

## **LEGISLATIVE SESSION CONCLUDES WITH WORK UNDONE**

The centerpiece of the 2011 Legislative Session was the effort to balance the state budget. The Constitutional deadline for the Legislature to complete its work passed at midnight on May 23<sup>rd</sup> with no budget agreement between Republican Legislative Leaders and Democratic Governor Mark Dayton.

Other than one overture from Governor Dayton, there was no movement by the parties toward middle ground and the Legislature's "all cuts" approach was vetoed by the Governor. Governor Dayton vetoed all but one of the major budget bills along with the Tax Bill just one day following adjournment. Now, we face a real showdown as there must be a budget agreement in place by July 1 or many functions of state government will shut down.

The "all cuts" budgeting approach necessarily involved a "no new revenue" approach. The decision to forego any new revenue from any source kept the AASP-MN provision seeking a change of point of imposition of sales tax for auto repair paint and supplies out of the Tax Bill. We had favorable hearings, with no opposing testimony, on this measure in both the House and Senate Tax Committees, but no new revenue meant no new revenue and we were left out of the Tax Bill.

It is expected that some new revenue sources will be needed in order to come to a final budget agreement and AASP-MN is positioning itself to have the sales tax provision come forward again in the context of a Special Session.

Two other AASP-MN issues will have to wait until 2012. Our bill to prohibit insurer-owned repair shops and our bill to provide for a collision repair shop registration program will need to be revisited next year.

Another measure that AASP-MN supported was enacted in the final hours of the Legislative Session. A bill requiring auto insurers to inform insureds of their right to select any rental car company will take effect August 1, 2011.

This was a particularly challenging Legislative Session because of the unprecedented budget problem and the number of new legislators who were just learning their way around the Capitol. In excess of 25% of Minnesota's legislators were newly-elected. These new faces have had to cope with a \$5 billion budget shortfall and the challenging negotiations between Legislative Leaders and the Governor to address the budget issues.

In the aftermath of one of the most contentious Legislative Sessions in years, legislators will be preparing their re-election campaigns without full knowledge of precisely who they will be representing.

The entire state legislative map is going to be redrawn within the next year based on new population data generated by the 2010 Census. All 201 legislative seats will be up for election in 2012. House members are accustomed to standing for re-election on a two

year cycle, but our State Senators normally serve for four years and are not as comfortable with the quick turnaround in facing voters.

Many of Minnesota rural legislative districts will need to expand geographically. In some instances, where a population has remained steady or dropped, the size of districts may increase dramatically.

Suburban districts will shrink geographically. Much of the population growth of the past decade has occurred in the Minneapolis-St. Paul suburbs.

What does this mean for AASP-MN members? The 2012 election cycle could very well present you with a new set of candidates with whom to work. Candidates will almost certainly appreciate anyone who reaches out to them as they are making their rounds on unfamiliar political turf.

If you happen to have the same incumbent Senator and Representative still representing you, they will almost certainly appreciate seeing a familiar face on the campaign trail if you have had the opportunity to develop a working relationship with them in recent years.

In any case, you should prepare to reach out to legislative candidates to let them know the interests and concerns of the automotive repair industry.

For our part, the Association will continue to provide you with information about priority legislative concerns of the industry.