



Photo: Representative Fue Lee

2018 Legislative Session Adjourned The final results are yet to be known

The last 72 hours of the 2018 legislative session were chaotic - more so than usual and evidenced by the fits and starts and final redux of the tax bill (necessary to conform MN tax code with the federal tax reforms), a nearly \$1.5 billion bonding bill, and a 1,000 supplemental budget bill (it's actually 989 pages, and who knew an off-year supplemental budget bill could be that big!). Below is a snapshot of this year's session.

Taxes : In addition to the federal tax conformity provisions, the tax bill, HF947, authored by [Rep. Jenifer Loon](#) (R-Eden Prairie) and [Sen. Carla Nelson](#) (R-Rochester) includes \$138,000 in one-time money for emergency K-12 school aid that was included to address the Governor's safe school funding request in the waning hours of session. The housing tax credit program is not in the final bill. It is still to be seen whether the Governor will sign this bill or veto it per his earlier statements. The tax bill's details are contained in the [House Research Tax Bill Summary](#) .

Supplemental Budget : The super huge omnibus supplemental budget bill, [HF4099 / SF3656](#) , authored by [Rep. Jim Knobloch](#) (R-St. Cloud) and [Sen. Julie Rosen](#) (R-Vernon Center), was passed after the House and Senate addressed a handful of the 110+ objections previously raised by the Governor. The bill includes funding for high education, agricultural interests, health an human services needs, and tweaks to jobs, energy and housing policy. The bill did not contain provisions sought by the industry...not in the bill: the \$1,000 cost to housing rule review, \$400K to Project Build, nor the increased unlicensed contractor penalties. It is still to be seen whether the Governor will sign this bill or veto it per his earlier statements.The supplemental budget bill details can be found at the [House Research Budget Bill Website](#).

Bonding Bill : The bonding bill was sponsored by [Rep. Tim Miller](#) (R-Prinsburg) and [Sen. Rich Draheim](#) (R-Madison Lake). It is an infrastructure-heavy plan that contains \$1.43 billion in total appropriations; \$825 million of general obligation bonding. As reported by the House of Representative's Public Informatin Office, the general obligation spending includes in part the following items:

- \$80 million for higher education asset preservation for the University of Minnesota and the Minnesota State system
- \$32 million for new veterans homes in Bemidji, Montevideo and Preston
- \$28.1 million for mental health crisis centers
- \$25.35 million for water and wastewater needs
- \$20 million for flood hazard mitigation
- \$10 million for public housing rehabilitation

The bonding bill appropriations can be found in the [Bonding Bill Spreadsheets](#) .

Unlicensed Contractors : Many of our members are familiar with the BAM supported legislation - [16 bills in total](#) - that are geared to improving statewide code administration and builder licensing compliance.

BAM continued to work the issue to the very end of session. Taking advantage of an opportunity to attached the gross misdemeanor for unlicensed contractor activity, HF 1119 authored by Rep. Theis (R-St. Cloud) to the Contractors Association of Minnesota's (CAM) insurance deductibility notice bill, HF 2899, authored by Rep. Howe (R-Rockville).

Late Saturday night BAM was able to include the gross misdemeanor language into HF 2899's [original conference committee report](#) . This document triggered a whole host of legislative “opinions” relating to the importance of builder licensure. In fact, during the last 24 hours session it became readily apparent that there is a “black market builder / unlicensed builder” constituency who seems to be whispering in the ears of legislators, asking for less - not more - code administration and relaxed licensure penalties. At the end of the day, the BAM supported provision was stripped out of the report.

For purposes of moving forward, the inclusion of Rep. Theis unlicensed contractor penalty provision served to identify those who are engaged on the issue. Champions on the issue are Reps. Howe (R-Rockville), Theis (R-St. Cloud), Nash (R-Waconia), Zerwas (R-Elk River), Garofalo (R-Farmington) and Sens. Housely (R-Stillwater), Draheim (R-Madison Lake) and Tomassoni (DFL-Chishom). From what we have gathered about the negotiations, those objecting to (essentially killing) the BAM supported provision are Sens. Limmer (R-Maple

Grove), Dahms (R-Redwood Falls), and Reps. Loeffler (DFL-Minneapolis), Munson (R-Lake Crystal), Green (R-Fosston), and Gruenhagen (R-Glencoe).

A special thanks must be given to Carrie Olds, Quentin Johnson, Ben Edwards, and Dale Juntunen for their super late at night and early in the morning efforts to secure Senator Tomassoni's signature on the conference committee report containing the BAM supported unlicensed contractor provision (we have pictures even!). Without Sen. Tomassoni's signature the entire package would not have had the momentary success / moral victory that it did.

As disappointing as this is, we have a much better line of sight to the objections to statewide code administration and licensing enforcement (as ill informed as they are) as we approach the issue in 2019. Also, have the attention of DLI and the Legislature that this is a priority issue for licensed builders. We have already asked DLI to convene interim meetings with our building official partners to help inform BAM's 2019 efforts.