

## 2018 session concludes with vetoes of major legislation

The House and Senate adjourned the 2018 legislative session just before midnight on May 20. Lawmakers in both bodies came to agreement on a tax bill, a supplemental budget bill, and a capital investment bonding bill. With the GOP in control of both bodies of the legislature and DFL Gov. Mark Dayton serving the last year in his tenure, Minnesota's divided government once again proved to be contentious between the two parties all session as they each pushed for major initiatives in advance of hitting the campaign trail this summer.

Several days after the legislature adjourned, Gov. Dayton vetoed both the tax and supplemental budget bills. While he had threatened to veto the bills due to major differences with the GOP-led House and Senate, legislators opted to remove objectionable provisions during the last week of session. As the House and Senate were in the process of re-assembling the initial tax and supplemental budget bills that had already been vetoed earlier in session, the governor sent legislative leaders a 19-page document listing items he objected to completely and those he thought needed more work. The legislature worked to compromise on those issues and added millions of dollars in funding for public schools that the governor had stated was one of his top priorities this session. Despite the legislature's stated goal of meeting the governor "halfway" in an effort

to temper his opposition to the omnibus bills, he still went ahead and vetoed them both.

Among some of the provisions Cooperative Network was supportive of that fell by the wayside in the veto of the bills were:

- Section 179 tax conformity for farm machinery equipment depreciation
- An additional \$15 million for the border-to-border broadband program
- Compensation to farmers and landowners who install buffer strips
- Legislative oversight on rule-making authority of the Minnesota Department of Agriculture's nitrogen fertilizer/groundwater protection rule
- Various housing provisions that would have benefitted manufactured housing co-ops, including the allowance of manufactured home park infrastructure to become eligible to use housing infrastructure bonds
- A prohibition on water fee increases by the Minnesota Pollution Control Agency without legislative approval

### 2018 LEGISLATIVE SUMMARY ENCLOSED...

### Dayton signs bonding bill into law

With uncertainty hanging over the Capitol as to if Gov. Mark Dayton would sign the bonding bill into law, he did just that at a bill signing ceremony in his office on May 30. On the heels of vetoing both the tax and supplemental budget bills, many political observers were on the fence as to if this legislation would also meet the fate of the veto pen. Despite reservations about the way the GOP-led legislature crafted the legislation, as well as a line-item veto of \$1 million that would have reviewed how the Minnesota Pollution Control Agency conducts scientific water quality review, the \$1.46 billion bill was indeed signed into law. The bill included \$544 million for transportation, \$208 million for higher education asset preservation and construction, \$133 million for water quality, \$35 million to the Rural Finance Authority, \$32 million for new veteran homes, \$28 million for mental health crisis centers, \$25 million for school safety grants, and \$10 million for public housing rehabilitation. In addition, the bill includes funding for other infrastructure type projects such as local road improvement funds, ports, rail safety, and natural resource asset preservation.

## Resolutions Committee to meet on July 25 in Eau Claire, Wisconsin

Every year, Cooperative Network members establish new resolutions and modify existing ones at the two-state Resolutions Committee meeting. Each cooperative sector has a set of resolutions on a host of policy areas, some for each state specifically, and some that cover both states. In addition to Cooperative Network's state and federal positions, there are also general cooperative resolutions that our members have created. Cooperative Network's resolutions guide our government affairs team on behalf of our members in our lobbying efforts in both St. Paul and Madison, as well as with both Congressional delegations.

The Resolutions Committee will be gathering at River Country Co-op's 29 Pines Restaurant, located in the Eau Claire Travel Center on Wednesday, July 25 from 10:00 a.m. to 2:00 p.m. We will discuss any submissions during the Resolutions Committee meeting, with the final decision on

## Save the Date! Cooperative Network Energy Sector to meet on August 7 in St. Cloud, Minnesota

Cooperative Network is hosting its Energy Sector Meeting on Tuesday, August 7 from 3:30-5:30 p.m. in St. Cloud, Minn.

The meeting will be held in conjunction with the Minnesota Rural Electric Association's Energy Issues Summit at the Best Western Plus Kelly Inn, adjacent to the River's Edge Convention Center.

Be sure to watch for a full agenda via email as the event draws near. This event is no cost to Cooperative Network members and \$50 for nonmembers.

our 2019 resolutions being made at Cooperative Network's annual meeting to be held this November in La Crosse, Wisconsin. To view our current resolutions, please see Cooperative Network's website.

For background purposes, the Resolutions Committee adopted a policy to thoroughly review one-quarter of the resolutions on a rotating basis to ensure that all of the resolutions stay current. Resolutions up for consideration this year are designated with (R/19) appearing at the end of the resolution. As always, the committee is able to amend any of the resolutions and is not limited to making changes to those up for review. If you have any suggested additions or edits to the resolutions, please contact Patrick Murray at [patrick.murray@cooperativenetwork.coop](mailto:patrick.murray@cooperativenetwork.coop) by Friday, July 20.

