



Legislature in Recess for Easter/Passover Break

Legislators will have an Easter/Passover recess from March 30th to April 8th. During this break, many legislators hold events or constituent meetings in their districts. The break can provide a good opportunity to connect with your senators and representatives. Metro Cities encourages city officials to touch base with their local legislators during this time. Please contact our office at 651-215-4000 if you need contact information for legislators, or other information.

Lyft/Uber Local Preemption Bill Passes Senate Committee

Legislation that would preempt local ordinances for transportation network companies (TNC) such as Lyft and Uber had hearings scheduled in three committees this week, but was only heard in one, the Senate Judiciary Committee. The bills, [HF 3032](#) – Layman and [SF 2704](#) – Jasinski would require MnDOT to manage TNCs via statewide regulation. The bill would preempt existing and future local ordinances for TNC drivers, vehicles and companies. At least six cities currently have local ordinances for such companies. The Senate Judiciary Committee passed SF 2704 to the Transportation Committee. The House Transportation Finance and Senate Transportation Committees both pulled the bills from their agenda at the request of the bills' authors.

The bills' proponents and authors have expressed a desire to work with all stakeholders, including Metro Cities, to address stakeholder concerns. Metro Cities' policies oppose this bill as it preempts local ordinances.

Metropolitan Council Governance Bills on Senate and House Floors

[HF 3273](#)- Albright, which would require the Metropolitan Council to be made up of local elected officials, increase the size of the Council to 29 members from its current 17, and eliminate the Transportation Advisory Board, was heard in by the House State Government Finance Committee this week, where it passed to the House floor. The State Government Finance Committee was the bill's fourth stop after passing the House Transportation Policy, Government Operations, and Transportation Finance committees. Brad Wiersum, Mayor of Minnetonka, and Susan Arntz, City Administrator in Waconia, provided testimony in opposition to the bill on behalf of Metro Cities this week. County representatives have testified in support of the bills at each hearing. A Senate companion, [SF 2809](#)-Pratt, is on the Senate floor.

A contrasting bill supported by Metro Cities provides governance reforms for the Council by staggering member terms and providing structural changes to the selection process to provide public transparency, increasing local official input and increasing gubernatorial accountability for appointment. That bill, [HF 3917](#)-R. Peterson, passed the House Transportation Policy Committee and is in the House State Government Finance Committee. Its Senate companion, [SF 3497](#)-Wiger, was referred to the Senate Local Government Committee. The bill has not been heard in the Senate.

Please contact Patricia Nauman at 651-215-4002 with any questions.

Two Preemption Bills Pass to the Senate and House Floors

Two bills that would preempt local ordinances are now on the Senate and House floors. [SF 3325-Koran](#), would preempt cities and other units of government from using ranked choice voting for local elections. This bill was passed by the State Government and Elections Committee to the Senate floor.

[HF 3606](#)- Christensen, would prohibit cities and other local governments from prohibiting or placing taxes or fees on auxiliary containers. These include bags, cups, bottles, or other packaging, made of cloth, paper, plastic, Styrofoam, cardboard, aluminum, glass for use with food or other retail products. The bill was passed by the House Government Operations and Elections Committee to the House Floor.

Metro Cities staff testified in opposition to both bills as they contradict Metro Cities' policies that support local authority.

Questions? Please contact Steve Huser at 651-215-4003 or steven@metrocitiesmn.org.

Constitutional Amendment for Transportation Funding Passes Senate Committee

A controversial bill that would put a constitutional amendment on the 2018 ballot proposing to dedicate automobile related sales taxes to transportation passed the Senate Transportation Committee. [SF 3837](#)- Newman, would constitutionally dedicate all sales tax revenue on auto parts and the sales tax on leased vehicles and rental vehicles to transportation related purposes. The amendment would create a new Road and Bridge Fund in the state Constitution with revenues from the sales tax on motor vehicle repair and replacement parts and rental vehicles deposited into this fund. The bill would distribute 4% of funding to the Small Cities Assistance Fund, 3.25% to the town roads account and 1.75% to the town bridge account. Of the remaining 91% of funds, 62% would be distributed to a new Trunk Highway Construction Fund, 29% to the CSAH fund and 9% to MSA. Revenue from the sales tax on auto parts and rental vehicles would be phased in over 3 years.

This legislation would also create a Motor Vehicle Lease Sales tax revenue section in the state constitution. Beginning July 1, 2019, 100% of the revenue from leased vehicle sales tax would be dedicated to transportation and apportioned according to the law passed during the 2017 session which provides funding for the CSAH fund, Greater MN transit, a local bridge fund and the Highway User Tax Distribution Fund (HUTDF). Legislation passed last session statutorily dedicated \$145 million per year from the sales tax on auto parts to the HUTDF.

