



Metro Cities Annual Meeting: Mark Your Calendar

Metro Cities Annual Meeting is held each April to conduct elections to the Board of Directors. This year's meeting will be held as a virtual meeting Thursday, April 15, 2021 at 4:00 pm. The meeting will begin with guest speaker Rick King, Chair of the Metropolitan Airports Commission (MAC), followed by elections of Metro Cities Board officers and members and remarks by President Myron Bailey and Vice President Melanie Mesko Lee. Please mark your calendars! The slate of recommended officers and Board members was emailed to city officials. A quorum of members is required for the meeting. Call-in instructions will be provided in advance of the meeting. Please RSVP to Metro Cities' Office Manager Jennifer Dorn at jennifer@metrocitiesmn.org. We hope you can attend!

House Property Tax Bill Approved by Committee

The House Property Tax Division released and adopted its division report this week. The [property tax report](#) contains numerous items important to cities, including several Metro Cities priorities.

A Metro Cities-supported study of the 4d Low-Income Rental Classification Program was included in the bill. It would provide a baseline understanding of the current 4d classification and property tax shift impacts if the classification was expanded. The study, as outlined in HF 1298 – Her is in response to the 4d expansion in SF 1157 – Howard. Metro Cities and several cities have testified this session in support of gathering detailed city specific impacts that could inform a future expansion of the 4d classification. The bill also freezes the [first tier value](#) of 4d properties at the 2021 \$174,000 limit.

The bill contains several tax increment financing (TIF) flexibility provisions that are supported by Metro Cities, including providing temporary flexibility in the use of unencumbered increment, expanding pooling rules to allow increment to be used for certain housing projects, and extending the five year rule to ten years for redevelopment districts certified after December 31, 2017. The bill also provides specific TIF authority for the metro cities of Bloomington, Burnsville, Fridley, Minnetonka, Richfield, St. Louis Park and Wayzata.

The division report adds additional requirements for the truth in taxation process, including a statement to be mailed to taxpayers with information on levy changes, budget summary information, and how to access a jurisdiction's website. The report also establishes a "Minnesota Property Taxpayers Day" and requires an annual meeting with specified times, to allow for public input. Metro Cities has been talking with Tax Chair Marquart, who authored the provisions, and has expressed support for transparency in the truth in taxation process, as well as concerns with the additional mandates.

The division report authorizes a number of local option sales taxes including for the metro cities of Edina, Oakdale, and Maple Grove, and authorizes a local lodging tax for the city of Plymouth.

The report expands direct property tax relief programs by increasing the maximum homestead credit refund by \$250 and reduces co-pay percentages for the renters' credit by five percent. The report also allows cities and counties to establish tourism districts.

The division report will be considered by the House Taxes Committee once the Legislature returns from its Easter/Passover recess, and will be folded into the House omnibus tax bill. Stay tuned for additional updates.

State Housing Tax Credit Bills Debated

A new state tax credit that would provide funds for homes was heard in the Senate Taxes and House Housing committees this week. [SF 1866](#) – Nelson and [HF 1971](#) – Howard would establish the Minnesota Housing tax credit contribution fund. The bill models a North Dakota tax credit that has funded new housing developments.

Under the Minnesota legislation, individuals and corporations could receive a nonrefundable tax credit for their contributions to the fund. The credit would equal 90 percent of the amount of their contributions, and would apply against the individual income tax, corporate income tax, or insurance premiums tax. Donations between \$100 and \$5 million would qualify for the credit. The bill caps the credits at \$25 million per year.

A donor could designate the housing project for which the contribution is to be used, allowing contributors to focus on local housing needs. Contributions could also be made for fund distribution by Minnesota Housing which would award grants or loans for multifamily and single family developments for persons and families with low- to moderate-incomes. Loans and grants could be used for gap financing, new construction, acquisition, rehabilitation, demolition, construction financing, permanent financing, interest rate reduction, and refinancing.

Metro Cities supports the program as another state funding source that would aid cities in financing locally-supported projects. Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

House Passes High Rise Sprinkler Bill

The House passed a bill requiring fire sprinklers to be installed in certain buildings. [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 was sent to the Senate where the companion bill, [SF 155](#) – Dziejic, has passed one committee and awaits a hearing in the Judiciary committee.

Workers Compensation Bills

Three bills were heard this week to extend and expand workers compensation rights. On Monday, the House Ways and Means Committee heard and passed [HF 1203](#), Wolgamott. This bill would extend workers' compensation for front-line workers who contract COVID-19 from the current May 1 deadline to December 31. The bill moved to the House general register.

