



## **Metro Cities Policy Committees**

Metro Cities 2017 Policy Committee dates are quickly approaching! Committees are open to member city staff and elected officials, and the form to sign-up can be found [HERE](#). Whether you are new to the process or have participated in the past, we welcome your participation in one or more committees in 2017.

Policy Committees recommend legislative policies for the next legislative session, and those policies serve as a foundation for our work at Metro Cities. Being a part of a committee is a great opportunity for *your* city to have a voice in the process. Dates and times are listed below. All meetings take place at the Metro Cities/League of MN Cities building from **11:00-1:30pm.**, and include lunch. Updates regarding each committee and additional information will be posted [here](#) on our website.

Please consider serving, and encourage other staff and officials within your city to do the same!

### Transportation & General Government

*Monday, July 17, 2017*

*Monday, August 7, 2017*

*Monday, September 18, 2017*

### Municipal Revenues

*Tuesday, July 18, 2017*

*Tuesday, August 8, 2017*

*Tuesday, September 19, 2017*

### Metropolitan Agencies

*Wednesday, July 19, 2017*

*Wednesday, August 9, 2017*

*Wednesday, September 20, 2017*

### Housing & Economic Development

*Friday, July 21, 2017*

*Friday, August 11, 2017*

*Friday, September 22, 2017*

## **Legislative Update**

A little over three weeks remains until the mandated legislative session conclusion on May 22. Conference committees on omnibus bills met throughout this week with 'side by side' walk throughs of bills, adoption of 'same-similar' provisions and adoption of various provisions specific to the Senate or House bills. Updates on the week's legislative activity of interest to Metro Cities are below.

Discussions by legislative leaders and the Governor have centered on how negotiations on the overall budget will proceed, with the Governor stipulating the House and Senate should first have agreement on their budget targets. The passage of omnibus bills this session were completed in an expedited fashion on the notion that early passage of omnibus bills would leave more time for

three-way leadership negotiations before the May 22 deadline.

This morning, House and Senate leaders announced the budget targets at a joint press conference. The targets reflect a \$1.1 billion spending target for taxes, and an additional \$372 million for transportation from dedicated sources. The target also includes reductions in state government spending. Targets also reflect an \$800 million bonding bill, lower than that proposed by the Governor and Senate.

House Speaker Daudt and Senate Majority Leader Gazelka noted that most targets are a split-down-the middle of House and Senate budget bill numbers. House and Senate leaders further noted that details on bills would be left to conference committees, and that committees would be expected to wrap work early next week. House and Senate leaders stated that they would like to have three way targets with the Governor by next Thursday. The Governor had requested that the House and Senate set its targets by today.

Senator Gazelka reiterated that tax relief is a top priority for the House and Senate majorities and that he expects that negotiations on bonding and tax bills will be intertwined, as they were last session. During a subsequent press conference by DFL members, House and Senate minority leaders expressed concern that the budget targets move away from a midpoint between the Legislature's and Governor's recommendations, to in some cases the Senate bill targets moving closer toward House spending levels.

Metro Cities will release further information as work on conference committees, and specific budget and tax numbers, are released and debated.

#### **Taxes Conference Committee ([HF 4](#))**

**Conferees:** Sen Chamberlain, Sen Miller, Sen Rest, Sen Dahms, Sen Senjem, Rep Davids, Rep Hertaus, Rep McDonald, Rep Draskowski, Rep Marquart

The Taxes Conference Committee met this week and adopted same-similar provisions as well as other provisions in the House or Senate bills. These provisions included specific tax increment financing (TIF) and local option sales tax provisions. The committee had considerable discussion on a local sales tax provision for several communities that are part of a joint sanitary sewer district, the funds of which would be used for sewer infrastructure, before adopting the provision on a roll call vote. The debate centered on how such infrastructure should be funded and who should pay for it, and the unusual nature of having the tax be proposed by communities jointly.

See last week's newsletter for details on Metro Cities' positions regarding the House and Senate bills. To recap, Metro Cities supports provisions that streamline the construction sales tax exemption, increase Local Government Aid and provide flexibility in TIF laws. Metro Cities opposes provisions that provide for reverse referendums on local levies, franchise fees and lease buybacks (House bill), provisions reducing LGA for purposes that have no nexus to the LGA formula (House bill) and a reduction to LGA for Minneapolis (Senate bill).

As noted above, the joint House and Senate tax bill target is \$1.1 billion, a level that significantly exceeds that recommended by the Governor for taxes related spending.

#### **Transportation Conference Committee ([HF 861](#))**

**Conferees:** Sen Newman, Sen Jasinski, Sen Kiffmeyer, Sen Osmeck, Sen Sparks, Rep Torkelson, Rep Petersburg, Rep How, Rep Runbeck, Rep Koznick

The Transportation Omnibus Bill Conference Committee (HF 861) met this week and adopted

several 'same and similar' as well as other provisions. No spending or transit related provisions were discussed or adopted.

The House and Senate positions include funding for the Small Cities account created in 2015, with the Senate allocating \$10 million one time, and the House allocating \$12.5 million ongoing. The Senate bill increases Municipal State Aid (MSA) fund by \$32.8 million while the House increases it by \$30.3 million.

The Metropolitan Council has expressed opposition to funding levels for transit, noting that the bills create operating deficits for Metro Transit; the Senate bill a \$74 million deficit and House bill \$140 million, respectively. The conference committee is expected to next meet on Monday.

