Human Services Finance and Policy Committee is scheduled to meet on Tuesday, Wednesday, and Thursday mornings from 8:15-10 a.m. in 123 Capitol.

Committee membership will be shared once committee rosters are finalized

HOUSE CHILDREN AND FAMILIES FINANCE AND POLICY COMMITTEE SCHEDULE AND MEMBERSHIP

The House Children and Families Finance and Policy Committee is scheduled to meet on Tuesday and Wednesday afternoons from 3-4:45 p.m. in 123 Capitol.

Committee membership will be shared once committee rosters are finalized

Although not yet formal, we are anticipating the House GOP to form a committee to stop fraud and hold agencies accountable; the committee, as proposed, will have subpoena power. It is expected to be led by Representative Kristin Robbins (R-Maple Grove).

HHS Priorities: MICA **will be working on and monitoring a number of HHS priorities, including:**

Human Services:

- Streamline MnCHOICES Reassessment Process
- Dedicate One-Time State Funds to Counties to Modernize and Streamline Health and Human Services Programs and Technology (SSIS/MAXIS):
 - Replacement of SSIS, 50% of which will be paid for by Feds
 - MAXIS planning money
- Modify Human Services Financing:
 - Address Excessive County Cost Shares for State-Operated Services
 - Exempt County Cost Share and Allow for Downward Adjustment of Cost of Care Charges for Civilly-Committed Persons at State-Operated Facilities
 - Permanently Exempt County Cost Share for Mentally Ill and Dangerous (MI&D) Treatment Beds When Patient is Moving from One State-Operated Bed to Another
 - Abandon Maintenance of Effort (MOE) Policy
- Support Priority Admissions Task Force Recommendations
- Strengthen State Investment in the State's Behavioral Health Care System:
 - Provide Bonding for Crisis Residential Centers (CRCs) and Intensive Residential Treatment Services (IRTS) Facilities for Both Adults and Children
 - Support Funding for Youth Interventions/Regional Approach to Placement Continuum
 - Sustain Mental Health Infrastructure by Increasing Funding for the Adult Mental Health Initiative (AMHI)
 - Establish and Fund Statewide Children's Mental Health Initiatives to Build Service Infrastructure and Supports
 - Create a Medical Assistance (MA) Benefit for Children's Crisis Residential and Stabilization Services

Public Health:

- Strengthen the Local Public Health System to Protect Health and Safety of All Minnesotans through Reliable Funding
- Unfunded Mandates
 - Provide Reliable Funding for Infectious Disease Prevention and Control
- Restore and Provide Ongoing Funding for Cannabis Education Grant to Local Public Health Departments
- Ensure Flexibility in Use of Funding for Chronic Disease Prevention
- Allocate Stable Funding for Family Home Visiting

ENVIRONMENT

While we are expecting a slow start to the legislative session and won't see any bill introductions or hearings scheduled until later this week at the earliest, solid waste will likely be a prominent theme in the House and Senate environment committees. MICA has been in conversation with other county partners, including the Association of Minnesota Counties (AMC), the Partnership on Waste and Energy (PWE), Hennepin County, Ramsey County and Minnesota Rural Counties (MRC), to coordinate and align on our lobbying strategy for this year.

MICA is working with PWE to get an updated SCORE bill drafted, which dedicates 100% of solid waste management tax collections to county SCORE grants. With a tight state budget expected, we understand there is limited money available for ongoing funding requests. Despite this, we believe it is important to bring this unfinished legislation forward and seek a hearing to encourage discussion among legislators on the continued need to invest more state resources in solid waste management. County lobbyists have been in conversation with Senator Ann Rest (DFL-New Hope), chair of the Senate Taxes committee, on this topic, and are working with Senator Scott Dibble (DFL-Minneapolis) to draft the bill.

Looking back to our first update of the 2024 session, we highlighted the Packaging Waste and Cost Reduction Act as the “most significant solid waste and environmental policy proposal” of the year. That proved to be true, and while the extended producer responsibility (EPR) bill was signed into law at the end of session, we can expect renewed interest among Republican legislators in the House who will have increased ability to set agendas in 2025. Given the strong business community pushback on the legislation last session, some lawmakers may want to roll back some of the provisions included in the bill. Counties and other environment advocates will be prepared to defend the packaging bill among key legislators, including moderate Democrats who were often the target of anti-EPR lobbying.

Also on the EPR front, the Minnesota Pollution Control Agency (MPCA) is working with AMC and the Solid Waste Administrators Association (SWAA) on a bill related to managing e-waste and encouraging battery recycling. We expect to see that legislation rolled out in the first weeks of session. MPCA also plans to include a food waste proposal as part of the Governor's budget rollout later this month, which we will monitor and engage on to ensure this program does not create un-resourced work for local governments.

