



# Capitol Watch

Legislative Update From the Minnesota Grocers Association

Date: January 16, 2025

To: Andrew Fleming, ACOSTA - Sales & Marketing

## **MGA Capitol Check Out Call – Tomorrow at 9:30am**

The MGA Government Relations Team invites you to join us for a discussion on the latest updates from St. Paul. Our bi-weekly Capitol Check Out calls will keep you informed on key developments from the 2025 legislative session. Each call lasts up to 30 minutes and will be recorded for easy sharing with your team.

Join us **Friday, January 17 at 9:30 a.m.** for our first call of the 2025 session. These calls will now be held virtually via Microsoft Teams. Contact [Steve Barthel](#) to receive the meeting link and recurring calendar invite.

## **Supreme Court to Hear DFL Challenge to House Organization**

House Democrats are maintaining their boycott of official House functions and have filed a lawsuit with the Minnesota Supreme Court, asking the judiciary to declare the Republicans' actions to convene and elect a speaker on Tuesday unlawful. The Supreme Court has issued an order setting a deadline for all parties to submit written arguments by the middle of next week. A hearing, where justices can question attorneys, is scheduled for January 23. As a result, no court resolution is expected before then.

Despite the ongoing boycott by the House DFL caucus, Republicans have proceeded with committee hearings and other House business. Meanwhile, Senate committees have also begun their regular schedules, conducting standard early-session reviews of committee budgets and areas of jurisdiction.

Thursday's floor sessions also included the first round of bill introductions for the biennium. The MGA Government Relations Team carefully reviews all bills relevant to the industry to determine if action is needed. We will reach out to MGA members for their feedback on specific legislation and may request member engagement when necessary. Please be sure to respond to any MGA requests for input.

## **Governor Walz Releases Proposed Budget**

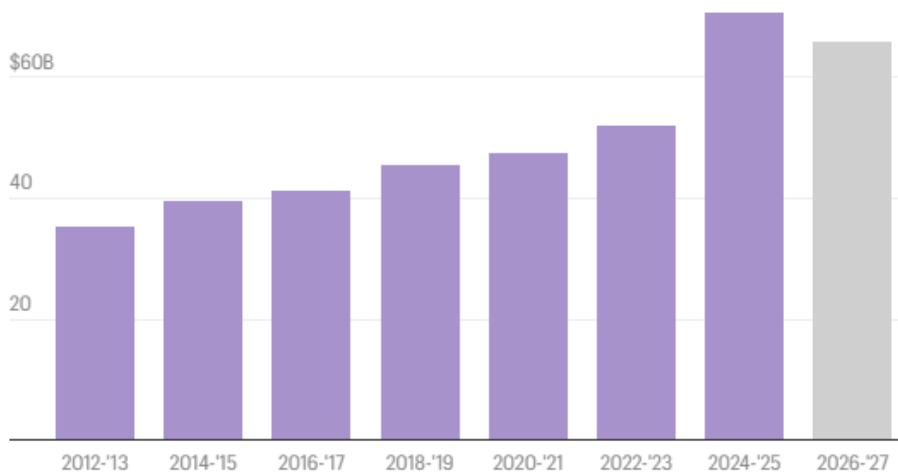
On Thursday, Governor Tim Walz unveiled his proposed budget for the biennium. Passing the state budget is the primary focus for this year's legislative session, and the governor is required by law to submit a budget to the legislature. The Governor's proposed \$66 billion two-year budget (down from the current biennium's budget of \$71 billion) aims to leave a \$2.1 billion surplus at the end of the current budgeting period, with a smaller \$355 million surplus projected for the 2028-29 biennium.

## Walz's proposed budget scales back state spending

The budget for 2024-25 spiked to nearly \$70.7 billion with one-time spending. Walz's budget anticipates a projected multibillion-dollar deficit looming in the following years.

*Hover/tap for detail*

HISTORICAL BIENNIUM BUDGETS AND WALZ PROPOSAL



Source: Minnesota Management and Budget • Mark Boswell, The Minnesota Star Tribune

As part of his proposal, Walz recommends a reduction in Minnesota's state sales tax rate from 6.875% to 6.8%, which would amount to 7.5 cents for every \$100 spent. Additionally, the plan expands the sales tax to include certain "wealth services" previously exempt, such as those provided by investors, bankers, and lawyers.

In November, budget officials projected a modest \$616 million surplus for the upcoming two years. However, they also forecasted a \$5.1 billion shortfall for the 2028-29 biennium.

### **Bill of the Week**

Back by popular demand, each week we'll highlight a specific piece of legislation as our 'Bill of the Week.' Sometimes they're serious, sometime they're silly, sometimes they're downright scary.

This week's bill is [SF173](#), authored by Sen. [Ann Rest](#) (DFL – New Hope). The proposal would require the commissioner of education to developing a model curriculum that includes cursive handwriting instruction, with the goal of students developing eligible cursive skills by the end of the 5<sup>th</sup> grade.

### **Register Today: MGA 2025 Day on Hill**

The MGA's annual Day on the Hill will take place on **Wednesday, February 26, 2025**. The day will include informational briefings from the MGA Government Relations Team, meetings with legislators and agency leaders, and the exciting Bipartisan Bag-Off. Mark your calendars to join us for this great opportunity to connect with decision-makers and help amplify industry's voice on legislative priorities. The MGA encourages members to bring as many of their teams as possible to this important day. The registration form can be found [HERE](#).

### **2025 Legislative Sponsorship Available**

[2025 Legislative Sponsorship Contracts](#) are now available! Becoming an MGA Legislative Sponsor demonstrates that you are a committed partner in advancing the work of the MGA in St. Paul. A legislative sponsorship is an investment in your business and contributes to MGA efforts to build relationships, engage policy makers, and advance industry priorities.

Sponsors receive recognition throughout the year in all of our legislative updates, publications, and events. Thank you to those who have already submitted their sponsorships! (see below) If you have any questions about sponsorship, please contact [Steve Barthel](#).

[Patrick Garofalo](#), President and [Steve Barthel](#), Director of Government Relations, are here to assist. Do not hesitate to contact us with any questions or concerns.

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