



Sacred Settlement Bill Passes Human Services Committee

Metro Cities is continuing to monitor a bill that would permit residential structures to be placed permanently on sacred settlement properties. [HF 1484](#) would authorize micro unit dwellings under 400 square feet to be sited on the grounds of a religious institution, to provide housing for homeless populations and support staff. The structures would be exempt from certain state building code requirements.

The legislation requires sacred settlements to provide access to water and electric service either via connection to utilities serving the principal building on the lot, or by providing access to permanent common facilities for toilet, bathing, and laundry, as well as common kitchen facilities. The bill would make sacred settlements subject to municipal approval and regulation as a permitted use, conditional use, or planned unit development, as determined by the municipality.

The bill had its second House hearing this week and passed to the House Labor committee. Metro Cities provided a letter outlining concerns on the bill's effects on city responsibilities for local public health and safety including the spacing of units and access for first responders and public safety vehicles. Metro Cities is seeking feedback from city officials about the legislation. Please send your comments to charlie@metrocitiesmn.org.

Bill Allows Metropolitan Council to Fund Private Property Inflow-Infiltration Mitigation

[HF 1359](#)-Freiberg, which would allow political subdivisions of the state, including the Metropolitan Council, to establish an inflow and infiltration (I/I) prevention program and make loans or grants to property owners, was heard and passed the House Local Government Division on Wednesday. Currently, only cities have this authority under state law. The Metropolitan Council would be allowed to establish a program using a portion of the municipal wastewater charge (MWC) to address private property I/I mitigation. In testimony Wednesday, the Council indicated that it would develop a program using a small portion of the MWC, with criteria and guidelines developed with input from customer representatives, and a public hearing process. In testimony, Council representatives discussed the challenge of addressing private property I/I in particular, and the importance of addressing the issues locally to alleviate the need for wastewater asset expansion. Metro Cities' legislative policies stipulate that any program established by the Council using wastewater fees for this purpose must include a process for local official input as any program is established, and Metro Cities provided testimony to this effect on Wednesday. Please contact Patricia Nauman at 651-215-4002 or patricia@metrocitiesmn.org with any questions.

PERA Aid Bill

The Legislative Commission on Pensions and Retirement heard [HF 1678](#)-Youakim, providing for a reinstatement of state PERA aid to local governments to meet employer PERA obligations, on Tuesday. This aid, originally enacted in 1997, expired in June 2020. The original legislation anticipated full funding for PERA obligations by 2020. Full funding is now anticipated to occur by 2048. Every governmental unit is required to pay its share of pension costs under rates established by the Pension Commission. Cities have no direct control over their share of costs.

The cost of the bill is \$13 million annually. Metro Cities supports the bill and provided a joint letter with the League of MN Cities and other city and county organizations to the committee. Similar legislation has been considered over the last few years. The bill was adopted by the Commission for inclusion in an omnibus pensions bill. Questions? Contact Patricia Nauman at patricia@metrocitiesmn.org

Bill Pauses State Building and Energy Code Updates

[SF 910](#) – Draheim would preclude adoption of a new state building code until 2026 and adds offset requirements to energy code updates. The bill passed the Senate Housing committee and was referred to the Labor committee. The bill deletes existing allowances for advancing construction methods, technology, or materials. The bill would preclude these considerations unless meeting a strict five-year cost offset benefit analysis for energy codes. Metro Cities' policies recognize that making homes and buildings more energy efficient will make them more affordable to operate and shared those concerns with the committee. Contact Charlie Vander Aarde at charlie@metrocitiesmn.org or 651-215-4001 with any questions.

Redevelopment and Economic Development Funding Bill Heard

A funding bill for redevelopment and economic development programs that are important to cities was heard in the House Jobs committee. [HF 819](#) – Koegel funds the state Redevelopment Grant and Demolition Loan Program at \$8 million per year. Metro Cities, working with the Economic Development Association of Minnesota, supports an appropriation to ensure funding in the next state budget. The bill also includes \$12.37 million for the Minnesota Investment Fund and \$8 million for the Job Creation Fund. These are the base funding levels signed into law in 2019. Governor Walz's budget recommendations cuts approximately \$5 million from these funds.

