

MINNESOTA



LEGISLATIVE UPDATE

WITH SONNIE ELLIOTT

This Thursday, March 7th is the Commercial Real Estate Day at the Capitol. This is an opportunity to hear from legislators and to tell them of our priorities.

For the last several weeks the legislative committees have been discussing issues of policy. There is a deadline for certain bills to pass by March 22nd. Following this deadline, the legislature will leave for a holiday break. When they return they will begin to look at spending issues. To set that table, Minnesota received its final budget forecast for this budget year.

The Minnesota Management and Budget office presented the State's Economic Forecast on February 29, 2024. This showed the surplus grew by another \$1.3 billion since the November budget forecast for a total of \$3.7 billion in an estimated budget surplus. However, previous commitments to ongoing spending caused state officials to urge caution regarding any new spending. To cover costs and avoid a deficit in the next two years, they recommended spending no higher than \$2.2 billion.

The growth in the projected budget surplus was due primarily to increased revenue from corporate income. Democrat leadership took notice of the improved revenue forecast and proclaimed how well the Minnesota business community is doing. They said it was now an opportunity to focus positive results toward working families.

This means that businesses should not expect relief from mandates and taxes passed last session. The details of energy benchmarking, Paid Family and Medical Leave and other business mandates are not likely to be adjusted significantly based, in part, on the result of the February Economic Forecast.

The legislative session must end by May 20, 2024.