

2018 POLICY AGENDA

STOP THE FINES AND FEES DEBT TRAP

Fines and fees from traffic tickets and minor criminal violations strip assets from low income communities and communities of color. Fines and fees can act as a debt trap that makes it difficult for families to build a strong financial future. Additionally, an unpaid ticket can lead to a driver's license suspension, which makes it hard to keep a job or manage a family's basic needs.



Our proposal:

- Allow judges to reduce or waive the \$75 state surcharge on traffic and criminal violations in cases of financial hardship or offer a community service option.
- Require judges to consider a person's ability to pay before setting fine amounts.
- Stop suspending driver's licenses for unpaid traffic tickets.

MAKE AUTO INSURANCE MORE AFFORDABLE

The law requires all drivers to carry liability insurance, but the lowest-income drivers often pay the most for insurance, because factors such as credit score and zip code increase their rates. When insurance is unaffordable, it creates a hardship for low income families, who may have to give up a job because they need to drive to get there. Some states have addressed this issue through solutions like targeted insurance programs for low income, good drivers with more affordable rates.

Our proposal:

- Convene policymakers and key stakeholders, including consumer advocates and industry representatives, to find common ground on how to make auto insurance affordable for all Minnesotans.

PROMOTE ENTREPRENEURSHIP

A successful small business can boost family income, create jobs in the neighborhood, and contribute to community vitality. Access to affordable financing and business technical assistance are necessary for entrepreneurship to thrive, but entrepreneurs from underserved communities face barriers to both.

Our proposal:

Preserve funding for programs that increase access to affordable financing and technical assistance, including:

- **Minnesota Emerging Entrepreneur Loan Program**, a statewide revolving loan program for entrepreneurs who are people of color, women, low-income, people with disabilities, and veterans.
- **Business Development Competitive Grant Program**, which funds nonprofits offering free technical assistance to entrepreneurs from underserved communities.
- **Capacity Building Grants Program**, which funds small, culturally specific nonprofits offering economic and workforce development services in underserved communities.

SUPPORT FINANCIAL CAPABILITY

Tax time presents a golden opportunity for saving for low-income taxpayers. Providing financial capability services on-site at Volunteer Income Tax Assistance (VITA) sites can support good money management decisions by helping clients open bank accounts for direct deposit of their tax refund, set budgeting and savings goals, review their credit report, deal with debt, or participate in a matched savings incentive program.

Our proposal:

- Provide funding for VITA sites to offer integrated financial capability services on-site at no cost to their tax clients.

MABC SUPPORTS THESE CAMPAIGNS LED BY OUR MEMBERS :

SOMALI DEVELOPMENT FUND

Somali American communities have the highest rates of poverty of any demographic group in Minnesota, according to the State Demographer. Somali Americans also report the lowest rates of community engagement and connectedness. MABC supports the **Coalition of Somali American Leaders'** campaign to create a Somali Development Fund to enhance health, education, housing, and economic outcomes for Minnesota Somali communities.

RENTERS' CREDIT

Last year the Legislature proposed major cuts to the Renters' Credit, which refunds a portion of the property taxes that lower-income Minnesotans have paid through their rents. Cuts to the Renters' Credit would make it harder for struggling Minnesotans to make ends meet. MABC supports the **Minnesota Budget Project's** campaign to preserve the Renters' Credit.

CHILDCARE

Affordable, accessible child care is one of the most critical components of stable, thriving families. MABC supports the **Kids Can't Wait Campaign** and **Coalition of Greater Minnesota Cities** initiative to increase access to affordable childcare by making unserved families a higher priority for access to the Basic Sliding Fee Child Care Assistance Program (CCAP) and reducing barriers for families experiencing homelessness, and by supporting initiatives to increase the supply of both center-based and home-based childcare options in every corner of the state.

**For more information,
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