

American Rescue Plan Funding

Next Tuesday, Metro Cities will co-host a webinar for city officials with the League of MN Cities (LMC) on the new American Rescue Plan (ARP) funding and recently released “interim final guidance”. See below for information on how to register for the webinar.

The guidance is contained in a 150-page document. Metro Cities staff continues to review the document, and the guidance document is receiving discussion in the legislative arena, including the Taxes Conference Committee. The state’s share of federal funding is likely to feature in ongoing legislative budget negotiations, with funds coming in separate tranches and a longer time frame for spending, until December 2024. It is likely to be a central point in any summer special sessions as well as the next regular legislative session in 2022.

As Metro Cities has reported, metropolitan ‘entitlement’ cities will receive allocations directly from the US Treasury and metropolitan ‘non-entitlement’ cities will receive allocations from the state. Metro Cities continues to seek additional information on specific funding amounts by local jurisdiction. Allocation amounts for some cities have changed from original estimates provided by the US Department of the Treasury in March, and some cities continue to be listed without allocations.

The webinar will include a presentation and discussion with officials from the state Office of MN Management and Budget, and will be held Tuesday, May 18th at 2:00 pm. To register, click [HERE](#). The US Department of the Treasury has also released additional guidelines and information for cities and the National League of Cities has provided a variety of resources:

- [FAQ](#)
- [Form for cities to ask specific questions.](#)
- [A full webinar discussion](#)
- [PowerPoint slides from the webinar](#)

Entitlement Cities: Cities must request funding through the [Treasury Department’s online portal](#). Allocation amounts may differ from previous estimates and can be seen [here](#). Metropolitan cities must submit an Interim report, quarterly Project and Expenditure report, and cities with a population more than 250,000 must also submit an annual Recovery Performance Plan. Funds will be distributed in two tranches with the first half in May 2021, and the remaining half next May.

Non-Entitlement Units of Government (NEU): Funding will come from the State of Minnesota, and not through a Treasury Department funding request. Allocation amounts, set by the Treasury Department, are expected to be released next week. Funds are expected to be distributed 90 to 120 days after enactment but could happen earlier. NEUs will be required to submit annual Project and Expenditure reports.

State’s Mask Mandate Lifted

On Thursday, following the release of new CDC guidance, Governor Walz announced a lifting of the state’s mask mandate. See the new Executive Order [HERE](#) and new CDC guidance [HERE](#).

Legislative Update

The Legislature is required to adjourn the 2021 session this coming Monday, May 17. Legislative leaders and the Governor have begun the budget negotiation process, but no agreement has yet been reached. If there is no agreement by Monday, Governor Walz said he would be unlikely to call legislators back immediately, with the implication that mid-June, which coincides with the need for a special session to address the Governor's emergency powers, could be the next deadline to reach agreement. The state budget must be set by the end of June. The 2022 session will begin on January 31, 2022.

Conference committees continue to meet but without budget targets have adopted few provisions. See below for brief updates on conference committee activity of interest to Metro Cities. Follow Metro Cities for weekend updates via Twitter - @MetroCitiesMN.

Taxes

This week the Taxes Conference Committee has discussed provisions in Senate and House bills, including the provision in the Senate bill for one-time supplemental local government aid (LGA) for cities that will see reductions in their aid for 2022. The discussion centered on the structure of the formula as it relates to increases in city tax bases, the need for a review of the formula, other identified budget needs, and the influx of federal funding. The committee had initial discussion of the new federal ARP guidance on Wednesday and is having additional discussion of the federal funding on Friday.

Transportation ([HF 1684](#))

The Transportation Conference Committee met Monday to work from [this list](#) of less-controversial provisions contained in either bill and met on Friday to hear from MnDOT on project selection, Trunk Highway spending, and contracting issues.

Conferees: Representatives Hornstein, Koegel, Frederick, Elkins, and Petersburg; and Senators Newman, Jasinski, Howe, Osmek, and Bigham.

Environment ([SF 959](#))

House and Senate Environment conferees traded offers this week with the Senate submitting [this document](#) last weekend and the House releasing an offer on [Tuesday](#) and another on [Thursday](#). Clean car emission standards remain a major sticking point.

Conferees: Senators Ingebrigtsen, Ruud, Eichorn, Tomassoni, and Westrom; and Representatives Hansen, R., Wazlawik, Morrison, Fischer, and Heintzeman.

Public Safety ([SF 970](#))

The conference committee took testimony from police associations on Monday, including the MN Chiefs of Police Association, the MN Sheriffs' Association, and the MN Police and Peace Officers Association. The House provided two offers on Tuesday, one dealing with [resources for crime victims](#), the other containing additional [judiciary items](#). Governor Walz held a [press conference](#) on May 12 with the Lt. Governor, Vice-Chair Rep. Frazier, members of the faith community and small business owners. Speakers reiterated the need for action on police reform. Thursday's hearing focused on additional provisions in the House language, including several items relating to emergency responses.

Conferees: Senators Limmer, Mathews, Ingebrigtsen, Johnson, and Latz; Representatives Mariani, Becker-Finn, Moller, Frazier, and Miller.

State Government, Veterans and Military Affairs ([HF 1952](#))

The State Government Conference Committee continued work on same and similar language this week. Monday's hearing included discussion of noncontroversial election provisions. There was also a brief discussion of the prohibition on ranked-choice voting in the Senate language.