City officials from Fridley, Le Sueur and Worthington provided examples on the need for funds, the number of jobs created and how much private capital was leveraged. The bill was laid over by the committee. The Senate companion awaits a hearing in the Senate Jobs committee. Contact Charlie Vander Aarde at charlie@metrocitiesmn.org or 651-215-4001 with any questions.

City Hotel Licensing

Cities would be allowed to adopt an ordinance requiring hotels operating within the boundaries of the city to have a valid license issued by the city under a bill heard in the House Local Government committee. [HF 702](#) – Becker Finn was authored in response to hotel properties with public health and public safety concerns.

The bill would allow a city to refuse to issue a license or revoke a license if the hotel fails to comply with the licensing conditions. The bill was referred to the House State Government committee. The Senate companion, [SF 923](#) – Marty, has not received a hearing. Contact Charlie Vander Aarde at charlie@metrocitiesmn.org or 651-215-4001 with any questions.

Workforce & Homeownership Bill Passes Committee

A bill that would fund a homeownership assistance program at Minnesota Housing was heard in the House Housing committee. [HF 998](#) – Schultz would establish a workforce and affordable homeownership development account funded through annual increases in the mortgage registry tax and deed tax collected in the prior year. The program has been funded in previous years through legislative appropriations rather than this proposed mechanism. The bill passed the committee and was referred to the Tax committee.

Rent Control Preemption Bill Sent to Senate Floor

The Senate Local Government committee debated and passed [SF 912](#) – Draheim, a bill that would repeal the exception allowing local governments to establish rent controls that are approved by 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 continues to oppose the bill on the grounds of local preemption. Contact Charlie Vander Aarde at charlie@metrocitiesmn.org or 651-215-4001 with any questions.

Senate Debates Ending Eviction Moratorium, Issuing Rental Assistance

A bill that would revoke Governor Walz’s executive order 20-79 that created an eviction moratorium in 2020, was debated in the Senate Housing committee. [SF 1470](#) – Draheim would end the eviction moratorium and create a timeline for reinstating eviction actions.

Under the bill, from 45 days, eviction actions would be permitted for lease breaches other than nonpayment of rent for households with annual income up to 80 percent of area median income (AMI); from 60 days eviction actions would be permitted for those with outstanding rent but who are ineligible for rental assistance and termination of residential leases except at the request of a tenant or where termination is due to the tenant endangering safety or damaging property. From 15 days, termination of leases would be permitted for breaches other than nonpayment of rent for households with annual income up to 80 percent of AMI and from 30 days termination of leases would be permitted for those with outstanding rent but who are ineligible for rental assistance.

The Senate has established an internal bipartisan working group to work on legislation. SF 1470 passed and was referred to the Senate Civil Law committee. Contact Charlie Vander Aarde at charlie@metrocitiesmn.org or 651-215-4001 with any questions.

Sprinkler Bills Heard in House, Senate Committees

The legislature heard several bills related to fire sprinkler requirements this week. [HF 109](#) – Noor would require existing high-rise buildings where humans occupy a floor above the reach of fire department vehicles (75 feet) to have automatic sprinkler systems installed to code in every area where one would be required if the building was built today. The bill sets an August 1, 2033 deadline. Condominiums or residential buildings in which at least 70 percent of units are owner occupied would be exempt. The bill passed the Labor committee and was referred to the floor.

[HF 1015](#) – Marquart would require fire sprinklers for large event venues such as barns. Automatic fire sprinklers would be required if on or after August 1, 2008 the facility was constructed, added to, or altered and it has an occupant load of 300 persons or more. The bill also amends the definition of place of public accommodation from 200 to 100-person occupancy. The bill passed the Labor committee and was referred to the House Public Safety committee. [SF 524 – Housley](#) is the companion bill. The Minnesota Rural Event Venue Association (MNREVA) supports this legislation. The bill passed out of the Senate Judiciary Committee and was referred to the Senate floor.

Budget Recommendations for MnDOT and Metropolitan Council

The Governor’s budget recommendations for MnDOT and the Metropolitan Council were presented before the House Transportation Committee on Thursday ([HF1027](#) – Hornstein). MnDOT Commissioner Anderson Kelliher highlighted a \$18 billion funding gap over the next 20 years based on available revenue and identified need. Click [HERE](#) to view the MnDOT slides.

