

Legislative Updates

The Legislature is concluding the seventh week of the 2021 session. The hearing schedule this week was again full, with several bills heard and advanced that are of interest and concern to Metro Cities. Please see below for updates on specific bills, as well as the Bills of Note section that lists newly introduced bills of interest to cities. The February budget and economic forecast will be released next Friday, February 26th, and will serve as a foundation for policymakers in setting the state budget.

House Committee Hears Street Impact Fee Bill

Cities would have statutory clarity to charge for street infrastructure necessary to support new residential development under a bill that was heard and laid over by the House State Government committee on February 18.

[HF 527 – Masin](#) would authorize a city to charge for street infrastructure tied to new residential development. The bill was passed by the House Local Government committee last week. This bill is supported by Metro Cities. Thank you to the city officials who provided support for the bill. Contact Charlie Vander Aarde at charlie@metrocitiesmn.org or 651-215-4001 with any questions.

Local Salary Cap Repeal Bill Passes House Committee

[HF 325-Masin](#), that repeals the local government salary cap, was heard and passed in the House Local Government Committee on Wednesday. Metro Cities provided written testimony to support the bill. An amendment to raise the cap to \$200,000 was proposed and defeated. This bill has been considered in recent legislative sessions. Arguments by the League of MN Cities and local officials during the hearing included the challenges for local governments in recruiting staff and a policy that allows local salaries to be arbitrarily determined by a state agency. The bill was passed and re-referred to the State Government Committee.

Bill Provides Open Meeting Law Change for Exceptions During Pandemic

[SF 852 – Jasinski](#) was heard and passed in the Senate Local Government committee on Tuesday. Currently, members attending meetings covered by the Open Meeting Law are not required to provide their location if they have been advised by a health care professional against being in a public place for personal or family medical reasons. The medical exception only applies during a state of emergency and can only be used three times in a calendar year.

Many public officials have made the decision to attend meetings remotely as a result of the COVID-19 pandemic. SF 852 removes the cap on the number of meetings an official can attend remotely through July 1, 2021. SF 852 passed unanimously out of the committee and was sent to the Senate floor.

Rep. Koegel is carrying the companion bill. [HF 820](#) is scheduled to be heard in the Local Government division next week.

Local Government Aid Reimbursement Bill Passes Senate

[SF 749-Weber](#), that would allow cities that provide unreimbursed mutual aid to another city to seek reimbursement by filing with the Office of the State Auditor, with any reimbursement to the city providing the aid deducted from the aid payment to the city receiving aid passed off the Senate floor Monday. Metro Cities' policies oppose statutory changes to local government aid that single out specific cities, and changes that would use the distribution to influence particular local policy decisions, and Metro Cities provided a letter addressing these concerns to Senate members. Questions? Contact Patricia Nauman at 651-215-4002 or patricia@metrocitiesmn.org

SAFE Account Bill Defeated in House

[HF 445 – Mariani](#) failed to pass the House Thursday evening. By way of background, HF 445 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. Local law enforcement agencies apply for reimbursement with the MN Department of Public Safety. 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. Some costs eligible for reimbursement under this bill include overtime costs, logistical needs, incidental supplies, backfill personnel costs, and damaged equipment.

The bill also requires the POST board to develop a model policy for responding to public assemblies and requires local law enforcement agencies to develop similar policies. The bill as amended also requires the POST board to conduct a compliance review after any major public safety event.

HF 445 did not pass with a vote of [63-71](#). After the vote, the bill was laid on the table.

Bill Legalizing Recreational Cannabis Passes House Committee

The House Commerce Committee moved [HF 600 – Winkler](#) forward on a 10-7 vote on Wednesday, February 17. This legislation proposes legalizing and regulating recreational cannabis through a Cannabis Management Board. The bill would prevent cities from restricting cannabis businesses in their jurisdiction but would allow cities to establish reasonable restrictions alongside the Cannabis Management Board. The bill would allow cities to conduct studies regarding the operation of cannabis businesses and cities participating in such studies would be allowed to delay cannabis businesses opening until January 1, 2024. The bill would require the Cannabis Management Board to seek input on applications from local governments and local governments will certify whether applicants comply with local ordinances. An amendment was added to regulate the proximity of distributions to schools and day cares. The bill will be heard next on Tuesday, February 23 by the Labor, Industry, Veterans and Military Affairs Committee.