On Tuesday, the House Labor Committee heard and unanimously passed [HF 2253](#), Sundin. The bill would expand workers compensation, including but not limited to penalties for billing injured workers for treatment, minimum weekly compensation rate, as well as an extension of the workers' compensation COVID-19 presumption. This bill, and its Senate companion ([SF 1203](#),

Howe) include recommendations made by the Workers' Compensation Advisory Council. The recommendations can be found [HERE](#). The bill was referred to the House Ways and Means Committee. The Senate bill was referred to the Senate Jobs Committee.

Bill to Repeal Car Emissions Authority

This week, the Senate Finance Committee heard and passed [SF 450](#), Mathews, which would repeal the authority of the Pollution Control Agency (PCA) relating to automobile emissions. The PCA currently holds authority to regulate automobile emissions to reduce pollution and improve air quality. Proponents of the bill argue that automobile manufacturers are moving in the direction of cleaner vehicles and that a state-wide regulation overlooks regional differences. With 6 ayes, and 4 nays, SF 450 passed and was sent to the floor.

Business Relief Payments Bill Laid Over

On Wednesday, the Senate Jobs Committee heard [SF 2212](#), Dornink, which appropriates funds to nearly 431 businesses that did not receive funding from the December relief bill due to incorrect coding. The incorrect coding was primarily due to mismatched information between DEED and the Department of Revenue. This bill would allow businesses to correct and prove these coding errors and apply for funding they should have received. The bill was laid over for possible inclusion.

Cannabis Bill Passes in House Agriculture

On Wednesday, the House Agriculture Committee heard [HF 600](#), Winkler, which would legalize recreational cannabis. The bill would prohibit one business to control all aspects of production, distribution, and sales. Acknowledging the short growing season and that most cannabis production would be indoors; the bill would enforce green production policies. The bill also includes measures to support communities of color, including social equity licenses and community grants to aid cannabis start-up and other community projects. With 8 ayes, and 5 nays, HF 600 was moved to the House Environment Committee.

Police Accountability Debated in Committee

The House Public Safety Committee heard several bills on Thursday relating to law enforcement accountability. [HF 1103 – Thompson](#) addresses retention and use of recordings from body-worn cameras when officers are involved in deadly force incidents. Click [HERE](#) for a summary of HF 1103, as introduced. An [A1 Amendment](#) adopted in committee requires all recordings of an officer involved death to be released to the family of the individual who dies. Supporters, including representatives from the Minnesota Justice Coalition and Communities Against Police Brutality, stated that the release of video footage to a victim's family could provide closure after the use of deadly force and that the video would not be released to the public. Law enforcement officials, including a representative from The Minnesota Chiefs of Police Association, spoke in opposition of the bill, stating that the premature release of video footage could undermine official investigations. With 11 ayes, and 8 nays, the bill was referred to the House Judiciary Committee.

[HF 1104 – Thompson](#) deals with qualified immunity for peace officers. The bill prohibits civil and criminal immunity for officers in certain situations. Click [HERE](#) for a summary of HF 1104. Supporters, including a representative from the Minnesota Justice Coalition, argued the bill would encourage governments and law enforcement leaders to take responsibility for their officers. Law enforcement officials spoke in opposition of the bill stating that eliminating civil and criminal immunity for police officers would lead to more lawsuits and more hearings against police officers. They stated that this could create additional costs to cities and taxpayers and would make it significantly harder to recruit new officers. With 11 ayes, and 8 nays, HF 1104 was referred to the House Judiciary Committee.

The final bill heard by the committee was [HF 1535 – Wolgamott](#), which includes correctional officers in the Peace Officer Discipline Procedures Act, giving them the same due process rights as peace officers. HF 1535 was laid over for possible inclusion in a future Public Safety omnibus bill.

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

Sustainable Transportation Act

The as yet introduced [bill authored by Rep. Hornstein](#) comes after weeks of testimony from a host of stakeholders and state agencies in the transportation committee.

The bill establishes a state goal to reduce vehicle miles traveled by 20 percent by the year 2050. The idea being that driving less will drastically reduce greenhouse gas emissions. In addition to the environmental benefits, the other goal of this section is to aid in the preservation of the state's transportation system. The bill also changes requirements for the Minnesota State Highway Investment Plan (MnSHIP) developed by MnDOT. These changes include increased prioritization for maintenance and preservation of the trunk highway system as well as a more specific set of performance targets related to the stewardship investment categories currently used in the plan.

