

LEGISLATURE COMPLETES WORK

The 2018 Legislature came to a conclusion 12 minutes ahead of its midnight, May 20th Constitutional deadline.

One of the major pieces of legislation to emerge this year was an Omnibus Tax Bill. There was a high priority placed on passing a Tax Bill this year in order for the State Tax Code to conform with the federal tax changes that were enacted late in 2017. The Legislature did go beyond federal tax conformity, however, and enacted modest reductions in the lower personal income tax rates and sought to reduce certain business taxes.

Governor Dayton did not concur with these provisions and vetoed the tax package. He has also indicated his intention to not call a Special Session of the Legislature. His view is that we could go into the 2019 Session and have the Legislature enact a simple conformity measure before the tax filing deadlines occur for the 2018 personal and business income taxation.

The Supplemental Budget Bill faced a similar fate to that of the Tax Bill. Since this was not the major budget year, all of the proposed changes in state spending were assembled into a single piece of legislation which was 990 pages long. Governor Dayton had warned legislators that he would not tolerate the inclusion of so much policy in an Appropriations Bill and indicated his intention to veto the bill if it came to him overloaded with these policy provisions.

One specific provision that was of concern to AASP-MN was a change to the salvage title statute. LKQ parts led an effort to remove the words “late model or high value” from the definition of vehicles which must apply for a Salvage Certificate of Title when an insurer acquires ownership. The advocates for this change represented that it would prevent water-damaged vehicles from hurricane and flood zones from coming into Minnesota.

AASP-MN argued that this language has no such impact. In our view, removing the age and value threshold would only result in fewer vehicles being fixed, more cars being sent to salvage yards and more consumers being negatively impacted by having minor damage affect their title to what is otherwise a structurally safe and sound vehicle.

We engaged in conversations with the bill’s authors, the Department of Public Safety and other legislators who are interested in this subject matter. We expressed our concern that the proposed language didn’t accomplish the stated objective. But, as the legislative process unfolded, we were unable to prevent this measure from moving from one Committee to another.

Ultimately, the very lengthy bill landed on the Governor’s desk – with this salvage title provision included – and the Governor vetoed the entire bill.

The third piece of legislation that was the focus of the 2018 Session was the Capital Budget or Bonding Bill. The Legislature assembled a comprehensive package of projects that are to be built or improved over the course of the next two years which the Governor signed into law.

In the coming weeks and months, AASP-MN will be discussing issues that the industry will pursue in the 2019 Session. If you have an issue that you would like the Association to consider, please connect with the Association or a member of the AASP-MN Governmental and Regulatory Affairs Committee so that we can begin the process of analyzing the issues and preparing specific proposals to address member concerns.