Metropolitan Council Chair Zelle presented the Council's budget request and outlined four principles guiding planning efforts. These include commitments to advance equity and reduce regional disparities, grow ridership, designing a network that supports a transit-oriented lifestyle and ensuring sustainable growth of the bus network.

Chair Zelle noted the role of one-time money from federal COVID relief packages in balancing the Council's transportation budget. The Council is projecting a deficit of over \$200 million in FY 2024-2025. The proposed budget also includes language that clarifies funding responsibilities for the operation and maintenance costs of transit guideways. The Council argued that this language simply codifies existing practice, but several county commissioners testified saying this change shifts costs onto their budgets and removes local control. Click [HERE](#) to view the presentation slides.

Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

Administrative Citations (Metro Transit)

The Senate and House Transportation Committees heard legislation to allow the Metropolitan Council to issue administrative citations for nonpayment of transit fares. Click [HERE](#) to view the Metro Transit Security Update slides. Will Schroer from East Metro Strong provided information on strategies employed by other large transit agencies and explained many agencies treat fare nonpayment as a petty misdemeanor and issue administrative citations. Click [HERE](#) to view the presentation from East Metro Strong.

[HF 1306](#) – Elkins passed the House Transportation Committee and was referred to Public Safety.
[SF 1513](#) – Dibble was heard in the Senate Transportation Committee on an informational basis and was laid over. Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

Street Improvement District Bill to be Heard in House

The hearing for [HF 1565](#) – Elkins is scheduled for Wednesday, March 10. The bill authorizes cities to create street improvement districts in order to finance street improvement projects and fund maintenance efforts. The bill requires cities to hold a public hearing prior to establishing a district. Fees can be collected for no less than five years and no more than 20 years. Finally, the bill includes an appeal process for property owners objecting to the fee. Click [HERE](#) to view the bill text. There is no companion bill in the Senate at this time. Metro Cities supports this bill. Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

PFAS Initiative Heard in Senate

[SF 1410](#) – Weber was heard in the Senate Environment and Natural Resources Finance Committee Wednesday and laid over for possible inclusion in the committee's omnibus bill. The bill appropriates \$500,000 in FY 2022 from the general fund to the commissioner of the Pollution Control Agency to develop an initiative to reduce sources of perfluoroalkyl and polyfluoroalkyl substances (PFAS) in the environment.

The bill creates an advisory group that includes one municipal representative designated by a number of associations including Metro Cities. While before the committee, amendments were adopted to give stakeholders representation (counties, solid waste administrators, and manufacturers). With the help of the advisory group, the commissioner is tasked with identifying sources of PFAS as well as strategies to effectively reduce the amount of PFAS entering the

environment. The House companion, [HF 1155](#), is being carried by Rep. Fischer. Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

Homeless Prevention Aid Program Proposed

A new program to provide rental assistance and casework management was considered by the House Homelessness committee. [HF 1791](#) – Gomez would create a new state aid to counties that can be used to fund family homeless prevention and assistance projects. The aid would be administered by the Department of Revenue and would distribute \$55,000,000 annually beginning in 2022. The bill passed and was referred to the House Human Services Committee.

Cannabis Legalization Bill Advances

[HF 600: Winkler](#) was heard and passed in the House Workforce and Business Development Committee on Wednesday, March 3. Public testimony was primarily in support of the bill, with a number of local business owners who have sold CBD products successfully speaking in favor of the bill. Points were made that after a year of economic decline a legal cannabis marketplace could give the Minnesota economy a boost. Committee members voiced concerns over the risk of impairment at work, and a testifier from the Minnesota Precision Manufacturing Association brought a similar concern citing the large machinery and equipment needed with some types of employment. The bill contains language that a business can enforce a private cannabis policy for their employees while they are at work. The bill passed to the House Agriculture Committee with 10 ayes, 2 nays, and 1 abstaining vote.

Bill Providing Funds to Address Racial Injustice Passes House Committee

[HF 784](#) – Thompson would provide \$457 million in state funds to address racial injustice and systemic racism. The bill was heard in the House State Government committee. The bill would make one-time appropriations to several agencies related to efforts to end systemic racism in various sectors of state government and economic structures. Policy areas included are human rights, culture and heritage preservation, entrepreneurial and business training and assistance, housing stability, culturally competent public health, education, urban agriculture, and public safety. The bill passed and was referred to the House Judiciary committee.

