



Association *of*
Minnesota Counties

Legislative Update

MCCFMA Fall Conference

NOVEMBER

**Nov.
Elections**

**Power-
sharing
Agmt.**

**Residenc
y Ruling:
40B**

**Quorum
Sparring**

**Session
Begins;
House
Holdout**

**MN
Supreme
Court:
40B
Special
Election**

**MN
Supreme
Court:
Quorum**

**House
Convene
s; New
Speaker**

MID FEBRUARY

Setting the table: 2025 Session Framework

- ▶ New legislature – historically divided
- ▶ New chairs, staff, power sharing
- ▶ Budget Year
- ▶ Financial outlook rocky
- ▶ Desire to “fix” passed legislation
- ▶ Pressure for Bonding bill (no bill in 2024)
- ▶ Overtime – Special Session



Taxes-- LST,LGA/CPA, construction materials, etc.

- ▶ No cuts to CPA/LGA
- ▶ No construction materials sales tax exemption
- ▶ Repeal of Data Center sales tax exemption for energy systems
- ▶ LST: Discussions on general local sales tax authority without special legislation discussed in House and Senate
 - ▶ No new policy included in final agreement
 - ▶ Moratorium expired May 31, 2025

Bonding

- Budget situation adjusted the maximum borrowing amount downward
- \$700 million
- Focus on State Assets
- Matching Funds for federal dollars and pots for qualified local projects

Public Finance

- Included in the omnibus tax bill with little discussion
- Reduced and harmonized notice periods for bond issuance
- Modified the definition of ‘debt obligation’
- Credit enhancement projects can be refinanced
- Other clarifications

Cost Shifting

- Human Services
- Property Tax Policy
- Current and future erosion of local property tax base
- Federal bill passage

Association of Minnesota Counties

20 hours ago · 🌐

"Shifting program costs from the state to counties doesn't reduce the size or scope of government, it just passes the buck to property taxpayers. State legislators are not required to consider the cost of their budget choices on local governments, and that should change. For too long, the state has made choices that just shift state costs to different taxpayers, rather than working toward solutions that balance the budget at the state level."

Check out this fantastic joint editorial by Dakota County Commissioner Mike Slavik ([Association of Minnesota Counties](#) president), Stearns County Commissioner Tarryl Clark (MN Inter-County Association president) and Pennington County Commissioner Neil Peterson (MN Rural Counties chair) on the situation counties are currently facing as state leaders propose balancing the state's budget by shifting costs to counties and property taxpayers.



INFORUM.COM

Letter: Property taxpayers shouldn't be on the hook for Minnesota's budget woes

"County governments estimate the total statewide property tax increase because of these bud..."

19

1 comment 19 shares

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Suzi Nerison

Great article. Thanks for your leadership, Mike, Tarryl & Neil!

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MINNESOTA'S BUDGET SHORTFALL MAY LEAD TO INCREASED PROPERTY TAXES IN WRIGHT COUNTY

By Cynthia Yi

Published on April 27, 2025



Pioneer

COMMENTARIES

OPINION LETTERS

Letter to the Editor: How can a state bankrupt its counties?

“

Let's contact our state officials, because they are supposed to serve the people, not vice versa.

”

- Patricia Heart, Cass Lake

Minnesota Reformer

WORK & MONEY CIVIL RIGHTS HEALTH CARE SCHOOLS HOUSING & TRANSPORTATION

GOVERNMENT & POLITICS

Minnesota county officials criticize Walz's human services budget, warn of high property taxes

BY: MICHELLE GRIFFITH · FEBRUARY 19, 2025 4:27 PM

Sen. Jordan Rasmusson, R-Fergus Falls, and county leaders held a press conference on Feb. 19, 2025, to share how Gov. Walz's human services budget proposal will impact county budgets. Photo by Senate Media Services.

The Minnesota Star Tribune

Opinion: The great Minnesota funding burden – coming to a county near you

In trying to solve the state's budget problems, the governor and Legislatures would just shift costs to counties and property owners.

By Roger Imdieke

MAY 6, 2025 AT 5:29PM

COMMENTARY

MIKE SLAVIK

TARRYL CLARK

NEIL PETERSON

Dumping costs on to local property taxpayers is a shifty way to balance the state budget

Otter Tail County Hosts Session on State Budget Proposal and Levy Impacts

By Derek Sidian

Apr 16, 2025 | 8:17 AM

Senator Rasmusson answers questions at the Otter Tail County Government Services Center. (OTC)

Murphy was invited but could not join the conversation.

This session was attended by county officials and leadership, education leaders, business, city, and township representatives.

"Thank you to everyone engaged in these important conversations," said County Board Chair Wayne Johnson. "By working together, we can find opportunities to be fiscally responsible while continuing to support the programs our communities rely on."

Story courtesy of Otter Tail County

Fergus Falls, MN – Otter Tail County Commissioners hosted an informational session on Tuesday, April 15th, to provide insights into the state budget proposal and its potential impact on the county levy.

"We appreciate the opportunity to engage in open dialogue about the state budget," said Nicole Hansen, Otter Tail County Administrator. "It's critical that legislators understand that cost shifting to counties will strain local resources and could lead to higher property taxes for our residents."

State Senator Jordan Rasmusson and State Representative Jeff Backer participated in the discussion and answered questions. Representative Tom

HR 1 Reconciliation Package

- ▶ Reconciliation package had two significant areas of impacts to counties: SNAP and Medicaid (MA).
- ▶ Waterfall of different effective dates means impact will grow for the next five years.
- ▶ **Takeaway:**
Benefits will be reduced, state and local costs will increase.