The MN Chamber of Commerce, construction trade unions and the Transportation Alliance testified in support of the legislation. Education advocates, SEIU, AFSCME Council 5 and the Coalition of Greater MN Cities testified in opposition and cited concerns that dedicating this funding from the State's General Fund could potentially cause cuts to other parts of the state budget. The bill was passed on an 8-7 roll call vote and re-referred to the Rules Committee.

Questions? Please contact Steve Huser at 651-215-4003 or steven@metrocitiesmn.org.

New State Tax Credit Would Fund Affordable Housing Units

A new funding source for affordable and workforce housing was considered by the House Taxes committee this week. [HF 4072](#) – S. Anderson, would provide an incentive for private investment through a 1:1 tax credit. Advocates for the bill tout the tax credit proposal as a way for the private sector to support local workforce housing development. Committee members asked if state tax credits should be targeted to specific programs such as housing.

The companion bill, [SF 3301](#) - Nelson, had a hearing in the Senate Housing Finance committee. The bill was amended to set aside 35 percent of the financing for single-family homes and 20 percent for cities with a population under 10,000. Both bills may be included in omnibus bills later this session.

Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

Local Government MIF Loan Repayment Fund Could Be More Flexible

The House Jobs Committee debated a proposal that would retroactively allow funds received by a local government from loan repayments under the Minnesota Investment Fund (MIF) to be committed to a business revolving loan fund until July 1, 2018. [HF 3957](#) - Fabian clarifies that funds committed in this way may be used for any purpose allowed by the federal revolving loan fund program that provided the partial funding. The bill was requested by the city of Roseau which has a mix of federal and state MIF loan repayment funds that are restricted. This bill would allow flexibility to cities that have state and federal-funded revolving loan funds. The bill was laid over for possible inclusion in an omnibus bill. The Senate companion has not been scheduled for a hearing.

Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

Tax Exempt Bond Changes Bill Heard

A bill that would modify how Minnesota distributes its tax-exempt bond allocation for housing had its initial hearing in the Senate Housing Finance Committee Wednesday. The legislation is the result of months of discussion among affordable and workforce housing stakeholders, including local governments, developers, Minnesota Housing, funders and housing advocates who responded to increased competition for the scarce resource. [SF 3700](#) – Draheim, includes five areas of consensus from a work group that met in 2017 after a more controversial bill was debated by the legislature.

The bill makes several changes to Minnesota's current bond allocation statutes. First, projects using bonds for 55 percent of costs would be funded first by the state. Currently, projects can use bonds for more of the costs, funding fewer overall projects. Second, there is an increased priority for projects with deeper affordability for residents with lower incomes, committed affordability for a longer term, and in areas of the state with lower average incomes. Third, selected projects would receive full funding instead of a pro-rated share, which left some projects with unfunded gaps. Fourth, communities that need low-income senior housing are more competitive, and Section 8 preservation is clear. Fifth, bonds that had been allocated but were not used meant other projects had to wait another year for more bonds to become available. This bill places an 18-month limit on project closing and would move bonds to projects that are ready to go forward.

The bill was laid over for possible inclusion in an omnibus bill. The House companion has not been scheduled for a hearing. Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

MNLARS Update

Two bills that would allocate one-time funding to deputy registrars to compensate them for costs related to the MNLARS rollout were passed by the Senate Transportation Committee.

[SF 3659](#)- Jasinski and [SF 3836](#)- Newman both allocate \$9 million in fiscal year 2018 for reimbursement grants to deputy registrars negatively affected by the MNLARS rollout. SF 3659 allocates the funding from Driver Services operating account, while SF 3836 allocates the funding

from Vehicle Services and Driver Services operating account. Both bills allocate the grants to deputy registrars proportionally based on the number of transactions performed. Both bills were passed to the Finance Committees.

Bill Modifying Interactive Meeting Laws Progresses

A bill modifying location requirements for attendance by interactive television has had hearings and passed Senate and House committees. [HF 3343](#) - Nash and [SF3114](#) – Newton addresses situations of military leave and illness conditions for city officials participating in meetings via interactive technology.

Current law allows a city council to participate in a council meeting via interactive television if the location of the member participating in this way is open and accessible to the public. This bill provides exceptions to this area of the law for a member who is in the military and at a required drill, deployed, or on active duty, or a member with a medical condition preventing that member from being in the public. The proposed change helps protect military security and private residences from being released to the public.

The House bill was passed in the Government Operations and Elections Policy Committee and is on the House floor. The Senate companion was amended in the Local Government Committee to include a clarification that interactive television members may count toward a quorum and the record shall reflect their interactive status. The Senate file was referred to State Government Finance and Policy and Elections Committee.

2018 Regional Solicitation Workshop and Early Funding Opportunity

The Metropolitan Council will hold a workshop (two meeting times/locations) to introduce prospective applicants to the 2018 Regional Solicitation for transportation projects. Approximately \$200 million in federal transportation funds are expected to be available for allocation in 2022-2023.