TAC Regional Solicitation Survey and Preparation

On Wednesday, March 3, the Transportation Advisory Board's (TAB) Technical Advisory Committee (TAC) met and discussed a regional solicitation feedback survey conducted back in February. Surveys were sent to applicants, scorers, TAB members, and TAC Funding and Programming Members. The most common feedback was the need for clarity and ease for the online programming. Joe Barbeau, the Senior Planner for the TAC, also highlighted the five major issues heading into 2022. There were: funding unique projects, creating a balance of funds for different geographic regions, simplifying bicycle and pedestrian bridge categories, creating a baseline for evaluations, and clarifying measures and scoring for applicants and scorers. After a period of public comment and a series of committee hearings, the TAC is hopeful for TAB approval by November.

Bills of Note

[S.F. 1564](#), Rosen: Bill modifies the federal fund request process and adjusts the process for reviewing federal funds expenditures.

[S.F. 1596](#), Fateh: Bill repeals restrictions on rent controls by local governments.

[S.F. 1600](#), Howe: Bill limits absentee voting and modifies processes.

[S.F. 1604](#), Dornik: Bill appropriates money for town roads and bridges.

[S.F. 1624](#), McEwen: Bill appropriates money for Minneapolis to Duluth high-speed passenger rail.

[S.F. 1640](#), McEwen: Bill legalizes adult-use cannabis.

[S.F. 1642](#) Dziedzic/ [H.F. 718](#) Vang: Bill authorizes cities to adopt certain pesticide control ordinances.

[S.F. 1651](#), Port/ [H.F. 1375](#) Frazier: Bill authorizes adoption and use of ranked-choice voting.

[S.F. 1675](#), Torres Ray / [H.F. 1844](#) Davnie: Bill creates civil unrest relief program.

[S.F. 1781](#), Nelson / [H.F. 1350](#), Boldon: Bill provides city authority to impose ordinances on the dedication of land or fees on certain permit applications.

[S.F. 1792](#), Draheim: Bill appropriates money to the Minnesota Housing Finance Agency for the economic development and housing challenge program.

[S.F. 1794](#), Draheim: Bill appropriates money to the Minnesota Housing Finance Agency for the workforce and affordable homeownership development program.

[H. F. 1693](#), Carlson: Bill creates the Office of Enterprise Sustainability which provides sustainability tools and practices for local governments.

[H. F. 1696](#), Baker: Bill appropriates funds for emergency loans to hospitality businesses.

[H. F. 1698](#), Nash: Bill defines operating costs for the light rail.

[H. F. 1701](#), Nash / [S.F. 1705](#), Coleman: Bill appropriates money to the Public Facilities Authority for grants.

[H. F. 1734](#), Hansen: Bill creates grants and technical assistance for the Climate Resiliency Program for local governments.

[H. F. 1735](#), Youakim: Bill modifies the parameters of renter's credit to increase refunds.

[H. F. 1736](#), Fischer: Bill provides flexibility on the use of tax increments and extends the five-year rule for certain redevelopment districts.

[H. F. 1746](#), Boldon: Bill allows multiunit residential properties to pay service charges and allows the city to adopt ordinances establishing a special service district.

[H. F. 1759](#), Agbaje: Bill establishes requirements for certain transit and highway projects in the metro area.

[H. F. 1775](#), Elkins: Bill modifies political party designation and requirements and allows political parties to authorize which candidates may affiliate.

[H. F. 1809](#), Frederick: Bill amends provisions for grants for bridge replacements and rehabilitation.

[H. F. 1819](#), Masin: Bill repeals the political subdivision compensation limit.

[H. F. 1838](#), Elkins: Bill establishes a pilot program providing grants for housing infrastructure.

[H. F. 1839](#), Elkins: Bill modifies planning and zoning fees.

[H. F. 1840](#), Elkins: Bill limits municipal planning and zoning controls.

[H. F. 1899](#), Lee: Bill requires the purchase of electric buses by the Metropolitan Council.

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