Section 4 creates an electric vehicle infrastructure development program. The program, under the direction of MnDOT, would support the expansion of EV charging infrastructure and EV fleets in public agencies. As the bill is written, any political subdivision is eligible as a recipient of this grant program. See the proposed [bill language](#) for specific criteria MnDOT will be using to select eligible projects. The final sections of the bill relate to the Metropolitan Council and the creation of a zero-emission goal for the council's fleet. Specifically, this bill calls on the Metropolitan Council to have a 100 percent electric fleet by 2040. The council is tasked with creating a plan to accomplish this goal by February 15, 2022. Testifiers and members pointed out that some regional specificity may be needed for certain provisions in the bill. For example, a 20 percent reduction in vehicle miles traveled is likely more feasible in the metropolitan area as compared to greater Minnesota. Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

Open Meeting Law Passed by the House

[HF 820 – Koegel](#) was passed by the Minnesota House with a vote of 124-7. The bill allows a member of a public body to attend a meeting from a remote location more than three times through July 1, 2021. HF 820 was amended as it was heard before the Local Government Division to also include a provision that would exempt officials from having to disclose their location when attending a meeting remotely. The Senate companion, [SF 852 – Jasinski](#) is still waiting to be taken up on the Senate floor. Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

Governor's State of the State Address

Governor Tim Walz announced his State of the State address would be on Sunday, March 28 at 6:00 p.m. Governor Walz will deliver the address from his former classroom at Mankato West High School. Access to the address can be found on the Governor's YouTube page, found [HERE](#).

State to Launch New Rental Assistance Program

Minnesota Housing will launch a new rental assistance program. Dubbed RentHelpMN, the agency is offering two upcoming information sessions to share more about the program, who is

eligible, what expenses will be covered and the types of documents that will be requested as part of the application.

The virtual information sessions will be offered:

- Tuesday, March 30 from 5:00 - 6:00 p.m. [REGISTER HERE](#)
- Wednesday, March 31 from 2:00 - 3:00 p.m. [REGISTER HERE](#)

NLC Webinar: The American Rescue Plan and What it Means for Communities

The National League of Cities hosted a webinar with the business advocacy group Retail Strategies to discuss the American Rescue Plan and the impact it will have on municipalities. Clarence Anthony, CEO of the NLC, answered questions and provided insight on how local leaders might utilize these funds. He reiterated the importance of providing funds to small businesses to stimulate local economies. He encouraged cities to create spending plans immediately, and to create methods to show progress and results. The NLC is hosting a weekly webinar to further discuss the American Rescue Plan and what it means for cities. Here is the [link](#) for the next webinar on April 2nd.

Bills of Note

[HF 2335](#), Nash/[SF 1422](#), Kiffmeyer: Bill amends process for challenged voters and requires the use of challenged ballots in certain circumstances.

[HF 2368](#), Fischer: Bill reestablishes the Legislative Water Commissioner.

[HF 2374](#), Masin/[SF 2135](#), Osmek: Bill requires the Metropolitan Council to distribute federal funds pursuant to a federal formula.

[HF 2388](#), Nash/[SF 1973](#), Kiffmeyer: Bill transfers all unobligated funds from the Help America Vote Act account to the voting equipment grant account for grants to political subdivisions.

[HF 2395](#), Lillie: Bill appropriates \$10 million in bond proceeds to the Metropolitan Council for regional parks and trails.

[HF 2433](#), Mariani: Bill requires public safety entities to prioritize public safety and human rights.

[HF 2435](#), Mariani: Bill creates an automatic inflationary increase for certain peace officer training reimbursement appropriations.

[SF 2244](#), Nelson/[HF 1993](#), Bahr: Bill terminates operations of the Northstar Commuter Rail service.

[HF 2387](#), Quam / [SF 1949](#), Kiffmeyer: Bill amends speed limits and amends requirements for utilities to restore roads after excavation or other use.

[HF 2407](#), Berg: Bill provides a revenue-neutral assessment on environmental emissions and refundable FICA and property tax credits and authorizes loans for energy efficiency and renewable energy projects.

[SF 2234](#), Duckworth / [HF 2224](#), Hausman: Bill establishes a COVID-19 emergency mortgage assistance program.

[SF 2288](#), Howe / [HF 2202](#), McDonald: Bill requires three-fifths majority approval from both legislative bodies to extend peacetime emergencies beyond 30 days.

[SF 2299](#), Nelson: Bill appropriates funds for long-term homeless supportive services.

[SF 2221](#), Dornink: Reappropriates \$19 million to businesses that were not eligible for earlier business relief payments.

[SF 2236](#), Kunesh: Establishes a 4d study.

[SF 2321](#), Port: Prohibits certain covenants on single-family homes and duplexes.

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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