2018 PRIORITIES

FULL DEDICATION OF TRANSPORTATION RELATED REVENUES

The 2017 legislature passed the largest transportation funding bill in nearly a decade. Nearly $2 billion of transportation related sales taxes will be captured and directed to the state's transportation system over the next 10 years. This includes 100% of the revenues generated from the sales tax on rental cars and approximately 60% of revenues generated from the sales tax on auto parts. The Minnesota Chamber has been a strong advocate for the investment of these transportation related General Fund resources in transportation infrastructure and services. We support full dedication of the auto parts sales tax to transportation.

This dedication can be achieved statutorily through the biennial budget process. Every person, every business, every government body, and every non-profit organization in Minnesota benefits directly from Minnesota's transportation infrastructure. As such, the business community believes transportation is a high economic and public safety infrastructure priority that should be included in General Fund appropriations.

If necessary to address concerns about predictability of General Fund investments in transportation, the state should consider asking Minnesota voters to constitutionally dedicate these revenues to transportation purposes. The Minnesota Chamber generally opposes dedicating funds because the process lacks scrutiny. However, in the case of dedication of transportation related revenues, funds will be used for long-term infrastructure projects. Also, the expenditure of the funds requires biennial approval as part of the budget process, and the revenues have a clear relationship to the proposed uses.

STRENGTHEN MINNESOTA'S MEDICAL PROCEDURE PRICE TRANSPARENCY LAWS

Ever increasing health care costs have pushed health insurance products toward higher out of pocket costs for policyholders. As a result, more and more Minnesotans are shouldering a much larger share of their health care costs themselves, often spending thousands of dollars in deductibles before coverage kicks in. This has forced individuals to be better consumers of health care, though often with incomplete information about cost. Minnesota has laws on the books that require health care providers to disclose the cost of medical procedures at the request of a patient or prospective patient, but these laws must be strengthened to ensure they are followed and this vital information is provided to consumers in a timely manner.

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ENHANCE MINNESOTA'S TAX COMPETITIVENESS

Tax reform will be difficult to achieve in 2018 due to the wide tax policy differences between Governor Dayton and the Republican legislative majorities. In addition, 2018 is a non-budget year, short session, and an election year. Federal tax reform may provide an opportunity for state tax reforms as federal reforms may result in additional state revenues. President Trump and the Republican Congressional leadership have made federal tax reform a top priority with the goals of lowering tax rates and broadening the tax base. The last time major federal reform occurred was in 1986 and Minnesota followed suit in 1987 with major tax reform including tax rate reductions. If federal reform occurs any state revenues realized should be used to pay for state tax reform including reductions in the corporate and individual income tax rates; relief for pass-through companies; federal estate tax conformity; protection of the research and development tax credit and further business property tax relief.

ENSURE CONSISTENT STATEWIDE LAWS

A troubling 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 governments are right to control certain activities within their own borders, but enacting employee wage and benefit mandates on private employers is outside city authority and conflicts with state law. 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.