Conferees: Representatives Nelson, M., Masin, Xiong, T., Greenman, and Nash; and Senators Kiffmeyer, Lang, Howe, Koran, and Carlson.

Housing ([HF 1077](#))

No additional meetings were held this week.

Conferees: Representatives Hausman, Howard, Agbaje, Reyer, and Theis; and Senators Draheim, Duckworth, Dahms, Pratt, and Dzedzic.

Jobs, Workforce and Business Development ([SF 1098](#))

No additional meetings were held this week.

Conferees: Senators Pratt, Draheim, Housley, Rarick, and Eken; and Representatives Noor, Ecklund, L. Olson, Berg, and Hamilton.

Recreational Cannabis Bill Passed on House Floor

On Thursday evening, [HF 600 - Winkler](#), as amended, passed the House Floor on a 72-61 vote. The bill (click [here](#) for the summary) would legalize recreational cannabis use for adults and had support from nearly all Democrats, as well as six Republicans. The bill would restrict local units of government from prohibiting the possession, transportation, and use of cannabis products but includes ways for localities to create a market to fit their individual needs. The bill would create a State Cannabis Management Board that would manage and regulate operations and would interact with local units of government in a variety of ways.

- Local units of government would be able to establish reasonable restrictions such as the time, place, and manner of operations, alongside the Cannabis Management Board.
- Cities would be able to prohibit cannabis businesses within 1,000 feet of places such as schools, day cares, or nursing homes.
- City ordinances would be able to prohibit the use of cannabis in public places and would allow for petty misdemeanor penalties.
- Cannabis businesses would be required to comply with local building ordinances and would be inspected regularly by the Cannabis Management Board. Cities' complaints would be prioritized and would have a separate expedited process.
- Cannabis products would be subject to state and local sales taxes, but local governments would be prohibited from imposing a local sales tax solely on adult-use cannabis.

The bill's companion has not been scheduled for a hearing in the Senate.

Metropolitan Council Discusses Proposed 2022 Wastewater Charges

Metropolitan Council Environment Services (MCES) staff presented proposed MCES budget items to the Metropolitan Council Environment Committee this week. The presentation covered proposed changes in rates for 2022 with staff presenting the proposed budget by revenue, uses, labor, and changes in debt service. The budget includes a municipal wastewater charge (MWC) increase of 4%, no increase for sewer availability charges (SAC), and an average increase of 4% for industrial permit fees. Preliminary rate information will be mailed to cities in May. Click [HERE](#) to view the full presentation.

MCES will host its annual customer budget event virtually this year, with two opportunities to attend. See below for event information and a link to register.

[MCES Capital Improvement Program](#)
[MCES Customer Portal](#)

The events will be identical, so you only need to register for one date. Registration is required.

- Tuesday, May 25, 2021-9:00 to 10:30AM. [Click here to register for the May 25th webinar.](#)
- Thursday, June 10, 2021-1:30 to 3:00PM. [Click here to register for the June 10th webinar.](#)

DEED Announces Redevelopment Grants and Demolition Loan Awards

DEED awarded redevelopment funds to 11 sites in eight cities this week, including six projects in the metro. DEED had funds available through internal fund transfers. Metro Cities is supporting a legislative appropriation for redevelopment awards in FY22-23.

The awards in the metro are for projects in Burnsville, Minneapolis, and South Saint Paul. More information [can be found here.](#)

2021 Metro Cities Policy Committees

Metro Cities is preparing for 2021 policy committees and your participation is encouraged! Meetings will be conducted remotely and will be held in July, August, and September. Committees will recommend legislative policies for 2022 and are open for participation by member city elected officials and staff. Committees and dates are on our [website](#). Additional information, including remote meeting access, will be posted as it becomes available. Please be sure to sign up for the committee(s) you wish to attend. This will help us keep our rosters current and accurate. We look forward to seeing you this summer!

Survey: Help Shape State COVID-19 Homeowner Assistance Program

Minnesota Housing announced that Minnesota is receiving an allocation of \$128 million from the federal government to help homeowners who are struggling with their mortgage or other housing-related costs due to economic impacts from the COVID-19 pandemic.

Minnesota Housing is in the process of developing a homeowner assistance program that meets US Treasury guidance and is tailored to meet the needs of Minnesota homeowners.

Minnesota Housing is seeking input to help structure the program to have the biggest impact for homeowners in need and reach those most at risk of displacement. [Take the survey here.](#) The survey will close at noon on Friday, May 21, 2021.

Bills of Note

[HF 2604 - Lee](#): Bill bans certain chemical used in tear gas.

[HF 2608 - Munson](#): Bill modifies nomination and election of presidential electors.

[HF 2609 - Novotny](#): Bill establishes the crime of conspiring to falsely call for emergency services.

[HF2614 - Agbaje](#) / [SF 2504 - Dziejczak](#): Bill appropriates money for the reconditioning of the Hennepin Avenue Suspension Bridge.

[HF 2618 - Hansen, R.](#) / [SF 2514 - Dibble](#): Bill requires cities to allow native landscapes on private land and prohibits certain vegetation overgrowth within cities.

[SF 2517 - Latz](#) / [HF 2533 - Long](#) : Bill assigns prosecutorial authority for peace-officer-involved deaths to the attorney general.

[SF 2526 - Marty](#): Bill requires a plan for an equitable, sustainable, and 100 percent renewable energy future that brings Minnesota's economy to net-zero greenhouse gas emissions.

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