

## Legislative Update

The Monday, May 22<sup>nd</sup> constitutional deadline for adjournment of the 2018 legislative session is quickly approaching, and as is typical, there is a flurry of activity occurring at the Capitol. All major bills (taxes, finance, capital investment) are still outstanding. On Thursday, Governor Dayton vetoed [HF 4385](#), the tax conformity bill. The Governor had concerns with some provisions in the bill and stated that he would not sign the bill without an addressing of his priority of additional education funding. (See previous newsletters for details on provisions of interest in the tax bill to Metro Cities.) A summary of the bill can be found [here](#).

On Wednesday, the Senate took up the capital investment bill, and the bill failed on a 34-33 party-line vote (Capital investment bills require a three-fifths majority, or 41 votes, to pass the Senate). An amendment was offered by Senator Pappas that would have increased the size of the bill to approximately \$1.5 billion. This amendment included projects in the underlying bill but would have also included other projects, including \$50 million for BRT projects; \$15 million for publicly owned housing preservation; and \$100 million in housing infrastructure bonds. The amendment failed.

The House passed an omnibus capital investment bill, [HF 4404](#), last week.

Meanwhile, a conference committee on a Supplemental Finance bill that covers all state budget areas has met in conference committee all week. Much of the work of the committee is complete with the exception of issues related to the health and human services budget.

The Legislature has a \$329 million budget surplus to work with. The budget for biennium was set last year, so the Legislature is not required to pass an additional budget bill this year. Once the Legislature is within three days of a sine die adjournment, the Governor has 14 days to act on any legislation sent to him, as opposed to three days normally.

## Supplemental Finance Conference Committee Update

*Transportation provisions adopted by the Supplemental Finance Conference Committee:*

- Funding adopted in the transportation articles total \$57.7 million and include:
  - \$8.5 million for Small Cities Account
  - \$10 million for Corridors of Commerce from the General Fund
  - \$10.7 million for Local Bridge funding
  - \$2.1 million for a suburb to suburb pilot project
- Policy provisions adopted include:
  - Provisions to improve data sharing between the Department of Human Services and Metropolitan Council to create efficiencies in special transportation services, including the Metro Mobility program.
  - Defining allowable state funded operating costs related to light rail transit for daily operations and maintenance only; disallows costs for new buildings or facilities, new vehicles, or technology.
  - Prohibiting state funding for capital costs related to light rail projects.
  - Changing the frequency that the Metropolitan Council must report transportation financial records to the Legislative auditor from quarterly to biannually.

- Directing the Council to report any changes to its budget to the Legislature.
- Requiring the Metropolitan Council to develop a financial overview and forecast in conjunction with state budget forecasts and specifies financial overview content, including identification of budget numbers for the previous four years and anticipated financials for the forecast period.
- Extending the required coverage area of Metro Mobility to include Lakeville.
- A change to trip frequency on the Northstar Commuter Rail that would shift funding for expanded service to St. Cloud. Directs MnDOT to negotiate with BNSF Railway to extend the line to St. Cloud.

*Environment provisions adopted by the Supplemental Finance Conference Committee:*

- Changes to the Clean Water Legacy Act that include allowing for BWSR funds to be awarded to all local units of government, including cities.
- The addition of comprehensive watershed management plans, comprehensive local watershed management plans, and existing statewide or regional strategies published by the Pollution Control Agency (PCA) to the definition of what a “TMDL implementation plan” can mean for purposes of the Clean Water Legacy Act.
- Allows for some local water improvement projects be considered as contributing to the requirements of a storm water pollution prevention plan for purposes of municipal separate storm sewer system (MS4) permits unless already documented as contributing.
- A provision stipulating that MPCA fees must only be raised to cover costs to the agency.
- A provision stipulating that MPCA water fees raised to cover costs association with training water pollution control personnel and permits are subject to Legislative approval.
- A directive to MPCA to conduct external peer review of any changes to water quality standards.
- A provision allowing for regulatory certainty for newly constructed water treatment plants, including for MCES plants, for a period of 16 years.
- Updates to organized solid waste collection. Changes include considering current system of collection within a city when convening a committee, evaluation to include an examination of the impacts of collection methods on the ability of residents to choose the level of service and costs. Provision also proposes to change the length of the initial collection agreement from three to seven years. Changes would not apply to collection agreements in process or completed. These provisions are in also in HF 3095, which has been sent to the Governor.
- Provisions related to the 3M damages settlement and provides for private well testing for PFC’s in communities affected.
- Changes that would make municipalities eligible for recycling grants.
- Provisions directing DNR to not expend funds enforcing a court order related to lake levels on White Bear Lake and WBL.