There has been significant county coordination on Waste to Energy (WTE), along with the Minnesota Resource Recovery Association (MRRRA), leading up to session. We expect that the current balance of power in the legislature will be helpful for defending WTE as an eligible energy technology. However, we want to use this session as an opportunity to educate legislators on the topic, especially freshman lawmakers and those who are new to the Environment and Energy committees. Pending rulings on two Public Utilities Commission (PUC) dockets are likely to inform the WTE conversation in 2025 and beyond, so we will continue to track any developments in that space.

Finally, we are ready to track progress on other MICA environment priorities, including requests for more resources to manage wood waste related to the spread of Emerald Ash Borer (EAB), funding to address aquatic and terrestrial invasive species, developments on the state's PFAS ban and need for PFAS mitigation, and responses to water contamination across the state. These issues cross a few committees outside of Environment, including Agriculture and Legacy, but our primary focus will be in Environment.

ENVIRONMENT COMMITTEES SCHEDULE AND MEMBERSHIP

The House Environment Committee meets every Tuesday and Thursday from 1:00 to 2:45 pm in Room G3 of the Capitol.

Committee membership will be shared once committee rosters are finalized

The Senate Environment Committee meets every Tuesday and Thursday from 3:00 to 5:00 pm in Room 1150 of the Minnesota Senate Building.

Committee membership will be shared once committee rosters are finalized

BILL INTRODUCTIONS OF INTEREST

As bills are introduced, you can track all relevant environment bills, including those for MICA member counties, [here](#). If the bill has had a hearing, our team's notes on the testimony and member discussion during the hearing are included.

CAPITAL INVESTMENT (BONDING)

Typically, capital improvement packages, also known as bonding bills, are passed in the even-numbered years of the legislative biennium. However, since a bill was not passed in 2022, the Legislature passed an historic \$2.6 billion bonding bill in 2023. While the Governor made recommendations for a smaller bill in 2024, the lack of bipartisan support for a package, which requires a 3/5ths majority of each body to pass, thwarted the enactment of a bill last session. Capital Investment Chairs, Senator Sandy Pappas (DFL- St. Paul) and Representative Fue Lee (DFL-Minneapolis), made a Hail Mary attempt on the last night of session at passing a cash-only bill, but the clock struck midnight, and time ran out before the Senate completed its vote.

Although 2025 isn't the designated bonding year, there is interest in doing a small package this year. Based on Minnesota Management and Budget guidelines, the state could support a bonding bill of approximately \$800 million this session. However, Governor Walz and Chair Pappas have indicated they plan to use last year's numbers as their starting point. This does not bode well for MICA's priorities as neither the Governor nor the Legislature funded much of our asks in 2024:

Project	MICA 2025 Platform	Walz 2024 Recommendation	Pappas/Lee 2024 Deal
Local bridges	\$200 million for LOCAL bridges	\$0	\$14 million
Local Road Improvement Program	\$250 million	\$0	\$23.57 million
Local Road Wetland Improvement Program	\$26 million in bonding/one-time cash; \$19 million in BWSR base budget	\$2.5 million in bonding; \$2.0 million in one-time cash	\$0

With either Republican- or shared-control of committees in the House, the bonding amounts for these types of projects is likely to be more favorable, since the GOP has historically favored statewide infrastructure investments over local pet projects in bonding bills.

BONDING AND CAPITAL INVESTMENT COMMITTEE SCHEDULE AND MEMBERSHIP

House:

The House Capital Investment Committee is scheduled to meet on Tuesday and Thursday mornings, from 10:15-noon in Room G23 Capitol

Committee membership will be shared once committee rosters are finalized

Senate:

The Senate Capital Investment Committee is scheduled to meet on Tuesday and Thursday afternoons from 3:00-5:00 p.m. in 1100 MSB.

Committee membership will be shared once committee rosters are finalized

COMBINED HEARING SCHEDULES

[Next 7 Days Combined Hearing Schedule](#)

Contact Us

Executive Director

Nathan Jesson

nathan.jesson@mica.org

479-651-5416 (cell)

651-222-8737 (office)

Health & Human Services Legislative Liaison

Nancy Silesky

nancy@cortholten.com

651-747-7242 (cell)

651-291-1900 (office)

Transportation Legislative Liaison

Amber Backhaus

amberb@unitedstrategiesllc.com

612-963-2232 (cell)

Environment Legislative Liaison

Rachel Sosnowchik

rachel@goffpublic.com

402-651-0238 (cell)