### **Environment Omnibus Bill Conference Committee ([HF 888](#))**

**Conferees:** Sen Ingebrigtsen, Sen Ruud, Sen Westrom, Sen Mathews, Sen Tomassoni, Rep Fabian, Rep Heintzeman, Rep Swedzinski, Rep Uglem, Rep Ecklund

The conference committee for the Environment Omnibus bill, HF 888, met twice this week and adopted several provisions, two of which have implications for cities.

First, the committee adopted a provision that would remove a need for a Department of Natural Resources (DNR) permit to construct storm water management facilities that use storm water for irrigation or other purposes. This is the only type of storm water management facility that currently, by statute, requires a permit from the DNR. Metro Cities supports this provision.

The committee also adopted a provision that would ban local governments adopting ordinances related to consumer bag bans, fees or taxes. Metro Cities is opposed to this provision. The committee has not announced a date for their next meeting.

### **Jobs Bill Conference Committee ([SF 1937](#))**

**Conferees:** Sen Miller, Sen Osmeck, Sen Dahms, Sen Anderson P., Sen Champion, Rep Garafalo, Rep Newberger, Rep Hoppe, Rep O'Neill, Rep Mahoney

The Jobs conference committee held two meetings this week. At Monday's hearing, staff presented a comparison of budget items and policy language differences between the House and Senate bills. At Wednesday's hearing, a list of same and similar policy provisions was adopted. This included a provision regarding local MIF repayment funds that allows a one-time exception on current restrictions that govern the use of those funds. It is expected the committee will meet next Monday.

### **Legacy Bill Conference Committee ([HF 707](#))**

**Conferees:** Sen Ruud, Sen Senjem, Sen Ingebrigtsen, Sen Cohen, Sen Lang, Rep Gunther, Rep Torkelson, Rep Fabian, Rep Green, Rep Lillie

The Omnibus Legacy Committee had its first meeting on Thursday, and staff provided a walk-through of the House and Senate provisions. With respect to the three legacy funds, the House and Senate bills are similar in overall spending levels. There are two provisions in the bills of interest to Metro Cities. The House bill contains a provision providing \$500,000 for inflow-infiltration mitigation. This provision was proposed as the House Legacy bill was debated on the floor and was proposed by Rep. Rick Hansen-West St Paul. Metro Cities supports funding for private inflow-infiltration mitigation, and has initiated legislation to provide funding for this purpose. Metro Cities has some concerns with the language, which adds criteria for the funds unrelated to

inflow-infiltration requirements for cities in the metro area. The provision is not included in the Senate and could be challenging to pass, as it uses monies from a five percent set aside included in the bills to address a shortage of funds in the Clean Water fund and other accounts.

Also of interest to Metro Cities is \$500,000 included in the Senate bill for Emerald Ash Borer (and other pests) eradication, to be provided as grants to local units of government, which Metro Cities supports.

## **Condo & Townhome Housing Choice Bill Passes House**

A bill that aims to increase the production of owner-occupied condo and townhome units across the metro region as well as statewide passed the Minnesota House Thursday on a bipartisan 108-23 vote. [HF 1538-Smith](#) received support from several metro cities that passed resolutions backing the bill.

Metro Cities' policies support increasing housing choices in the region. In an informal survey of cities conducted by our association last fall, communities across the region identified the need for additional condominium and townhome units to meet the needs of their residents.

The goal of the legislation is to encourage condo and townhome development by reducing the risk of litigation associated with these types of housing and encourages the involved parties to resolve construction defect disputes through negotiations or mediation while also preserving the warranty rights of owners.

The companion bill, [SF 1455 \(Dziedzic\)](#), awaits a vote on the Senate floor. Contact Charlie Vander Aarde at 651-215-4001 or [charlie@metrocitiesmn.org](mailto:charlie@metrocitiesmn.org) with any questions.

## **Omnibus Elections Bill Passes Senate Finance**

[SF 514](#) (Kiffmeyer) was heard and passed by the Senate Finance Committee this week. The bill provides \$5 million in grants to local governments for voting equipment. These are grants that cities, counties, and townships can apply for as a reimbursement for lease or purchase of electronic roster equipment purchased before July 1, 2017. Reimbursement would be provided at 75 percent of the cost of general equipment and 50 percent for assistive voting technology or automatic tabulating equipment.

The bill includes language to bring provisional ballots to Minnesota, with some legislators expressing concerns that this presents additional costs for local governments. The bill was amended to call for the political party of election judges to be made public, and would make public the list of individuals not eligible to vote.

## **This Week's Bill Introductions of Note**

[SF 2337](#) Modifies traffic regulations governing overtaking and passing bicycles.

[SF 2338](#) Provides exemptions to requirements for environmental assessment worksheets.

[SF 2339](#) Appropriates money to implement riparian buffers.

[HF 2619](#) Requires acquisition of certain landfill sites to conduct environmental response action.

[HF 2622](#) Modifies provisions relating to the sewer availability charge.

[SF 2345](#) Appropriates money for a passenger rail demonstration project and a Northstar commuter rail extension feasibility study.

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**Metro Cities News** is emailed periodically to all Metro Cities member mayors, councilmembers, city managers and administrators to keep officials abreast of important metro city issues. This information is also intended to be shared with city staff.

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**Metro Cities 145 University Ave W., St. Paul, MN 55103-2044 Phone 651-215-4000 Fax 651-281-1299**  
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