*Jobs & Housing provisions adopted by the Supplemental Finance Committee:*

- Proposed cuts to the Minnesota Investment Fund were not included in conference committee discussions this week. However, two projects would receive \$1 million each in direct MIF appropriations, leaving a \$10.5 million MIF appropriation in FY19.
- \$1.5 million transferred from Job Creation Fund's FY19 appropriation, leaving \$7 million in FY19.
- Language impacting tax-exempt bonds for affordable housing continues to change. The language in the bill would override the public process of establishing selection criteria and priorities for this resource, including the voice of cities. The language that would limit what projects Minnesota Housing could finance with its tax-exempt bonds could also have an impact on how other sub-allocators like Minneapolis and St. Paul could use their tax-exempt bonds.

## **Metropolitan Council Governance Bill Passes Conference Committee**

Bills proposing to restructure the Metropolitan Council, SF 2809-Pratt and HF 3273-Albright, were reconciled in a conference committee on Thursday, and language for a bill was agreed to and adopted. The key governance change in both bills is the requirement that the Council to be comprised of local officials. Differences in the House and Senate bills centered on salaries versus expenses reimbursement for members and keeping a technical advisory committee (TAC). The House had passed its governance bill, HF 3273, this week while the Senate passed SF 2809 last week. Metro Cities opposes the bills, and several legislators spoke against them, and to city officials' concerns, as they were debated on the floors. Metro Cities provided testimony to the conference committee on Thursday to oppose the bills, with the exception of staggered terms in the bill.

The conference committee came to quick agreement on a bill that creates a 29-member Metropolitan Council comprised of 16 local elected officials selected by "municipal committees," two county commissioners from Hennepin County (one covering Minneapolis and one not covering Minneapolis), six county commissioners (one each from Anoka, Scott, Dakota, Carver, Ramsey and Washington counties), the MnDOT commissioner, and three transportation modal representatives, and a Chair appointed by the Governor. The bill eliminates the Transportation Advisory Board but establishes a technical advisory committee (TAC). The final bill provides expense reimbursement but no salaries for members. The conference committee report is [here](#). The report will be taken up in the Senate first, and can be taken up at any time.

Please contact Patricia Nauman at 651-215-4002 or email: [patricia@metrocitiesmn.org](mailto:patricia@metrocitiesmn.org) with any questions.

## **White Bear Lake Enforcement of Water Appropriation Permit Conditions Bill Sent to Governor**

A bill related to a court decision on lake levels on White Bear Lake, [HF 4003](#) - Runbeck, passed the House on a 83-36 vote and has been sent to the Governor. The bill would temporarily prohibit the DNR from enforcing groundwater appropriation permit limits related to White Bear Lake, as directed by the court.

## **Deputy Registrar Reimbursements Sent to Governor**

A bill to reimburse deputy registrars affected by the MNLARS rollout has been sent to the Governor. The bill, [HF 2835](#), allocates \$9 million from the Driver and Vehicle Services (DVS) operating accounts. Aid will be distributed on a formula using location transaction volume. The bill also directs the department of Management and Budget to make efforts to disburse the funds within 30 days of the June 1<sup>st</sup> enactment date. The administration has stated previously that the reimbursements should come from general fund expenditures and not DVS funds.

## **Organized Waste Hauling Bill Passes Senate**

[HF 3095](#) – Hall, a bill that would modify organized solid waste collection laws, passed the Senate this week on a 67-0 vote. The bill stipulates that when a local government convenes a committee to examine solid waste collection options, the committee must include an examination of the existing system of collection. The bill also allows the evaluation to include an examination of the potential impacts of collection methods on the ability of residents to choose the level of service and costs. It also proposes to change the length of the initial collection agreement from three to seven years. This legislation would not apply to collection agreements in process or completed. The bill language has also been adopted by the SF 3656, the omnibus finance bill, conference

committee.

## **Constitutional Amendment for Transportation Passes House**

A bill that would put a constitutional amendment on the 2018 ballot proposing to dedicate automobile related sales taxes to transportation passed the House and has been sent to the Senate. [HF 4437](#) – Torkelson, would constitutionally dedicate all sales tax revenue on auto repair and replacement parts to transportation related purposes. The sales tax dedication would be under a phased in schedule from 2021 to 2024. The proposal would dedicate 4.5 percent of these funds to the Small Cities Assistance program. The bill was passed on a bipartisan vote of 76 to 54. It is uncertain that the bill will be taken up by the Senate. The Governor has stated his opposition to the bill. However, the Governor is not able to veto the bill in its entirety.

