



AGC of Minnesota 2020 Regular Legislative Session Summary

It was an unremarkable ending to a memorable legislative session. The MN legislature adjourned on Monday, May 18th without agreement on a number of legislative priorities including a bonding bill, a tax bill, a framework to distribute federal coronavirus funds to cities and counties, and other state assistance measures. COVID-19 postponed the legislature's work in mid-March. When the Stay-At-Home order was issued, AGC was grateful for the administration's decision to declare construction as critical work that could continue. When legislators started meeting online a few weeks later, most initiatives were set aside as their priorities shifted to the public health emergency. Similar to the postponement in March and eventual resumption of work, there is a likely opportunity for leaders to finish their work in a special session.

The most disappointing result for AGC of Minnesota is the lack of agreement on a robust bonding bill, but there is hope for legislators to come together and agree on an economic stimulus package. Due to the coronavirus, Governor Walz declared a peacetime state of emergency that now runs through June 12th. The Governor will have to call the legislature back into a special session in a month to extend it, which provides the opportunity for legislators to pass a bonding bill.

The state's economic conditions quickly changed and prompted Minnesota Management and Budget to update legislators and the public on the state's economic conditions. On Tuesday, May 5th, state officials estimated an almost \$4 billion swing from February. Just a few months ago, the State had a projected \$1.513 billion surplus. The State now has an estimated \$2.4 billion deficit. Minnesota has almost the same amount in budget reserves. MnDOT provided a [detailed snapshot](#) on the interim budget projections for transportation revenues as well, which declined in March and April.

AGC Legislative Priority Issues

General Obligation Bonds for Transportation and Utility Infrastructure Projects- Not Passed

Infrastructure and transportation advocates were hopeful that a capital bonding bill could be passed in the 2020 regular legislative session. The Governor released his \$2.6 billion bonding bill in January, while the Democrat-controlled House introduced theirs in early May totaling \$2.5 billion. The Republican-led Senate introduced a \$998 million bill, with an additional \$400 million in trunk highway bonds. Although both bills received simple majority support in both legislative bodies, a bonding bill must have a 3/5 supermajority to pass. This requires support from the minority parties. Since legislators understood there would be a special session, the pressure to come to an agreement prior to adjournment faded. It is expected to be a main point of discussion in a potential special session in June.

Transportation Policy – PASSED

HF462 contains several noncontroversial policy provisions related to MNDOT and the Department of Public Safety (DPS). Provisions directly related to the construction industry include:

- Some changes to escort vehicles required for overdimensional loads:
 - No escort vehicle required for loads 15 feet or fewer
 - Only one rear escort vehicle required if load is more than 15 feet wide and/or 110 feet or more in length on a multilane divided roadway
 - Only one lead police officer required when any part of the load extends beyond the left of the centerline on an undivided highway
 - Only one lead escort is required if the load exceeds 150 feet in length
 - One lead and one rear escort are required for a load exceeding 110 feet in length on an undivided roadway
 - The DPS Commissioner may require additional escorts to protect public safety or the roadway.
- Certifying of special transportation provider. The commissioner may refuse to issue a certificate of compliance if an individual is not on the provider's active roster and may suspend a certificate for failure to pay the decal fee.
- Extending a driver's license and state identification card expiration enacted in March in response to the COVID-19 pandemic by broadening that extension to include licenses and IDs that would expire in the month that follows the last month of a public health emergency period declared by the governor.

Worker Safety and Underground Damage – Not Passed

The AGC-sponsored utility infrastructure language authored by Rep. Mike Nelson (DFL-Brooklyn Park) and Senator Jason Rarick (R-Brook Park) was put on hold as the legislature shifted its focus to addressing the COVID-19 pandemic. The bill was introduced ([HF 4203](#) /SF 3863), but did not receive a hearing. Utility, Highway, and Commercial building contractors have faced increased safety problems with improperly marked locates, timeliness of locating utility lines, and the lack of participation by utility operators to attend statutorily required meetings for upcoming construction projects. AGC's proposed language:

- Requires utilities to use GPS for newly installed, improved, or repaired facilities
- Allows a contractor to sue for negligence if damage to an underground facility resulted from the person's failure to comply with section 216D
- Allows for a contractor to collect for downtime if the utility operator does not notify the contractor within 24 hours that the utility has not been properly marked

The legislation also outlined that utility operators will no longer be allowed to put the burden on contractors if there is an issue resulting in downtime in government contracts.

Wage Theft Clarifications- Not Passed

The Senate held an informational hearing to discuss the implementation of the new wage theft law. The Commissioner of Department of Labor and Industry, labor groups, and business relayed their work and experiences with the new compliance measures. Business groups testified with concerns and requests for changes. The Senate did not introduce language to amend current statute.

Work Zone Safety – Not passed

There were discussions to advance automatic enforcement measures as pilot projects in the metro area, but, ultimately, a bill was not advanced.

Additional Legislative Issues Affecting AGC Members

COVID-19 Response - PASSED

[HF4531/SF4451](#) addresses several areas of economic and policy assistance- from driver's license extensions to unemployment insurance. One provision directly relates to the construction industry, as outlined below.

- Workforce and Equal Pay Certificates are removed as two conditions for procurement related to COVID-19 in a declared emergency. This temporary provision would be effective only during a peacetime emergency and would only impact procurement decisions in response to COVID-19.

Duty to Defend – Did not become law

A bill was introduced in the House and Senate regarding duty to defend. The bill was not heard in either legislative body this year.

Employment Law: Paid Family and Medical Leave/Earned Sick and Safe Time – Did not become law

The House passed the Paid Family and Medical Leave Act, which would have created a state-run program to provide leave benefits for employees. The Senate did not pass a similar bill.

Sales Tax Exemption for Building Materials – Did not become law

There was a bill introduced and given consideration this session, but ultimately the tax omnibus bill that was considered did not include a provision to clarify or streamline provisions related to a sales tax exemption for construction materials for public projects.

The 2021 Legislative Session will likely convene in early January of 2021. However, it is expected the legislature will meet in special session in June, and possibly throughout the year to act on COVID-19 measures and high priority state matters such as racial equity and law enforcement issues.