

## 2017 LEGISLATIVE PRIORITIES

### ENACT MEANINGFUL BUSINESS TAX RELIEF

High business tax burdens are consistently cited as a top concern for Minnesota businesses negatively impacting their growth and expansion opportunities. Minnesota business taxes rank among the highest in the nation in many tax categories including 3<sup>rd</sup> highest for corporate and pass-through income tax rates, 2<sup>nd</sup> highest for some types of business property taxes and one of 14 states that still have an estate tax. We support tax relief focused on reducing taxes that undermines growth, entrepreneurship and expansions.

We support the following tax reforms to improve Minnesota's competitiveness:

- Property tax relief for all businesses by reducing the statewide levy and eliminating the automatic inflator;
- Lowering top income tax rates;
- Conformity with Section 179 expensing federal laws for small businesses investing in their Minnesota operations;
- Enhancement and simplification of research and development tax credit; and increasing estate tax threshold to the federal level.

### HEALTH CARE RELIEF AND REFORM

In response to the dramatic spike in health insurance costs in the individual market, we anticipate a one-time buy down of those premiums using surplus revenue in the 2017 Session. We support that effort, but as important, we support long term health care reform that will ensure more affordable premiums moving forward.

Our goal is to ensure access to quality affordable health care in the commercial market through:

- Reduction in health care taxes and mandates;
- Expanding product and coverage options for employers (i.e. self-insurance for smaller employers) and individuals;
- An increase in market competition and stability;
- Encouraging outcome based payment and delivery reform;
- Improving consumer engagement and transparency of cost and quality.

### PROVIDE FLEXIBILITY IN THE WORKPLACE; DON'T IMPOSE ONE-SIZE-FITS-ALL MANDATES

Employers must have the flexibility they need to provide benefits that are appropriate for their workplace. Voluntary, flexible policy approaches are far more effective than a one-size-fits-all solution mandated by elected officials.

Consistent with these principles of offering choices and ensuring flexibility, we support consideration of the following potential approaches:

- Incentives for employers to offer paid leave benefits for employees.
- Incentives for employees to save for the paid leaves they take.

- Policy changes to make it more affordable and convenient for private-sector employees to purchase short-term disability policies in the private insurance market.

A troubling new trend is for cities to enact their own workplace mandates, creating a patchwork of city-by-city ordinances that presents an even greater administrative burden for employers. Local units of government should not be able to enact their own local minimum wage ordinances or benefit mandates since doing so will disrupt the state employment market and impede hiring and job growth. Accordingly, we support explicit statewide preemption of local government labor mandates.

## **REAL ID COMPLIANCE**

Without action to address the shortcomings of Minnesota's noncompliance with REAL ID, Minnesotans using their state driver's licenses as identification will soon be barred from federally regulated air travel, just as they are already barred from entering military bases and many federal facilities. Minnesota must pass legislation to bring our state into compliance. Many of Minnesota's businesses rely upon efficient air travel for their employees or require their employees to regularly access federal facilities or other secure sites.

## **TRANSPORTATION INVESTMENT**

We support passage of a 10-year, comprehensive transportation funding package that provides increased investment in the state's multi-modal transportation infrastructure. This package should provide long-term, sustained investment that will enable the state to maintain our vital transportation infrastructure and provide for strategic enhancements.

Investment should be achieved through the following mechanisms:

- Minnesota should use the General Fund revenues generated from the statewide sales tax on auto parts and rental cars to fund increased investment in our transportation system;
- Consider an adjustment in the tab fee depreciation schedule;
- Augment any new investment through an increased focus on efficient use of resources;
- Use Trunk Highway bonding to help finance projects in the state's road and bridge system and General Obligation bonding to support local road and bridge, transit way, port, rail, airport, and other transportation infrastructure projects across the state.

In addition, policymakers must ensure that the state's transit needs in both the metro area and Greater Minnesota are addressed through this comprehensive, long-term investment.

## **WORKFORCE DEVELOPMENT ENHANCEMENT**

To ensure the state's global economic competitiveness, there must be a strong alignment of education and workforce development with employer needs. Too often, publicly funded workforce programs are difficult for employers to utilize. Therefore, we support private-sector initiatives to increase employer engagement in the training of workers in addition to supporting policies that ensure student readiness.

- Align K-12 and postsecondary education.
- Offer more affordable, efficient postsecondary education and workforce development programs that align with industry-needed skills.
- Build collaboration, drive innovation across education and workforce training providers.

Also needed are reforms to our federal immigration system, recognizing that immigrants are a critical source of workers and entrepreneurs for Minnesota's economy.

## **EDUCATION READY**

To continue to have the world-class, skilled workforce that is a cornerstone of our competitive business climate, systemic reforms must be implemented to raise the achievement of all students, ensuring every student graduates ready for postsecondary education and ready for success. We support improved kindergarten readiness, high standards with curriculum aligned to those standards, and meaningful outcomes that show students have learned what they need to know and have achieved academic growth year over year.

- Increase access to Early Childhood Education Scholarships that serve families in need over an expensive, universal prekindergarten mandate.
- Ensure all students meet key benchmarks by requiring strong academic standards and accountability.
- Promote choice and innovation.
- Ensure best teachers and leaders in schools.

## **LAWSUIT REFORM (ADA modification)**

We support strengthening the bipartisan American with Disability (ADA) lawsuit reform bill that was signed into law last year by requiring mandatory notice and a reasonable time for a business to fix the alleged access violation prior to the commencement of a lawsuit. Lawsuits targeting small businesses by a handful of lawyers continue to be filed in many Minnesota communities alleging disability access violations such as stripping and signage of parking lots. The voluntary notice provision passed into law last year has not stopped this abusive lawsuit practice that appears to have the primary motivation of achieving attorney's fees for a small group of attorneys versus improving access for the disabled.

## **METROPOLITAN COUNCIL REFORM**

An effective Metropolitan Council should reflect the following principles and therefore, reform through legislative action should be sought.

- The Metropolitan Council, due to its taxing and policy authority, should be accountable to a regional constituency of those impacted by its decisions. It should not operate as a state agency – as it does in its current form – answerable to only one person, the Governor of Minnesota.
- A majority of members of the Metropolitan Council shall be elected officials, appointed from cities and counties within the region.
- Metropolitan cities shall directly control the appointment process for city representatives to the Metropolitan Council.
- Metropolitan counties shall directly appoint their own representatives to the Metropolitan Council.
- The terms of office for any Metropolitan Council members appointed by the Governor shall be staggered and not coterminous with the Governor.
- Membership on the Metropolitan Council shall include representation from every Metropolitan county government.
- The Metropolitan Council shall represent the entire region, therefore voting shall be structured based on populations.