## Dairy Committee meeting set for July 11 in Baldwin, Wisconsin

Cooperative Network's Dairy Committee will meet on July 11 at Compeer Financial, located at 540 Baldwin Plaza in Baldwin, Wisconsin, from 10:00 a.m. to 2:00 p.m. Members of the committee will have the opportunity to discuss Cooperative Network's resolutions related to dairy, livestock and agriculture issues. Please contact David Ward at (608) 258-4414 for more information.

### Cooperative Network Dispatch

Prepared and distributed to provide timely information on matters pertaining to Minnesota's member-owned cooperatives.

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## 11th Annual Minnesota Co-op Day at the Capitol planned for March 19, 2019

This annual event continues to prove instrumental in helping advocate and advance cooperative-related initiatives. Cooperative leaders from across Minnesota will come together for this grassroots lobbying event to meet with legislators and administration officials in St. Paul. We will discuss the important role our cooperative members play in Minnesota's economy and how current issues affect their businesses. This event is a very effective way of gathering together to ensure that the voice of cooperatives is heard throughout all parts of the state. Cooperative Network will continue to keep you updated on details of the event as they become available.



Minnesota Department of Agriculture Commissioner Dave Frederickson addresses attendees at the 10th Annual Co-op Day at the Capitol on March 20, 2018



Senate Transportation Committee Chair Scott Newman (R - Hutchinson) meets with Jake Hamlin, CHS; Jeff Nielsen, United Farmers Cooperative; Darrick Moe, Minnesota Rural Electric Association; Dick Nesvold, SouthPoint Financial Credit Union and Brent Imker, South Central Electric Association (foreground) during the 10th Annual Co-op Day at the Capitol on March 20, 2018

# 2018 Minnesota Legislative Summary



The 2018 session again saw many successes for Cooperative Network members. Following is a summary of the issues Cooperative Network lobbied on or monitored during the 2018 regular legislative session.

Legislative Proposal	Position	Status
<b>Tax Bill.</b> Provisions of interest to cooperatives in the tax bill vetoed by the Governor included changes to Minnesota's definition of taxable income, full federal section 179 expensing conformity, and language that would prohibit local governments from enacting excise taxes or fees on food and food products.	Supported	Vetoed
<b>Constitutional Amendment for Transportation Funding.</b> The House passed a bill that would have placed a question on the November 2018 ballot to constitutionally dedicate all of the sales tax currently being collected on auto-related services for roads and bridges. The measure stalled in the Senate. Cooperative Network took a leadership role on this legislation and testified in multiple committees, as well as spoke at several press conferences.	Supported	Died in Committee
<b>Capital Bonding Bill.</b> A \$1.5 billion capital bonding bill was passed this year, which includes \$35 million for the Rural Finance Authority, \$79 million for local road improvement grants, \$5 million for replacement and rehabilitation of local bridges, and \$400 million for the corridors of commerce program.	Supported	Signed into law
<b>Transportation Funding.</b> The transportation section of the supplemental finance bill included \$20 million for state road construction, \$40 million for local roads, \$10 million for the corridors of commerce program, \$10.7 million for local bridge replacement and rehabilitation, and \$8.5 million for local road improvements.	Supported	Vetoed
<b>Broadband Infrastructure.</b> The supplemental finance bill provided \$15 million for statewide broadband development and infrastructure, but the bill was vetoed by Governor Dayton.	Supported	Vetoed
<b>Credit union notices.</b> In collaboration with the Minnesota Credit Union Network, Cooperative Network supported legislation that makes several changes to the statutes governing credit unions. Among them are allowing credit union boards greater authority to make changes to their certificates of organization and clarification on the definition of "cause" as it relates to expulsion of credit union members who commit fraudulent activities or are abusive to credit union staff.	Supported	Signed into law
<b>Ag License Plates.</b> A bill creating special agricultural licenses plates to generate revenue for the 4-H and Future Farmers of America programs was heard and passed in a House committee, but was not adopted.	Supported	Died in Committee
<b>Manufactured home park redevelopment fund.</b> Cooperative Network supported legislation that would have provided funding for the redevelopment of manufactured home parks, including those that are organized as co-ops.	Supported	Died in Committee
<b>Fertilizer Rule.</b> The Republican-controlled legislature passed a bill requiring legislative approval of the Department of Agriculture's proposed nitrogen fertilizer rule, but it was dropped in the supplemental finance bill conference committee due to objections by the Dayton Administration.	Supported	Died in Committee
<b>Buffer Tax Credit.</b> A bill providing a \$50 per acre property tax credit on agricultural land converted to buffers was heard in House Committees but stalled due to a dispute over the funding source: Republicans wanted to use money from the Clean Water Fund portion of the dedicated sales tax bill to pay for the credit, while Governor Dayton wanted to use general fund dollars.	Supported	Died in Committee
<b>Buffer Strip Delay.</b> A bill giving landowners who file a buffer compliance plan with their local soil and water conservation district an eight-month compliance waiver until July 1, 2019, was introduced in both houses, but was not adopted due to opposition by the Dayton Administration.	Supported	Died in Committee
<b>Buffer Administrative Penalties.</b> After the Board of Water and Soil Resources proposed an addition to the current administrative penalties for noncompliance with Governor Dayton's buffer law that would assess a penalty as high as \$500 per lineal foot, bills were introduced in both houses to prevent further penalties, but they were not given a hearing in either body.	Supported	Died in Committee
<b>Solar Energy.</b> A bill modifying provisions of the solar energy incentive program was passed this year.	Monitored	Signed into law
<b>Approval of Minnesota Pollution Control Agency (MPCA) Fee Increases.</b> The Republican-controlled legislature passed a bill prohibiting the MPCA from increasing environmental permit fees without legislative approval, but it was vetoed by Governor Dayton.	Supported	Vetoed
<b>Home Park Taxes.</b> Language allowing shareholders of a manufactured home park cooperative to include a portion of ground lease payments when filing for the homestead credit state refund was also included in the tax bill.	Supported	Vetoed

