



RSVP for Metro Cities Annual Meeting!

Please plan to attend Metro Cities Annual Meeting on Thursday, April 21, 2022 at 4:00 pm! The meeting will be held virtually and will begin with Distinguished Professor David Schultz as guest speaker. Professor Schultz will discuss political trends and upcoming elections. The agenda will include elections to the Metro Cities Board of Directors and remarks by Metro Cities President Matt Stemwedel.

A quorum of members is required. Please RSVP to Metro Cities' Office Manager Jennifer Dorn at jennifer@metrocitiesmn.org. Information on candidates for the Board will be sent in advance, following completion of nominations by the Nominating Committee. We hope you can attend!

Today Marks First Legislative Committee Deadline

Today, March 25, 2022 marks the first of three legislative committee deadlines for the Legislature. The first deadline is for committees to act favorably on policy bills in their house of origin. Any policy bill not acted upon by this deadline requires a referral to the Rules Committee to receive consideration this session. Next Friday, April 1st, is the second deadline. Committees must act favorably on bills or companions to bills that met deadline in their house of origin. The third deadline is the following Friday, April 8th and applies to major appropriations and finance bills. Committee deadlines do not apply for Taxes, Rules, or Capital Investment committees.

Committee deadlines serve to reduce logjams on bills and to focus legislative hearings and activity as the session proceeds and legislators move to considering committee budget targets and content for omnibus bills.

Zoning Preemption Bill Heard in Second Senate Committee; Laid Over

The Senate companion bill to Rep. Elkins' zoning preemption bill was heard in the Senate Local Government committee this week. Metro Cities opposes this legislation and provided written and verbal testimony. Bill language of [SF 3259](#) – Draheim and the [city letter](#) can be found here.

The Senate bill differs in several ways from the House companion, [HF 3256](#) – Elkins, and Metro Cities opposes both versions as both preempt local decision making. City officials from Minnetonka, Prior Lake and Fairmont testified against the bill as well. Metro Cities thanks city officials who also wrote to and spoke with their legislators about specific city concerns with the bill prior to the hearing. The bill was laid over at the end of the meeting and the next step was not announced. Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

Bill to Modify Open Meeting Law Heard in House Committee

This week, legislation modifying the open meeting law was heard in the House Local Government Committee. [HF 4441](#)-Masin would change the conditions for participation by local officials in public meetings from non-public locations.

Rep. Masin stated the bill allows local officials to be able to participate in official meetings remotely if there are family and/or medical conditions that make in-person attendance unadvised. The open meeting law currently limits in-person exceptions for attendance due to medical reasons only when there is an active state of emergency. Testimony in support of the bill was provided by a Dakota County Commissioner, and written testimony was submitted via a joint letter from the League of MN Cities, Association of Townships, MN School Boards Association, MN Association of Counties and MN Inter-County Association.

The bill does not change the current limit for non-public location participation of three meetings per year. Discussion on the bill centered on questions regarding the definition of 'family medical reasons' and how these would apply under the bill, and concerns that the three meetings per year limit may not address longer term medical issues or conditions. Members also noted that newspaper representatives have previously identified concerns with expanding remote participation.

The bill was laid over. Please contact Patricia Nauman at patricia@metrocitiesmn.org or Mike Lund at mike@metrocitiesmn.org with any questions.

4d Expansion Bill Debated

Legislation to lower the 4d Low Income Rental Classification to 0.25 percent was debated in the Senate Property Tax subcommittee this week. [SF 3845](#) – Weber would eliminate the first tier of \$100,000 valuation, which is currently assessed at 0.75 percent, and allow all registered 4d units to pay the reduced 0.25 percent class rate. The bill would also pay a two-year transition aid in 2024 and 2025 only for cities in which the net tax capacity of 4d property exceeds two percent of the total net tax capacity in assessment year 2022. Those 39 [cities and the calculated payments](#) can be found here.

Under a local approval clause in the bill, cities with newly built affordable units would be required to review an owner-operator's request to access the reduced 0.25 percent rate. A city could choose to approve or deny the request. While transition aid could partially offset some of the property tax shift, it would conclude after two years and still not make cities whole. Buildings with some 4d units could increase the number of 4d units in a building and that would not be subject to local approval.

Metro Cities as well as city officials from Columbia Heights and Saint Peter raised numerous concerns with the legislation, including potential effects of the bill on increment collection in existing tax increment financing (TIF) districts. By affecting the class rate in existing districts, reduced property tax collections could extend the length of a TIF district before it meets its obligations and decertifies.

The House has not heard the companion bill, [HF 4411](#) – Howard. Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

Housing Funding Bills Heard

Two funding proposals to preserve currently unsubsidized affordable housing were heard this week. [HF 443](#) – Howard would fund NOAH preservation of single family and multifamily homes with a \$150 million appropriation. Cities would be eligible applicants for funds that would be awarded through grants or loans for the purpose of acquisition, rehabilitation, interest rate reduction, or gap financing of housing to support the preservation of naturally occurring affordable housing. Naturally occurring affordable housing (NOAH) is disappearing across the metropolitan area, and statewide as homes and apartment buildings are sold and monthly costs to residents increase.

The Governor's supplemental housing budget bill, [SF 3994](#) – Draheim, includes \$100 million for NOAH preservation for single family and multifamily homes. The budget also includes an additional \$25 million for the Challenge Program, an additional \$12 million for the workforce homeownership (WHOM) program, \$12 million for homeownership assistance to address homeownership disparities, and \$24.5 million for family homeless prevention. This bill was heard in the Senate Housing committee this week and was laid over pending the release of supplemental budget targets.