Staggered Terms Bill Passes House Committee

[HF 344-Masin](#), that would provide four-year staggered terms for members of the Metropolitan Council, was heard and passed the House Local Government Committee this week. Metro Cities provided testimony in support of the bill. Staggered terms for Council members have been proposed in recent years, along with modifications to the nominating committee process for recommending Council membership to the Governor. The last time a staggered terms bill passed the Legislature was in 2008 and that bill was vetoed by the Governor. The 2008 bill was a stand-alone bill initiated and supported by Metro Cities. HF 344 is also a stand-alone staggered terms bill. The bill does not currently have a Senate companion. Questions? Contact Patricia Nauman at 651-215-4002 or patricia@metrocitiesmn.org

Senate Bill Restricts Distribution of MHFA Funds

The Senate Housing committee debated and passed [SF 916](#) – Draheim, that proposes modifications to how the state awards funds for affordable housing developments. Metro Cities provided written testimony highlighting its potential negative effects on cities as they address housing needs.

The bill adds requirements for construction timelines and cost-per-unit. It would compare development costs of newly built construction against the values of existing single family housing stock, two distinct markets. Additionally, developed cities have rehabilitated buildings into new affordable units. Other developments meet the needs of large families or provide services, all with per unit costs that do not match the median price of existing single-family homes. These would be precluded under the bill. The bill would also direct the state to allocate bond proceeds equally across congressional districts for an eight-month period. This could unnecessarily delay projects that otherwise qualify for funds.

The bill passed the committee and was re-referred to the Senate Capital Investment committee. A House companion has not been introduced. Contact Charlie Vander Aarde at charlie@metrocitiesmn.org or 651-215-4001 with any questions.

Election Bills Receive Hearings

Two bills with potential impacts on elections administration at the local level were heard in the Senate State Government Finance and Policy and Elections committee this week.

[SF 651 – Kiffmeyer](#) establishes several requirements for in-person absentee voting locations. The first is that they must be located at a designated precinct polling place. Second, they must be open and staffed for the entire 46 day early voting period. Finally, these locations must be open during the same days and hours as the office of the county auditor for its early voting operations. Some members on the committee voiced concerns that this bill would limit a city's ability to adjust early voting locations and hours based on increased demand in a particular part of the city or at the end of the early voting period. SF 651 was laid over for possible inclusion in an elections omnibus bill.

[SF 652 – Kiffmeyer](#) requires municipal clerks to submit a list of election judges serving for a given election to the Minnesota Secretary of State. The list must include the names, addresses, and party affiliation of each election judge. The lists also must be provided to the chair of each major political party. The Minnesota Secretary of State submitted a letter opposing this bill arguing that the proposed legislation might dissuade individuals from serving as election judges and that the information in the required lists could potentially be weaponized by political parties. SF 652 was re-referred to the Civil Law and Data Practices Committee.

Rent Control City Preemption Bill Passes Senate Committee

The Senate Housing committee debated and passed [SF 912](#) – Draheim, a bill that would repeal the exception allowing local governments to control rents if approved by the voters.

State law currently prohibits a city from controlling rents on private residential property except in cases where it is approved in a general election. The bill removes the general election authority, thereby preempting any city from adopting a rent control measure. Metro Cities opposed the bill on the grounds of local pre-emption. The bill was re-referred to the Senate Local Government committee. A House companion bill has not been introduced. Contact Charlie Vander Aarde at charlie@metrocitiesmn.org or 651-215-4001 with any questions.

Senate Housing Committee Considers 30-Year Rental Affordability Requirement

A bill requiring 30-year affordability for rental housing projects financed at least in part by the Housing Finance Agency was debated by the Senate Housing committee. [SF 889](#) – Port requires Minnesota Housing to impose rent and/or income restrictions on a multifamily rental housing development as a condition of MHFA financing, or as a condition of an allocation or award of federal low-income housing tax credits. The restrictions must be contained in a covenant running with the land for at least 30 years.

The bill mirrors local efforts to require 30-year affordability on projects receiving low-income housing tax credit financing and other public financing. The bill may be included in a larger omnibus housing bill. The House companion, [HF 747](#) – Hornstein, is scheduled to heard in the House next week. Contact Charlie Vander Aarde at charlie@metrocitiesmn.org or 651-215-4001 with any questions.

