



# 2013 Legislative Session Preview

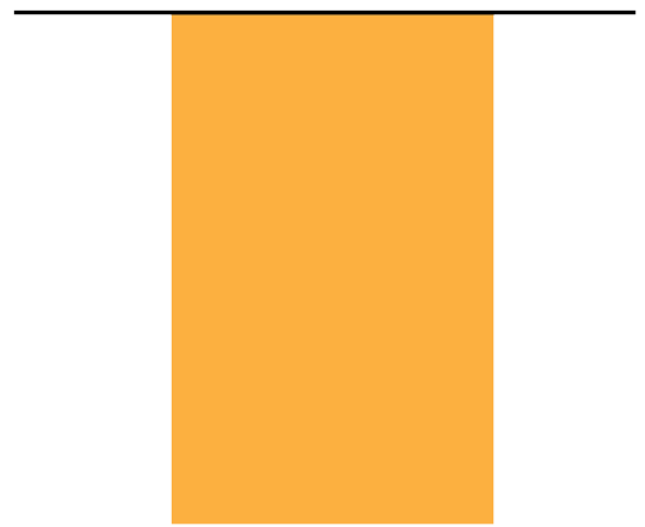
MACPZA Annual Conference  
October 2012  
Mankato, MN





In 2011, Minnesota's historic budget deficit resulted in the longest state government shutdown in recent U.S. history.

## 2012-13 FORECASTED DEFICIT



**\$5.0 Billion**



To solve Minnesota's historic deficit and end the shutdown, the Governor and Legislature agreed to use a significant amount of one-time budget fixes.

## 2012-13 BUDGET AGREEMENT







ASSOCIATION  
OF  
MINNESOTA  
COUNTIES

The result of  
this budget  
agreement?



# MINNESOTA'S BUDGET CHALLENGE REMAINS

**-\$1.1 Billion**  
Forecasted 2014-15  
Budget Deficit

+

**-\$2.4 Billion**  
Amount Owed to  
Repay K-12  
Aid Payment/  
Property Tax  
Recognition Shifts

*\*Does not include projected inflation in state expenditures. Recognizing inflation would increase deficit by \$1.1 billion\*.*



# Looking Ahead to November...



## **Election Day:**

- In the Legislature, all 201 seats and party control of both bodies is up for grabs.
- More than 40 incumbent legislators declined to run again this year. At least a quarter of next year's Legislature will be new.

## **Updated State Budget Forecast Released:**

- Will recent positive economic news shrink the projected \$1.1 billion deficit?





# Looking Ahead to Session...



- Expect the Governor's major tax reform proposal in 2012. The Proposal to be focused on "fairness" – GOP Legislature rejected income tax hikes on high earners in 2011.
- Commissioner Frans: Focused on reducing reliance on property taxes in Minnesota's tax system.
- Wild cards: Expanding the state's sales tax? Reducing "tax expenditures" (exemptions, deductions, credits, "loopholes")?



# Looking Ahead to Session...



## Next?

- *Uncertainty: New members, leadership and Priorities*
- *Get to know your new legislators!*
- *Budget year!*
- *Inverse Condemnation?*
- *Vacation rental homes?*
- *Moratoria?*
- *Permit approval?*
- *Other permitting?*
- *Feedlot capacity vs. permitted capacity?*
- *Shoreland rules?*
- *Outcome of WCA Exec Order?*
- *Outcome of PILT?*
- *Environmental permitting?*
- *Comprehensive planning?*
- *Drainage?*
- *Other: Local Gov't Water Roundtable*
- *ENRPC Nov 16 – St Cloud*