



Street Infrastructure Accountability Bill to be Heard in House

A bill to provide statutory clarity for cities to impose a fee for future street improvements is scheduled to be heard February 10 in the House Local Government committee. [HF 527 – Masin](#) provides that authority and supports development while protecting the interests of current taxpayers. Without legislative action, cities must rely on property taxes to pay for new development-related infrastructure.

The bill is supported by Metro Cities, and we are asking cities to contact their legislators on the [Local Government committee](#) to express support for this bill. Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

Senate Property Tax Committee Reviews 4d Expansion Bill

Legislation that would lower the property tax rate from 0.75 to 0.25 percent for certain apartment buildings was heard in the Senate Property Tax committee this week.

The proposal is an expansion of the current 4d low-income rental housing property tax benefit. Two valuation tiers apply to properties classified as 4d. The first tier has a class rate of 0.75 percent (on the first \$174,000 taxable market value per unit for assessment year 2021). The class rate above the first tier is reduced to 0.25 percent (on the value exceeding \$174,000 taxable market value in assessment year 2021) for each unit. The legislation, [SF 316 – Senjem](#), would eliminate the first tier, thereby making all qualifying units in enrolled properties assessed at the 0.25 percent rate.

Metro Cities supports the current 4d program and first tier but has concerns that an expansion could lead to property tax shifts, depending on the city and its local tax base characteristics. Metro Cities is advocating for a study to review the potential effects of an expansion on tax shifts and other property tax implications at the city level and allow state and local policymakers to analyze the effects of this proposal before enactment and decide if modifying the first-tier valuation or not reducing the second tier tax rate to the lowest rate in the state would be more or less significant to existing property tax payers.

Metro Cities, League of Minnesota Cities, and the cities of Robbinsdale and Saint Peter, testified with concerns on the bill. In addition to the potential for shifts and other effects on local tax bases and taxpayers, the legislation does not direct that tax benefits be directed toward specific public policy goals. Metro Cities expressed support for adding directives in the bill that would require that funds saved from tax rate reduction be directed to reducing rent and making property reinvestments.

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

SAFE Account Heard in Committee

[HF 445](#) (Mariani) was heard in the Public Safety committee on Tuesday. The bill appropriates \$35 million from the general fund to a State Aid for Emergencies (SAFE) account. The SAFE account would be used to reimburse local governments after providing mutual aid during extraordinary public safety events. Chair Mariani said he hopes making funds available will incent cooperative work through mutual aid agreements. The legislation comes months after a summer of unrest in the city of Minneapolis where several localities provided the city with the type of mutual aid described in the bill. Localities would apply for reimbursement with the MN Department of Public Safety. Under the bill language an agency providing mutual aid would have 100 percent of their costs covered and an agency receiving that assistance could have 75 percent of their costs covered.

An amendment to the bill would require that the POST board develop a model policy for public assembly responses. It also requires all law enforcement agencies to establish and enforce a written policy that is identical or similar to the POST board policy. HF 445 (as amended) passed and was re-referred to Ways and Means. House and Senate GOP leadership each held press conferences this week voicing opposition to the bill.

Proposed State Fund for Rental Assistance

A new state rental assistance fund would be created under [HF 40 – Howard](#) to provide state funds to help Minnesotans with rental housing costs. The fund would be administered by Minnesota Housing, the state's housing finance agency and designed to assist low-income individuals and families who spend more than 30 percent of their annual income on rent. Minnesota Housing would issue grants to local housing authorities across the state. The local housing authorities then would issue assistance to eligible persons, calculated on the difference between 30 percent of household income and the rent charged.

