

Progress during a challenging legislative session

By Doug Loon

The 2018 Legislature is history with a mix of good news and unfinished business. Governor Dayton's veto of the tax and supplemental budget bills assures that conforming to federal tax reform will once again be center stage when lawmakers convene in January. Failure to pass a bill early in 2019 will complicate tax returns for individuals and businesses alike.

The governor's veto of the tax bill was especially a missed opportunity to provide tax relief for all Minnesota employers and employees, as lawmakers faced a budget surplus for the fifth consecutive year. Minnesota cannot afford to stand still as other states take advantage of the most sweeping federal tax reform in 30 years.

2017 was a banner year for the statewide business community as we achieved significant and meaningful results on a variety of fronts. This year's dynamics proved challenging – a short session, the November elections and the governor serving out his final year. Our results in 2018 were more modest, though still significant.

- **Workers' compensation costs:** A key agreement – brokered by the Minnesota Chamber – in the Workers' Compensation Advisory Council bill streamlines provisions of care in the workers' compensation system by implementing fee schedules, increasing benefits to injured workers, and reducing administrative friction for ambulatory surgical centers, hospitals and insurers. Financial savings will benefit employers for years.
- **Workplace harassment:** Minnesota employers are committed to providing professional and respectful workplaces, but legislation proposed in the House would have made Minnesota an outlier in employment law. We're pleased that the Senate decided to take a more deliberative approach to reviewing the state's legal standards for workplace harassment.
- **Education/workforce development:** A lack of quality, affordable child care in nearly every community exacerbates our state's workforce shortage. Legislation will reduce redundant insurance paperwork and improve the transparency of state regulations for child-care providers.
- **Health care:** Overall health care costs are raising out-of-pocket prices for health insurance policyholders, forcing them to be better consumers but often with incomplete information about cost. Legislation will strengthen existing law, requiring providers and insurers to disclose the cost of medical procedures upon request and within 10 days.

Our work to grow Minnesota is never done. The Minnesota Chamber and our local partners are already working on our 2019 agenda. Among the unfinished items from this year:

- **Tax reform:** We must enact a tax bill to update to the federal tax changes and to enact policies that encourage investment, entrepreneurship and growth by lowering our high income-tax rates.

- **Transportation:** A proposal supported by a broad group of stakeholders would have given voters the opportunity to constitutionally dedicate 100% of auto parts sales taxes to our state roads and bridges. It passed the House but stalled in the Senate. We support the use of general fund dollars for transportation, whether done by statute or constitutional dedication. Also, we must resolve long-term funding challenges facing the Twin Cities transit system with specific attention to the Metro Mobility program.
- **Health care:** We advocated for the creation of an Independent Health Policy Commission that would review and recommend how Minnesota can better achieve improved access, care and health outcomes at lower costs through our commercial market and public programs. The commission was part of the vetoed budget bill.
- **Environmental permitting:** We've worked closely with the Dayton Administration to streamline environmental review and permitting at state agencies. This year's bill would have made changes to the wetland mitigation law, established a peer review for new water quality standards, required legislative approval for water quality fee increases and created a 16-year permit for industrial wastewater treatment plants. The provisions were part of the vetoed budget bill.

Legislative dynamics notwithstanding, our policy team represented the combined interests of Minnesota employers at every step of the process. We cannot make progress at the Legislature without the help of our local chamber partners. Together we present a united voice for the statewide business community. As always, thanks for your support. We look forward to advancing another aggressive agenda in 2019.

Doug Loon is president of the Minnesota Chamber of Commerce – www.mnchamber.com.