## **Preemption Bills**

As Metro Cities has reported, a significant number of bills have been introduced, this year and last, that would restrain local decision-making authority. As we move into the last few days of the legislative session, Metro Cities continues to closely monitor and respond to pre-emption bills.

A current list of pre-emption bills for the 2017-2018 legislative session prepared by the League of MN Cities can be found [here](#). The League also has an Advocacy Toolkit [here](#).

## **Regional Solicitation Application Process and Training Sessions**

The Metropolitan Council has asked Metro Cities to share information on upcoming training sessions on the application process for the Regional Solicitation for Federal Transportation Funding.

Communities across the region can apply for a portion of about \$200 million in federal funds for local highway, bridge, transit, bicycle and pedestrian projects. Projects focus on outcomes such as mobility, managing congestion, and improving air quality. Applications are due on July 13, 2018, and the TAB is tentatively scheduled to approve funding recommendations in mid-January of 2019. Most funds in the 2018 Regional Solicitation will support projects slated for 2022-2023; and 2020-2021 for projects in the Travel Demand Management (TDM) category. Cities are eligible to apply for these funds.

Council staff will conduct online application training at Council Offices at 390 Robert St. in Saint Paul in the Lower Level Room C Computer Lab. *Please [contact Elaine Koutsoukos](#), TAB Coordinator, to reserve a computer station for one of the following dates.*

Wednesday, May 23, from 9:00-10:30 a.m. or 2:00-3:30 p.m.

- Thursday, May 31, from 1:00-2:30 p.m. or 3:00-4:30 p.m.
- Friday, June 1, from 9:00-10:30 a.m.
- Thursday, June 7, from 9:00-10:30 a.m.

Click here for details: [See details about the Regional Solicitation](#)

## **Transportation Advisory Board Approves HSIP Solicitation**

The Transportation Advisory Board (TAB) to the Metropolitan Council approved the 2022-2023 Highway Safety Improvement Program (HSIP) Solicitation program criteria for the Metro District and the release of the solicitation. HSIP is designed to achieve a significant reduction in traffic fatalities and serious injuries on all public roads. The region's Transportation Policy Plan (TPP) includes transportation safety policies strategies, and the HSIP solicitation is consistent with that

plan. To see the program criteria, [click here](#).

## **Metropolitan Council Environment Services (MCES) Open House and Budget Workshops**

City elected officials and staff are invited to participate in one of two Metropolitan Council Environmental Services (MCES) Open House and Budget Workshops being offered. MCES staff will be available to discuss the 2019 municipal wastewater charge (MWC), capital improvement program, SAC, Inflow and Infiltration, water resources and monitoring, metering, wastewater reuse, and asset management. The workshop dates, times, and locations are as follows:

*Minnetonka Community Center Banquet Room  
Thursday, May 24th, 9:00 am – 11:00 am  
14600 Minnetonka Blvd.  
Minnetonka, MN 55345*

*Eagan Community Center Oaks Room  
Thursday, June 7th, 1:30 pm – 3:30 pm  
1501 Central Parkway  
Eagan, MN 55121*

Please RSVP to Kris Hess ([kristin.hess@metc.state.mn.us](mailto:kristin.hess@metc.state.mn.us) or 651-602-1016) by Friday, May 18.

## **Met Council to Hold Public Meetings on Southeast Metro Water Reclamation Facility**

The Metropolitan Council has announced two public meetings and a public hearing on the proposed Southeast Metro Water Reclamation Facility. The proposed facility would be located at a former wastewater treatment plant in Rosemount and would generate approximately 2 million gallons of treated wastewater from the Empire Wastewater Treatment Plant. A distribution pipeline would deliver the reclaimed water to a proposed waste-to-biofuel facility being developed in Inver Grove Heights.

Details for the two public meetings are below.

**Rosemount Community Center**  
[13885 South Robert Trail, Rosemount, MN](#)  
Monday, May 21, 2018  
6:30 to 8:30 PM

**Inver Grove Heights Community Center**  
[8055 Barbara Avenue E., Inver Grove Heights, MN](#)  
Thursday, May 24, 2018  
6:30 to 8:30 PM

Details for the public hearing are below.