Eligibility would be based on household income. An individual or family with an annual income up to 50 percent of the area median income and paying more than 30 percent of the individual's or family's annual income on rent would be eligible. However, individuals or families receiving Section 8 federal assistance would not be eligible for the rental assistance program. Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

Continued Business Operations Bill Heard in Senate Jobs Committee

The Senate Jobs Committee heard and passed [SF 1 – Mathews](#) that would provide directives on how a business may remain open without capacity restrictions regardless of any previous or future executive orders. The business would have to develop a COVID-19 safety plan and maintain a safe and healthful workplace. The bill author explained the bill is formalizing current practices by putting it in law. A House companion has not been introduced. Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

Funding for Homeless Shelters Considered by House Committees

Several bills related to funding shelters and related services for Minnesotans facing homelessness and housing instability were heard by the House Preventing Homelessness and Human Services committees this week. [HF 21 – Hassan](#) would appropriate \$25 million to expand shelter capacity across the state. [HF 42 – Howard](#) would appropriate \$17.5 million for emergency services, isolations spaces, and housing support in response to COVID-19. [HF 315 – Howard](#) would

appropriate \$7.5 million in FY22 and FY23 for emergency services grants that provide homeless persons essential services and emergency shelter. The grant program helps eligible organizations improve existing shelters, make available other housing, meet the operating and maintenance costs of shelters, and provide essential services to homeless persons.

The funding for these bills may be considered in a later Human Services budget bill. Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

Election Bills in House and Senate

Two election bills were heard in the House and Senate last week. [HF 9](#) (Greenman) was heard in State Government Finance and Elections and was passed and re-referred to the Judiciary and Civil Law committee. The bill is 70 pages long and includes significant changes to elections in the state.

Major provisions in HF 9 include:

- Automatic voter registration system
- Additional proofs of residence permitted with photo ID for voter registration
- Restoration of voting rights to individuals who have been convicted of a felony after they have completed any imposed incarceration
- Changes to absentee and early voting.
- Provisions related to Help America Vote Act (HAVA) money
- New laws governing voter intimidation, interference, and deceptive practices
- A Small donor match program
- Creation of “Democracy Dollar” coupons
- Provisions related to campaign and redistricting transparency

In the Senate, [SF 173](#) (Newman) was heard in State Government Finance and Policy and Elections where it passed and was re-referred to the Transportation committee. A significant component of the proposal is a new voter ID requirement.

Major provisions in SF 173 include:

- Requirements for showing photo identification when voting in-person and when casting an absentee ballot
- The creation of a new voter identification card which will be available for free
- A provisional balloting system is established for voters who cannot produce photo identification when voting on Election Day
- Money is appropriated to various agencies to pay for the costs of implementing the bill.

Votes to move these pieces of legislation have been party-line. Metro Cities will monitor both bills as they work their way through their respective bodies.

Minneapolis Federal Reserve President Speaks to Senate Committee

President Neel Kashkari spoke to the Senate Finance committee with a background on the Federal Reserve Bank and its purpose this week. This included the bank’s dual mandate of ensuring stable prices and facilitating maximum employment across the country. Kashkari described the economic fallout Minnesota has experienced as a result of the pandemic and said that the state’s current labor market is as bad as it was during the worst stage of the last recession. He highlighted the pandemic’s disproportionate impact across the population and argued that relief should be focused on supporting individuals most affected through things like the unemployment insurance system and housing assistance programs.

The committee's discussion included the efficacy of stimulus checks, reopening businesses, education impacts, and vaccination strategies. Members asked to hear Kashkari's thoughts on what could be done at the state level to help Minnesota recover from the pandemic. In addition to getting as many vaccines administered as possible, Kashkari talked about the importance of rebuilding the childcare sector and increasing the availability of broadband across the state. Chair Rosen echoed the importance of broadband and called attention to the fact that there are portions of the metropolitan area that are in need of reliable broadband.

Transportation Improvement Program (TIP) Development Schedule

The 2022-2025 TIP Development Schedule was discussed during February's Technical Advisory Committee (TAC) meeting. The proposed schedule is slightly changed from what has been used in the past. The public comment period will now run from May 23 to July 6. This change is largely focused on providing staff more time to compile public comment in time for the August Transportation Advisory Board (TAB) meeting. Click [HERE](#) to view the 2022-2025 TIP Development Schedule.

Bills of Note

[HF 527](#), Masin/[SF 277](#), Pratt: Bill authorizes municipalities to charge a street impact fee.

[HF 528](#), Howard: Appropriate a state match for local housing trust funds.

[HF 530](#), Quam: Bill authorizes a city to designate up to 30 percent of qualifying properties in its commercial and industrial areas as a business retention zone.

[HF 538](#), Quam: Establishes an \$80 million business expansion loan program.

