

## Don't Miss the Chance to Hear Two Great Speakers

[Register now](#) for ICBM's Day at the Capitol on March 31!

The registration deadline for the event is March 21.

Hotel accommodations: The Saint Paul Hotel--ICBM's room block has closed, but rooms are available at the ICBM special group rate for a limited amount of time. If you want a room, please call the hotel as soon as possible. Call 651-292-9292 and ask for the "Independent Community Bankers of MN" group rate.

**\*Don't miss the chance to hear two great speakers at Day at the Capitol.**

### **John H. Hinderaker, President of the Center of the American Experiment and Conservative Power Line Blogger**

John Hinderaker created a conservative blog called *Power Line* and rose to national prominence in the early 2000s. In 2004, Time magazine named *Power Line* "Blog of the Year" for its role in helping debunk an inaccurate news story shown on CBS' 60 Minutes.



**John Hinderaker**

Hinderaker was part of a trio of bloggers whose postings played a role in the debunked report that led to the downfall of CBS news anchor, Dan Rather.

Hinderaker will share this research by the Center of the American Experiment. The data indicates that Minnesota's high taxes are causing people to leave the state without a doubt. More information on

### **David Skilbred**

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this can be found below.

Hinderaker took over as the Center's president in January, following Mitch Pearlstein who established the conservative think tank 25 years ago. Hinderaker, 65, is a lawyer who recently retired from private practice before taking the top job with the Center of the American Experiment.

### **Tom Horner, Political Power Broker**

ICBM's luncheon keynote speaker is Tom Horner. Horner was an Independent candidate for Governor in 2010--running against DFL-endorsed Mark Dayton and Republican Tom Emmer.



**Tom Horner**

His 2010 candidacy drew the support of Republican luminaries, including former Minnesota governors Al Quie and Arne Carlson. A slate of prominent GOP legislators who refused to back the party's endorsed candidate also threw their support behind Horner.

As a result of their efforts for backing Horner, 18 Republicans, including: former U.S. Senator Dave Durenberger, Carlson, and Quie, were banned by the GOP State Central Committee from participating in the Republican Party of Minnesota for two years.

Don't miss Horner's latest thoughts on today's politics!

### **Do Minnesota's High Taxes Drive People Out of the State?**

According to Internal Revenue Service data collected by the Center of the American Experiment, the answer is yes!

Hinderaker states that new data collected by the IRS now makes it possible to track households moving in and out of each state.

Here are some of the findings unearthed by the Center's research: Five of the top ten states Minnesotans move to impose no income tax; Minnesota loses high income-earning families, (those earning more than \$200,000) at a higher rate than 46 other states; and there was a substantial increase in Minnesota's loss of taxpaying households immediately after Minnesota raised its top income tax rate from 7.85 percent to 9.85 percent in 2013.

See the entire report [here](#).

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## **Fight for Control**

It only took a few minutes after the 2016 Minnesota Legislative Session was convened by members of the Minnesota House of Representatives on Tuesday, and one thing that became very clear is it's an election year and the DFL wants to be back in the majority.

The Clerk took the roll call. Members stood for a moment of silence in remembrance of a former representative who passed away last August and then it was one caucus fight after another.

Did the Speaker and Republican House majority violate the state constitution and House Permanent Rules about public access to legislators when deciding to hold 2016 House floor sessions in the Capitol building, while capitol reconstruction continues? DFLers say yes, because public access has been significantly restricted due to construction work.

## **Extending Unemployment Benefits for Unemployed Miners**

This next issue also became contentious. The House Republican majority was criticized for attempting to pass a bill off the floor on the first day of session. The bill proposed extending unemployment benefits for Minnesota miners who are out of work. DFL House leadership objected to the process being too fast. The process argument came up again Thursday when the bill came up on the House floor again and having been heard and passed in a committee. House DFLers also objected that House Republicans added a provision to reduce unemployment taxes by offering a credit to employers. Republicans argued the unemployed insurance fund has grown and is larger than it needs to be, and that tax credits would strengthen Minnesota businesses, and that DFLers supported this policy in the past.

## **Senate Action**

Senate DFLers didn't attempt to pass the bill off the floor on Tuesday, but sent it to the Finance Committee for a hearing. They then passed the bill Thursday (without the business tax credit provision) by a vote of 62-3 and sent the bill to the House.

## **February Forecast Reduces Projected Budget Surplus**

State budget officials released the February State Budget Forecast on Friday, March 4. The updated economic forecast reduced the projected budget surplus from the \$1.2 billion projected in December to \$900 million for the biennium ending June 31, 2017.

The forecast attributes the scaled-back projection to slower-than-expected state revenues, a weakening U.S. economic outlook, and a slowing Chinese economy which directly impacts the iron ore industry. Minnesota Management and Budget Commissioner Myron Franz said during a news conference: "The story in Minnesota is that we continue to be in a strong economic position."

### **February Forecast Raises Yellow Flag for Governor**

Governor Dayton gave his State of the State address Wednesday night at the University of Minnesota's Minneapolis campus due to Capitol renovations. His top two priorities gave a nod to both politics and policy.

On the political side, he emphasized unity, which has seldom been seen in the first four days of the 2016 Legislative Session. Dayton said his top goal this session was "protecting the state's fiscal integrity."

Other priorities include: a long-term, transportation-funding plan; more funding for early childhood education; and modernizing Minnesota's drinking and waste water system.

Next week, Governor Dayton will release his supplemental budget recommendations.

The following bills were introduced this past week:

#### **Taxes**

Rep. Linda Runbeck, R--Circle Pines; Rep. Cindy Pugh, R--Chanhassen; Rep. Dale Lueck, R--Aitkin, Rep. Bob Dettmer, R--Forest Lake; and Rep. Dennis Smith, R--Maple Grove introduced House File (HF) 2413: A bill for an act relating to taxation; phasing out the state general levy; increasing the estate tax exclusion amount. The bill was read for the first time and referred to the Committee on Taxes.

#### **Farmer-Lender Mediation**

Rep. David Bly, DFL--Northfield, introduced HF 2473: A bill for an act relating to agriculture; extending the Farmer-Lender Mediation Act until June 30, 2020; referred to the Committee on Agriculture Policy.

#### **Real Estate Appraisers**

Rep. Joe Atkins, DFL--Inver Grove Heights, introduced HF 2492: A bill for an act relating to real estate appraisers; regulating fees paid to

appraisers by appraisal management companies. The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

### **Business Fees & Taxes**

Rep. Pat Garofalo, R--Farmington, introduced HF 2541: A bill for an act relating to commerce; lowering certain business registration fees; modifying sales tax and employee withholding requirements for small employers; defining employees of small employers as independent contractors. This proposed legislation was referred to the Committee on Civil Law and Data Practices.

### **Receiverships**

Sen. Dave Thompson, R--Lakeville and Sen. Ron Latz, DFL--St.Louis Park, introduced Senate File 2327: A bill for an act relating to civil actions; clarifying certain provisions for receiverships and assignments for the benefit of creditors; providing for a short form of assignment for recording with a deed to transfer real property. The bill was referred to the Committee on Judiciary.

Register [here](#) for ICBM's Day at the Capitol. Registration questions? Contact Patti Coles, ICBM Meeting and Event Planner at [pcoles@icbm.org](mailto:pcoles@icbm.org) or 651-789-3987.

Legislative questions? Contact David Skilbred, ICBM Vice President of Government Relations, at [dskilbred@icbm.org](mailto:dskilbred@icbm.org) or 651-789-3983.

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