

# LEGISLATIVE UPDATE

WITH SONNIE ELLIOT



## \$17+ Billion Budget Surplus, a Democrat Trifecta, More Investment and More Tax Increases

After six years of split partisan control and “gridlock,” the Senate and House have DFL majorities and Governor Walz is also a DFLer. This “trifecta” allowed for a record number of bills to be introduced and passed. The speed of work and the process were often criticized, but advocates were excited for the opportunities the trifecta presented. The budget increased from approximately \$52B to close to \$72B. In most years, highlights would cover many of the important provisions of the session. Given the extensive new initiatives, we only have room to share highlights of some of the bills passed this session. If you have questions or would like further details, please contact us at (612) 977-8400 or [TaftAdvisors.com](http://TaftAdvisors.com).



### Passes Into Law This Session:

- \$1B for Housing—Legislators agreed to spend an historic amount on like rental assistance, first-generation homebuyer support, lead removal and sprinkler retrofitting, and implemented a .25% tax on the seven-county metro-area to generate funds for housing projects.
- \$2.2B additional for Education—A “floor” and “ceiling” was set on the per-pupil formula, tying it to inflation and ensuring schools will be able to keep up with the costs.
- \$1.5 billion for Transportation and Transit funding –this includes an inflationary increase in the gas tax, a 50 cent delivery fee, with certain restrictions, and another .75c. metro-area sales.
- Paid Family and Medical Leave passed into law after years of attempts by advocates. The resulting bill will not come into effect until January of 2026. The bill provides 12 weeks of family leave and 12 weeks of medical leave with with a cap of 20 weeks, with a 0.7% payroll tax to pay for it.

### Tax Credits & Rebate Checks

- The tax bill reauthorized the historic credit for another eight years
- authorized rebate checks for those with income up to \$75K for single filers and \$150,000 for joint filers, enacted a new \$1750 per child tax credit, and a renter’s credit.

### FAST FACT:

All bills not included in an omnibus or passed as a standalone are now returned to the last committee that had possession and may be heard and acted upon during next years’ session.

The legislature is adjourned until February 12, 2024.

The Governor may call the legislature back for a Special Session if he feels there is a need.