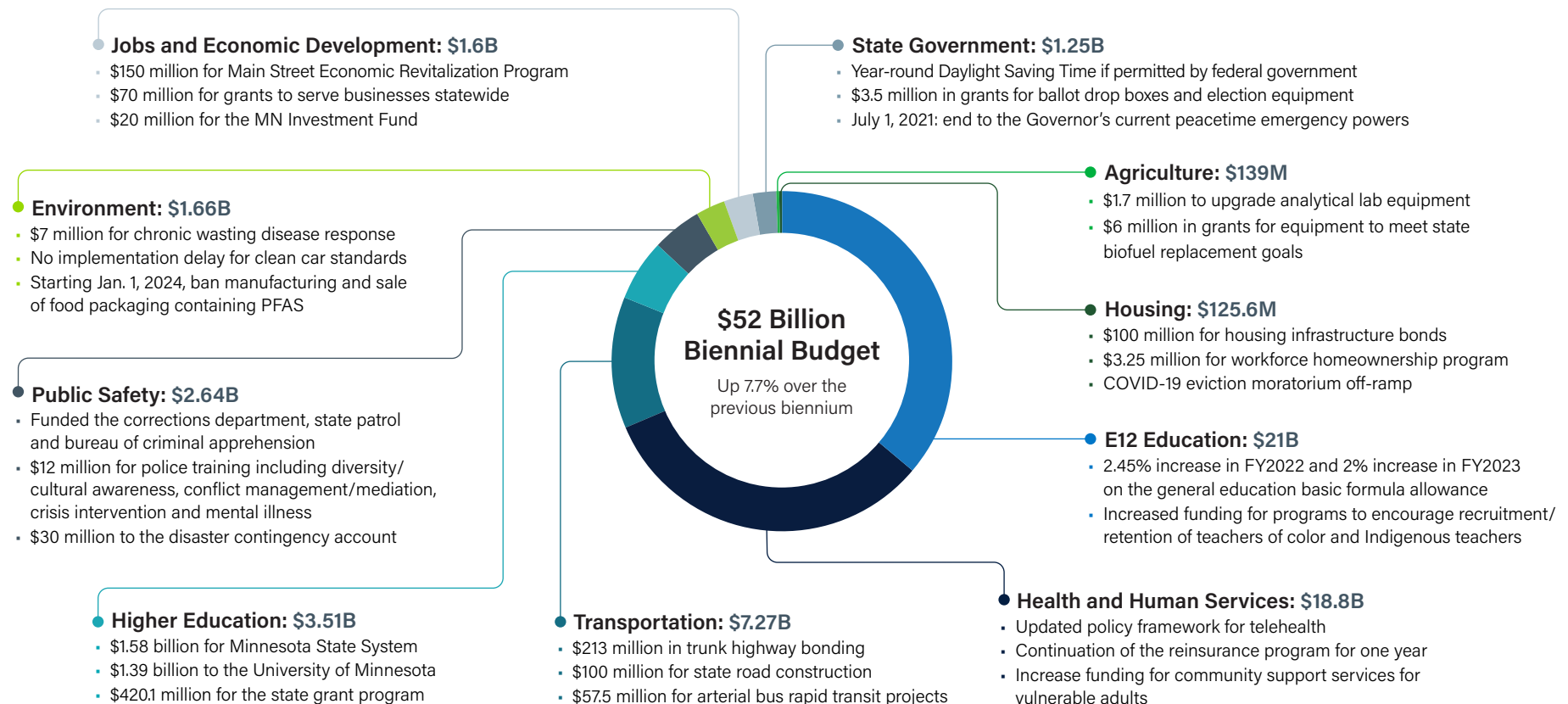




2021 Minnesota Legislative Session and Budget Recap

Fiscal Year 2022–23 Budget: Legislative leaders and Governor Tim Walz reached a biennial budget agreement on May 17, 2021 (with another month needed for the legislature to work out details and pass budget bills). The budget spends approximately \$52 billion over the next two years, an increase of \$1.3 billion over the previous budget.



Taxes

Approx, \$1 billion in tax credits and aids over the next four years without raising new taxes

Excludes federal Paycheck Protection Program loans (PPP) from gross income

Exempts unemployment insurance compensation up to \$10,200 from gross income

Extends the historic rehabilitation credit by one year

Increases the commercial/ industrial market value exclusion from the state general tax to the first \$150,000 of market value

Police Reform

The House and Senate debated police reform issues until the special session's last moments. The House had a significant list of proposals that the Senate said went too far. Ultimately, a compromise left a lot to be desired for some in the House DFL, and it is expected they will continue to push on these issues next session. The bill did contain police reform policy changes including:

- **Require** "sign and release" warrants for certain infractions, such as missing a court appearance
- **Establish** a crime for a person to reveal personal information about a police officer if it poses an imminent and serious threat to the officer's safety
- **Regulate** the use of no-knock warrants
- **Require** 911 operators to refer calls to mental health crisis teams in certain situations
- **Reform** civil asset forfeiture laws
- **Reform** jail safety rules
- **Establish** new policies addressing the use of confidential informants
- **Require** police chiefs to report to POST Board all disciplinary actions taken against police officers for the purpose of identifying patterns of behavior suggesting an officer is in crisis or may violate a board-mandated model policy

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To be continued:

What's Next - An early fall special session is anticipated to implement essential worker recommendations and possibly a bonding bill. During end-of-session negotiations, legislative leaders agreed to spend \$250 million in federal pandemic aid to give bonuses to essential workers during COVID-19. A committee of nine individuals appointed by the Governor, House and Senate will meet to determine who qualifies and how much money each individual would receive. Their recommendations are due to the legislature after Labor Day.