The application period for the Regional Solicitation is expected to be open in May, with all applications required to be submitted no later than July 13, 2018. After projects are scored and ranked, the schedule calls for the Transportation Advisory Board (TAB) to select projects for funding early in 2019. To learn more about the Regional Solicitation, you may visit the [Regional Solicitation website](#) or attend the upcoming workshops detailed below. Both workshops are the same, and cities are invited to attend either one.

Workshop Times and Locations

Friday, April 13, 2018 – 2:00-3:00 pm

Metro Cities

145 University Ave W

St. Paul, MN 55103

Tuesday, April 17, 2018 – 9:00-11:00 am

Metropolitan Council, Lower Level A

390 Robert St N

St. Paul, MN 55101

The majority of federal funds to be awarded through the Regional Solicitation are for projects in 2022 and 2023, however project applicants are also asked to indicate if the project could be programmed in 2020 or 2021. Projects will be selected from the following 10 application categories:

- Roadway Expansion
- Roadway Reconstruction/Modernization and Spot Mobility
- Traffic Management Technologies (Roadway System Management)
- Bridge Rehabilitation/Replacement
- Transit Expansion
- Transit Modernization
- Travel Demand Management (2020 and 2021 funds)
- Multiuse Trails and Bicycle Facilities
- Pedestrian Facilities
- Safe Routes to School

Questions about the Regional Solicitation can be directed to TAB Coordinator Elaine Koutsoukos at 651-602-1717 or elaine.koutsoukos@metc.state.mn.us.

Metro Cities Annual Meeting – Join Us!

RSVP today for the Metro Cities Annual Meeting! This year, the event will be held on Thursday, April 19th at the Como Park Zoo and Conservatory in the Bullard Rainforest Auditorium. We're pleased to announce that this year's guest speakers are B Kyle, President and CEO of the St. Paul Area Chamber of Commerce and Jonathan Weinhagen, President and CEO of the Minneapolis Regional Chamber.

The evening will start off with a social hour at 5:30pm, followed by the guest speakers at 6:30pm, and will wrap up with a brief (but important!) business meeting at 7:00pm to elect members and officers to the Board of Directors. All member city staff and elected officials are welcome and encouraged to attend!

More information can be found [here](#).

There is no registration cost, but please RSVP by April 6th if you plan to attend. To RSVP, or if you have any questions, please contact Kimberly at 651-215-4000 or kimberly@metrocitiesmn.org.

Bills of Note

[SF 3804](#), Osmeck: transportation; directing revision of the statewide highway investment plan to prioritize certain mobility investments.

[SF 3811](#), Dziedzic: transportation; regulating highway right-of-way moving practices; providing for pollinator habitat management.

[SF 3816](#), Sparks: economic development; appropriating money for the workforce housing program.

[SF 3836](#), Newman: transportation; appropriating money for certain reimbursements to deputy registrars.

[SF 3837](#), Newman: transportation; governing transportation finance; proposing a constitutional amendment to the Minnesota Constitution, article XIV, to allocate state general sales tax revenue related to motor vehicle repair and replacement parts exclusively to fund roads.

[SF 3838](#), Dziedzic: public safety; providing for immunity from prosecution for certain controlled substance and alcohol violations for sexual assault victim and persons assisting the victim.

[HF 4213](#), Runbeck: capital investment; establishing certain prerequisites for the Metropolitan Council and political subdivisions related to application for federal funds for transit capital projects.

[HF 4236](#), Nelson: elections; allowing school boards to give school credit for serving as a trainee election judge; requiring appointing authorities to recruit bilingual high school students to serve as trainee election judges.

[HF 4247](#), Hilstrom: public safety; amending the statute of limitations for certain crimes.

[SF 3844](#), Abeler: transportation; prohibiting the use of automated driving systems.
[HF 4261](#), Nelson: elections; making changes to the presidential nomination primary law; allowing mail balloting for the presidential nomination primary; making technical changes;
[HF 4262](#), Barr: Metropolitan Council; allowing a local government to challenge metropolitan system plans.
[SF 3853](#), Hall: government contracting; modifying best value contract requirements.
[SF 3857](#), Benson: Metropolitan Council; allowing a local government to challenge metropolitan system plans.
[SF 3859](#), Pappas: military officers; providing for reimbursement grants to local units of government for public safety personnel on authorized leave.
[SF 3883](#), Latz: A bill for an act relating to local government; providing that a city charter does not restrict the ability of a city to issue a liquor license.
[HF 4295](#), Theis: economic development; appropriating money for mixed-use, multifamily housing.
[HF 4319](#), Marquart: public safety; appropriating money for emergency management readiness grants for local planning and preparedness efforts; providing for a report.
[HF 4321](#), Davids: taxation; sales and use; expanding the exemption for firefighting equipment.

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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