**Rosemount Community Center**  
[13885 South Robert Trail, Rosemount, MN](#)  
Thursday, May 31, 2018  
6:30 to 8:30 PM

## **Metro Cities Policy Committees**

It's time to join Metro Cities' Policy Committees! Policy Committees meet in July, August, and September and cover four different policy areas: Transportation and General Government,

Municipal Revenues, Metropolitan Agencies, Housing and Economic Development. Policy Committees recommend legislative policies for the next legislative session, and those policies serve as a foundation for our work at Metro Cities. Being part of a Policy Committee is a great opportunity for your city to have a voice in the processes for the policies as well as at the legislature. **Please note there are NEW times for committees, as well as a NEW date change for the Housing and Economic Development Committee.**

Policy committees are open to city staff as well as elected officials and the form to sign-up can be found on our [website](#). Whether you are new to the process or have participated in a committee in the past, we welcome your participation in one or more of the committees in 2018.

***Changes This Year:***

- **Committees will meet either Monday, Tuesday, or Wednesday in the morning from 9:00-11:30 am or the afternoon from 1:00-3:30.** We hope this change will be beneficial for planning your schedules! The committees and dates are listed on our website here, and updates and additional information will be posted on these pages as it becomes available.
- **This year we ask that you actively sign up for the committee(s) you wish to attend, even if you have been on the committee in the past.** You are NOT automatically signed up for this year if you were on a committee last year. This will help us keep our rosters current and correct!

All meetings take place at the Metro Cities/League of MN Cities building at 145 University Avenue West, St. Paul.

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

Email or call Kimberly with questions at [kimberly@metrocitiesmn.org](mailto:kimberly@metrocitiesmn.org) or 651-215-4004.

**EVENT: Impact Fund Helps Cities Support Homeownership**

Learn how the Community Homeownership Impact Fund (Impact Fund) can help create and reinvest in affordable owner-occupied homes in your community.

**WHAT:** Brown Bag lunch and learn about the Impact Fund

**WHEN:** Tuesday, May 22<sup>nd</sup> at noon

**WHO:** City staff who want to learn more about creating and preserving owner-occupied homes in their communities

**WHERE:** Minnesota Housing, 400 Wabasha Street North #Suite 400, Saint Paul, MN 55102

The Impact Fund provides funding for developers and administrators of single-family, owner-occupied affordable and workforce housing activity in communities across Minnesota. Resources are available through a competitive Request for Proposal published each spring.

Eligible uses are:

- New construction
- Acquisition, rehabilitation and resale of existing homes
- Owner-occupied rehabilitation
- Reducing interest rates on Minnesota Housing home improvement loans through a Community Fix Up Initiative

To register, send an email to [kenatia.gilmer@state.mn.us](mailto:kenatia.gilmer@state.mn.us).

**Metro Local Governments RoundTable on 2020 Census Event**

Metropolitan Council Research staff will host a meeting of local governments to promote awareness and participation in the 2020 Census on Friday, June 1<sup>st</sup> at 12pm at the Ramsey County Library. The address is 2180 Hamline Avenue North Roseville, MN 55113. For more info on the event, click [here](#).

The meeting will include:

- What local governments are planning for 2020
- Suggested "best practices" offered by Census Bureau's Partnership team
- How local governments work together for regional, shared approaches
- How this fits with other efforts: MN Census Mobilization Partnership, Complete Count Committees, and Census Bureau's own outreach
- Short preview of a future (September) discussion framework

The Metro Local Governments Roundtable will NOT include any broad introduction to 2020 Census; it is intended to be a short 1-hour meeting. If you are new to "what is 2020 Census" and "why does it matter," you can attend the morning session of [Census Mobilization Partnership](#) 9:00-11:30am, at Ramsey County Library. You are welcome to attend both meetings. If you want to focus on what local governments can do, go to the noon meeting. The convener for the June 1 meeting of Metro Local Governments Roundtable is Todd Graham, principal demographer at Metropolitan Council. Contact Todd with any questions at [todd.graham@metc.state.mn.us](mailto:todd.graham@metc.state.mn.us).

### **Metro Cities Breakfast at the June LMC Annual Conference**

If you're attending the 2018 LMC Annual Conference in June in St. Cloud at the Rivers Edge Convention Center, plan to join your metro colleagues for breakfast on Friday, June 22nd at 7:30 am. This is a great chance to mingle with other Metro Cities members and to hear a brief update from Metro Cities staff.

If you're able to join us, please let Kimberly know at 651-215-4000 or [kimberly@metrocitiesmn.org](mailto:kimberly@metrocitiesmn.org).

We hope to see you there!

### **Bills of Note**

[HF 4497](#), Drazkowski: public safety; authorizing law enforcement agencies to terminate peace officers who have substantiated incidents of dishonest conduct.

[HF 4507](#), Franson: natural resources; modifying local authority to remove beaver dams from 300 feet from a road to 300 yards.

[SF 4088](#), Koran: municipal contracting; increasing transparency for certain bids for local governments.

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