Motor Parts Tax Bill Passes Senate Committee

The Senate Finance committee heard and passed [SF 3081 – Newman](#) and [SF 3086 – Howe](#) this week. As introduced, SF 3081 dedicates 100% of revenue generated from the tax on motor vehicle repair and replacement parts to the Highway User Tax Distribution (HUTD) Fund. SF 3086 dedicates that same revenue to the HUTD, but carves out a percentage for town roads and the Small Cities Assistance Account. Both bills were amended in the committee to take this approach, with 86% of funds being directed to the HUTD, 7% to the Small Cities Assistance Account, and 7% to the town roads account.

Under current law, a fixed amount of the money generated from the tax on auto parts is deposited into the HUTD and the rest of the funds are placed into the state's general fund. Both bills would increase annual funding for the HUTD by \$129 million and would direct \$22 million to the Small Cities Account each year, with this amount expected to grow based on projected growth in auto parts tax revenue. Metro Cities' policies support reliable and stable transportation funding for cities under 5,000 in population. Click [HERE](#) to see a revenue estimate. SF 3086 passed the Finance committee on Thursday and was sent to the floor. Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

House Property Tax Division Report: Release and Mark Up Next Week

The House Property Taxes Division plans to release its property tax division report this weekend, and to hear and mark up the division report next week. The property tax division report, once considered and adopted by the Division, will be forwarded to the full Taxes Committee for consideration. Metro Cities is monitoring the report for several provisions, including local government aid, tax increment financing provisions and any changes to 4d laws, among others. Metro Cities will post additional information on the report once it is released. Questions? Contact Patricia Nauman at patricia@metrocitiesmn.org

Final PFAS Monitoring Plan Released

The Minnesota Pollution Control Agency (MPCA) released its [final PFAS monitoring plan](#) on March 22. The plan outlines the agency's strategy for monitoring PFAS at solid waste, wastewater, and stormwater facilities, hazardous waste landfills, facilities with air emissions, and sites in the Brownfield or Superfund programs. It includes more than 300 facilities including municipal wastewater treatment plants, airports, industrial facilities, and landfills. These facilities have been identified for monitoring to better understand whether and/or how PFAS has been released into surface water, groundwater, and air. This monitoring plan was refined over the last several months using input from a stakeholder group which included municipal operators and Metro Cities staff. The monitoring plan website includes a document [summarizing the changes](#) that have been made to the plan based on this stakeholder feedback. MPCA municipal wastewater staff will be in contact with facilities included in this plan to highlight next steps.

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

DEED Brownfields and Redevelopment Conference

DEED is hosting a 1 ½ day redevelopment conference focused on brownfield and redevelopment topics and projects. Topics will include the redevelopment grant and demolition loan program, vapor intrusion, environmental justice, and market drivers of land use. The [full agenda](#) can be found here.

Thursday, April 28 - Friday, April 29, 2022
Breezy Point Resort
9252 Breezy Point Drive
Breezy Point, MN 56472

Conference registration is \$125 for both days
[Register here](#)

Bills of Note

[SF 4131](#), Ruud: Bill proposes a constitutional amendment for the renewal of the environment and natural resources trust fund. The bill also makes changes to the LCCMR.

[SF 4174](#), Limmer/[HF 4339](#), Frazier: Bill requires the release of body-cam footage when there is deadly force used.

[SF 4194](#), Dibble/[HF 4200](#), Frazier: Bill establishes a public safety innovation board and appropriates \$55 million for local community innovation grants, \$15 million for emergency community safety grants, \$10 million for local co-responder grants, \$15 million for local community policing grants, and \$15 million for local investigation grants.

[SF 4195](#), Lopez Franzen: Bill appropriates \$70 million in local public safety aid to cities that employ at least one full time police officer.

[SF 4196](#), Newman/[HF 4557](#), Petersburg: Bill prohibits spending money from the IIJA except by direct appropriation in law.

[SF 4217](#), Frentz/[HF 3666](#), Greenman: Bill prohibits the intimidation of election officials.

[SF 4243](#), Senjem: Bill establishes a working group on ending land disposal of mixed municipal solid waste.

[HF 4433](#), Hansen: Bill requires certain amounts of federal funds to be spent on green infrastructure.

[HF 4441](#), Masin/[SF 4212](#), Jasinski: Bill amends the conditions for participation in an open meeting from a nonpublic location.

[HF 4454](#), Nash/[SF 2656](#), Coleman: Bill authorizes local units of government to regulate the placement of certain level III predatory offenders within their communities.

[HF 4458](#), Boe/[SF 3322](#), Coleman: Bill amends the conditions for participation in an open meeting, removing the requirement that members be present in an open and publicly accessible location.

[HF 4469](#), Nash/[SF 3469](#), Kiffmeyer: Bill makes a number of changes to elections law.

[HF 4483](#), Carlson/[SF 4265](#), Eken: Bill establishes procedures for the adoption of ranked-choice voting and authorizes jurisdictions to adopt ranked-choice voting for local offices.

[HF 4486](#), Hornstein/[SF 3831](#), Newman: Bill provides supplemental transportation appropriations.

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.

If you'd like to sign up to receive Metro Cities News, please email newsletter@metrocitiesmn.org and provide the following: Name, Title, Employer and Email address. Thank you!

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