Senate Committee Hears from Suburban Transit Providers

Lee Simich of SouthWest Transit and Luther Wynder from the Minnesota Valley Transit Authority spoke before the Senate Transportation committee this week, with a walk through of a history of suburban transit in the metropolitan area. Mr. Simich outlined how COVID-19 affected transit operations and how they spent CARES Act funds to help in that effort. Mr. Wynder described the association's legislative priorities which include policies on funding and increased flexibility for suburban providers moving forward. Click [HERE](#) to view the Suburban Transit Association slides. Questions? Contact Michael Lund at michael@metrocitiesmn.org or 651-215-4003.

Proposed Federal COVID Relief Package

The newest proposed federal COVID relief package, announced by the House Committee of Oversight and Reform, provides \$350 billion for State, Local, Tribal and Territorial support. Sixty percent of funds would go to states, and forty percent to localities, with local governments receiving predetermined amounts. Funds would be awarded directly from the Treasury within 60 days of enactment and distributed to cities using a modified Community Development Block Grant formula. Funds could be used to replace revenue that was lost, delayed, or decreased due to the pandemic. See below for the proposed distribution:

States and the District of Columbia: \$195.3 billion

- \$25.5 billion equally divided — every state receives at least \$500 million
- \$169 billion based on the state's total unemployed workers

Local governments: \$130.2 billion divided between cities and counties

- \$65.1 billion to cities
 - \$45.57 billion for cities with populations of at least 50,000
 - \$19.53 billion for cities with populations of less than 50,000, capped at 75% of the city's most recent budget as of January 27, 2020
- \$65.1 billion to counties depending on population

Tribes: \$20 billion to federally recognized Tribal governments.

- \$1 billion divided equally
- \$19 billion divided as determined by the Secretary of the Treasury

Metro Cities is providing letters of support to Minnesota's Congressional delegation and will provide further updates.

Metropolitan Council Committee Adopts Changes to Livable Communities Program Criteria

The Metropolitan Council Community Development Committee passed the 2021 Livable Communities funding plan for this year and the full Council will vote next week. As Metro Cities has [reported](#), the committee considered and authorized new scoring criteria to the Livable Communities Demonstration Account and LCDA TOD programs.

Metro Cities testified on the proposed changes, noting Metro Cities long-standing support of the LCA programs and the importance of a program structure that ensures reasonable opportunities for all LCA cities to access funding, with criteria that reflect the variety in local opportunities, capacities and constraints. Metro Cities' LCA policy emphasizes the need for sufficient flexibility in criteria to ensure criteria reflect the scope of the program's objectives and promote local participation. Metro Cities will monitor the effects of any changes on local participation and application processes and will continue to provide feedback.

To provide more information to cities on the changes, the Council is offering a webinar as follows:

LCDA & TOD 2021 Information Session

Thursday, March 11

1:30 pm

City officials and development partners can learn about changes to the LCDA and TOD programs for 2021. The Council will go over scoring, eligible activities, fund availability, and review the application process for Pre-Development and Development.

[Registration is required.](#)

Racial Equity in Transportation Planning

The Metropolitan Council Transportation Advisory Board (TAB) participated in a conversation on race equity and its nexus with TAB's work. The presentation started with an overview of relevant concepts and definitions to ground committee's discussion in a common set of terms. The slides also include information on current disparities in Minnesota and the metropolitan region. The presentation concludes with an exploration of what it looks like to make policy using a race equity lens. Click [HERE](#) to view the presentation slides. Questions? Contact Michael Lund at michael@metrocitiesmn.org or 651-215-4003.

Bills of Note

The following bills of interest to Metro Cities were introduced this week:

[HF 1096](#), Hertaus: Bill modifies the local government aid formula.

[HF 1100](#), Frederick/[SF 1000](#), Dornink: Bill appropriates \$100 million in bond proceeds to the Public Facilities Authority including \$45 million for municipal grants for water infrastructure funding and \$45 million for municipal grants as a part of the point source implementation grants program.

[HF 1117](#), Franke: Bill exempts construction materials purchased by contractors from sales tax if they are to be used for local government projects.