Legislative Proposal	Position	Status
<b>Ag Hours of Service.</b> A bill to exempt livestock trucks from the federal electronic logging device (ELD) rule was passed this year. Federal law exempts commercial trucks transporting agricultural products from the ELD rule during the “planting and harvesting” season as set by each state. Specifically, the bill changed the current “planting and harvesting” season from March 15 to December 15 and instead made the season year-round.	Supported	Signed into law
<b>Energy Improvements Program.</b> A bill was passed implementing the recommendations of a task force on consumer protections under the Property Assessed Clean Energy program, which allows local governments to make loans to homeowners to install conservation improvements or renewable energy technologies that are paid over time through the owner’s property tax assessments.	Monitored	Signed into law
<b>Ditch Mowing.</b> A bill prohibiting MnDOT from enforcing ditch mowing permits until April 30, 2019 was passed this year.	Supported	Signed into law
<b>Department of Agriculture Funding.</b> The supplemental finance bill provided \$217,000 for mental health counseling for farm families and \$30,000 for the farm advocate program, but the bill was vetoed by Governor Dayton.	Supported	Vetoed
<b>Biodiesel Mandate.</b> Current law provides that the minimum biodiesel content is 20% beginning April 1 of each year, but language was passed this year stating that from April 1 to 14 each year the minimum content cannot be less than 10%.	Monitored	Signed into law
<b>Fertilizer Research Council.</b> Language extending the Agricultural Fertilizer Research and Education Council by ten years until June 30, 2030, was included in both the supplemental finance bill and the agriculture policy bill, but both bills were vetoed by Governor Dayton.	Supported	Vetoed
<b>Fuel Pump Readers.</b> A bill establishing a crime for interfering or attempting to interfere with point-of-sale terminals, fuel pump dispensers, and automated teller machines, classified as a gross misdemeanor, was passed this year.	Supported	Signed into law
<b>Fuel Pump Drive-Off Prosecution.</b> A bill permitting trade associations to access vehicle registration information to perform a member service by helping to prosecute fuel pump drive-off crimes was passed this year.	Monitored	Signed into law
<b>Common Ownership Interest.</b> A bill amending the definition of residential use in the Minnesota Common Interest Ownership Act and clarifying the rights of renters who are renting units in a building that is being converted to a common interest community or where the declaration or plat has been changed to allow for the individual sale of units was passed this year.	Monitored	Signed into law
<b>Pesticide Fees.</b> Language reducing noncommercial pesticide applicator fees was included in the agriculture policy bill that was vetoed by Governor Dayton.	Supported	Vetoed
<b>Fugitive Grain Dust.</b> A bill clarifying that temporary bunker storage areas at grain elevators and ethanol plants are exempt from complying with dust control measures, provided that the temporary storage area is serviced by portable equipment, was passed this year.	Supported	Signed into law
<b>Increased Truck Weights.</b> A bill expanding the overweight truck permit program from including only raw or unprocessed agricultural commodities to include fertilizer and other agricultural inputs was introduced in the House, but was not given a hearing.	Supported	Died in Committee
<b>Feedlot Training.</b> The supplemental finance bill included \$300,000 to develop an online feedlot officer training program, but the bill was vetoed by Governor Dayton.	Supported	Vetoed
<b>Health Care Reforms.</b> A bill to extend a 25% reduction in premiums that was passed in 2017 for people who use the individual market was introduced in both Houses, but was not given a hearing in either body.	Supported	Died in Committee
<b>Scale House Search Warrants.</b> A bill to require a search warrant before law enforcement may enter a scale house to inspection weight records was introduced this year, but was not given a hearing in either body.	Supported	Died in Committee
<b>Water Quality Review.</b> Language requiring external peer review of MPCA water quality standards was passed as part of the supplemental finance bill that was vetoed by Governor Dayton.	Supported	Vetoed
<b>U of M Data Privacy.</b> A bill classifying University of Minnesota on-farm agricultural research data as private data to prevent that data from being requested by the general public under the state data practices act was passed this year.	Supported	Signed into law