[HF 541](#), Quam: Bill proposes an amendment to the Minnesota Constitution that would allow owners of agricultural land, property that is both non-homesteaded and noncommercial, or small business property to vote on levy or bond referendums where the property is located.

[HF 544](#), Quam: Bill dedicates a portion of local government aid to create a loan program to renovate rural municipal water treatment facilities.

[HF 545](#), Quam: Bill dedicates a portion of local government aid to cities for housing.

[HF 547](#), Quam/[SF 316](#), Senjem: Bill modifies the class 4d property tax rate to 0.25.

[HF 548](#), Quam: Extends the historic structure rehab credit sunset.

[HF 554](#), Bahr: Bill authorizes local government licensing of facilities for barbering and cosmetology.

[HF 556](#), Mekeland: Allows a business that was partially or completely closed due to executive order to bring an action in district court to compel the state to commence condemnation proceedings and payment of just compensation.

[HF 560](#), Urdahl: Bill appropriates money to the Minnesota Historical Society for grants to cities for façade preservation in historic commercial districts.

[HF 567](#), Fischer: Appropriates \$500,000 for housing discrimination testing.

[HF 589](#), Christensen: Bill requires a legislative report on the transit taxing district.

[HF 593](#), Frazier: Bill requires the Peace Officer Standards and Training Board to revise the standards of conduct for peace officers.

[HF 597](#), Freiberg: Bill increases the total appropriation for local government aid to \$569,870,718 for aids payable in 2022 and thereafter.

[HF 607](#), Bahner: Bill creates a system for automatic voter registration.

[HF 621](#), Davids: Bill requires an election before seeking legislative authority for cities seeking authority to impose local sales and use taxes.

[HF 640](#), Gomez: Requires local units of government to establish law enforcement citizen oversight councils.

[HF 642](#), Davnie: Prohibits certain activities by Internet service providers serving Minnesota customers and those under contract to the state or political subdivisions; net neutrality.

[HF 646](#), Lee: Bill requires the council to coordinate with the Pollution Control Agency to deploy buses with the lowest emissions on routes that serve locales with poor air quality.

[HF 658](#), Johnson: Bill provides for the election of the police chief in cities of the first class.

[HF 702](#), Becker-Finn: Bill allows cities and towns to require additional licensing for hotels.

[HF 728](#), Lee: Bill authorizes the issuance of redevelopment appropriation bonds for areas damaged by civil unrest.

[HF 730](#), Mariani: Bill establishes a grant program to reimburse law enforcement agencies for the cost of hiring a public safety policy and training consultant.

[HF 754](#), Long/[SF 341](#), Dibble: Bill requires a racial impact screening of certain legislation.

[SF 499](#), Bigham: Bill establishes an early voting system beginning 30 days before every primary, general, and special election.

[SF 513](#), Ruud: Bill appropriates money for local recreation grants for parks and outdoor recreation.

[SF 520](#), Newman: Bill amends provisions relating to grants for local bridge replacement or rehabilitation projects.

[SF 521](#), Newman: Bill requires the Department of Transportation to publish information about project selection and requires the department adopt certain project selection policies.

[SF 568](#), Osmek/[HF 402](#), Hansen: Bill appropriates \$20 million for inflow and infiltration grants in the metropolitan area.

[SF 602](#), Coleman: Bill prohibits the use of state funds for operating and capital costs of future light rail lines.

[SF 620](#), Howe: Bill modifies the definition of “public official” in a city or county.

[SF 625](#), Howe/[HF 758](#), Petersburg: Bill modifies the allocation of tax revenue from motor vehicle repair and replacement part sales.

[SF 633](#), Bigham: Bill authorizes the creation of fire protection special taxing districts.

[SF 651](#), Kiffmeyer: Bill changes the requirements for in-person absentee voting polling places.

[SF 652](#), Kiffmeyer: Bill requires the secretary of state to provide a list of election judges to each major political party after each election.

[SF 653](#), Pratt/[HF 200](#), Mortensen: Bill authorizes recall elections for certain city officials.

[SF 670](#), Dahms/[HF 783](#), Swedzinski: Bill expands exemption for the motor vehicle sales tax for certain purchases made by local governments.

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