SNAP	MEDICAID
Administrative Cost Shift <ul style="list-style-type: none">• Shifts federal administrative reimbursement from 50% to 25%• County reimbursement from the feds in 2024 was \$61.7 million – this will be cut in half. Benefits Cost Shift <ul style="list-style-type: none">• Shifts from fully federally funded to states required to contribute based on state SNAP error rate• States with higher error rates contribute a higher percentage towards SNAP benefits – up to 10% or \$86 million annually.	Work requirements <ul style="list-style-type: none">• New mandatory work requirements for able-bodied adults aged 19–64 without dependents.• In 2018, MMB Fiscal Note estimated costs of similar provisions at \$160 million/annually for MN counties. Administrative burden <ul style="list-style-type: none">• Monthly address checks beginning in 2029, quarterly death checks for enrollees starting in 2028, monthly provider eligibility and death screenings starting in 2028, and twice-yearly eligibility redeterminations for Medicaid expansion adults beginning in 2026. Shortened Presumptive Eligibility <ul style="list-style-type: none">• The bill will cut retroactive Medicaid coverage from three months to one month for adults without children, and to two months for other enrollees

Modernization

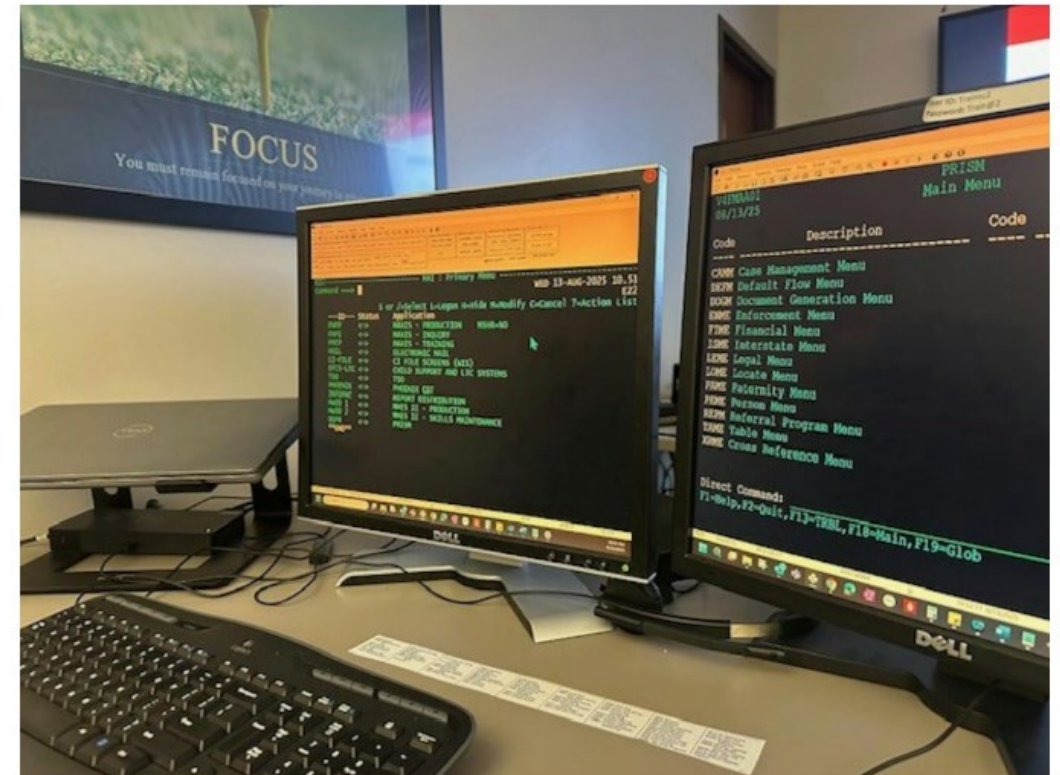
1990s screens push county staff to the limit

Policymakers know that the operating systems used for Minnesota public assistance programs are antiquated. But I was still startled to see them up close.

By Jill Burcum
The Minnesota Star Tribune

SEPTEMBER 28, 2025 AT 6:00AM

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*  STAT - Statement of Need   SPEC - Special Functions
*  DAIL - Workers Daily Reports PERS - MAXIS Person Search
*  ELIG - Eligibility Results/Approval PMIN - Person Master Index Number
*  FIAT - System Override     ARCH - Archiving Functions
*  REPT - Report Selection     POLI - Policy Manual
*  REIN - Reinstatement       QUAL - Quality Control Review
*  MONY - Payment Inquiry/Maintenance LOOK - SSA Access
*  CCOL - Claims and collections MCON - MSA Cases To Convert
*  INFC - Interfaces          LOGO - Logoff
*  ASET - Asset Assessment
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Function: stat
Case Number: 45004
Benefit Period (MM YY): 09 24
Jser: X11941S Terminal: G499 Environment: TRAINING Command:
Copyright (c) 1994 Minnesota Department of Human Services. All Rights Reserved. Library: PWFM13
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These are the outdated data systems county workers have to use to determine Minnesotans' eligibility for food, medical and other assistance. (Jill Burcum/The Minnesota Star Tribune)

Looking Ahead

- Special Session
- More Special Elections
- State Budget outlook
- Federal Uncertainty—"Big Beautiful Bill" impact
- Second year of biennium = supplemental budget and potential bonding bill
- New leadership
- Election year
- Governor's race