[HF 1140](#), Elkins: Bill modifies terminology and requirements in the open meeting law related to meetings conducted through the use of telephone or interactive technology.

[HF 1147](#), Olson, B.: Bill appropriates \$16 million over two years for the small cities assistance program.

[HF 1155](#), Fischer: Bill appropriates \$500,000 for a municipal PFAS source reduction initiative.

[HF 1157](#), Howard: Bill makes the Class 4d property classification rate 0.25 percent.

[HF 1171](#), Sandstede: Bill modifies the sparsity factor in the local government aid formula.

[HF 1196](#), Gomez: Bill prohibits government entities from acquiring facial recognition technology.

[HF 1213](#), Daudt: Bill increases local government aid payments for cities that discontinue operation of their municipal liquor store. The bill prohibits the future establishment of municipal liquor stores and requires a vote by residents of the city in order to continue the operation of existing stores.

[HF 1216](#), Daudt: Bill repeals the prohibition on municipalities issuing more than one off-sale liquor licenses to any one person or place.

[HF 1277](#), Munson: Bill prohibits political subdivisions from spending public money for lobbying.

[HF 1298](#), Her: Bill requires the commissioner of revenue to conduct a study on class 4d properties.

[HF 1306](#), Elkins: Bill authorizes the Metropolitan Council to issue administrative citations for transit fare evasion and impose civil fines.

[HF 1311](#), Youakim: Bill allows for energy improvement project special assessment.

[HF 1343](#), Elkins: Prohibits unauthorized use of bus rapid transit fixed guideways.

[SF 988](#), Johnson Stewart/[HF 274](#), Elkins: Bill authorizes cities to impose a local sales tax on motor fuels to fund construction, reconstruction, and maintenance of transportation infrastructure.

[SF 1049](#), Torres Ray/[HF 504](#), Lee: Bill establishes public engagement requirements for certain trunk highway construction projects.

[SF 1050](#), Torres Ray/[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.

[SF 1060](#), Cwodzinski: Bill repeals the compensation limit for local government employees.

[SF 1071](#), Dahms/[HF 979](#), Olson, L.: Bill appropriates \$22,425,000 in FY22 and \$22,425,000 in FY23 to the Minnesota Housing Finance Agency for the challenge grant program.

[SF 1089](#), Rosen: Bill requires units of local governments that have received money from the Coronavirus Relief Fund to review expenditures for FEMA reimbursement. Local governments are given 14 days after FEMA reimbursement to return funds to the Coronavirus Relief Fund.

[SF 1112](#), Eken: Bill modifies the local government aid formula and adds an inflator to the total appropriation.

[SF 1151](#), Newman: Bill prohibits the use of highway user tax distribution funds or trunk highway funds for bicycle lanes or routes. The bill also prohibits the commissioner of MnDOT from converting vehicle travel lanes into bicycle lanes or routes.

[SF 1186](#), Draheim: Bill appropriates \$25 million in FY22 and \$25 million FY23 for the border-to-border broadband fund.

[SF 1192](#), Housely/[HF 589](#), Christensen: Bill requires a legislative report on the transit taxing district.

Metro Cities Welcomes New Staff

Michael Lund was recently hired as a Government Relations Specialist for Metro Cities, filling the position recently held by Steven Huser who accepted a government affairs position with the city of Minneapolis in January.

Mike previously served in a temporary government relations capacity with Metro Cities as well as the League of MN Cities and worked in the Elections department for Hennepin County. Mike will cover transportation, general government, environment and other issues. Mike recently received his Masters' Degree in public policy from the Hubert Humphrey School of Public Affairs. We are very pleased to welcome Mike to our team. He can be reached by email at michael@metrocitiesmn.org and at 651-215-4003.

Elise Busse also joins Metro Cities as a temporary Government Relations Associate for the 2021 session. Elise previously worked as an intern for the National Federation of Independent Business in Washington, DC and recently earned a B.A. from the University of Minnesota in vocal performance. Her email is Elise@metrocitiesmn.org We are happy to have Elise as part of our team for the 2021 session.

Metro Cities News is emailed periodically to Metro Cities member mayors, councilmembers, city managers/administrators, and city staff to keep officials and staff abreast of important metro city issues.

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