

Unemployment Insurance, Frontline Worker Agreement Reached

The Senate and House passed an agreement on three COVID-related issues today. The agreement was negotiated by Governor Walz and House and Senate leadership. The agreement, as specified in this [conference committee report](#) on SF 2677, includes a repayment of the unemployment insurance trust fund, a funding and eligibility plan for frontline workers in 2020 and 2021, and an appropriation for future COVID-related state spending. A conference committee met last night and the House and Senate voted to approve the legislation today, where it awaits action by Governor Walz.

The agreement includes \$1.4 billion to pay the federal government for loans related to the deficit in the state's unemployment insurance account. It also capitalizes the account with \$1.3 billion.

Article 2 provides \$500 million for frontline worker payments. Frontline sectors include:

- (1) long-term care and home care;
- (2) health care;
- (3) emergency responders;
- (4) public health, social service, and regulatory service;
- (5) courts and corrections;
- (6) child care;
- (7) schools, including charter schools, state schools, and higher education;
- (8) food service, including production, processing, preparation, sale, and delivery;
- (9) retail, including sales, fulfillment, distribution, and delivery;
- (10) temporary shelters and hotels;
- (11) building services, including maintenance, janitorial, and security;
- (12) public transit;
- (13) ground and air transportation services;
- (14) manufacturing; and
- (15) vocational rehabilitation

A person would be eligible to receive a payment if they were employed for at least 120 hours in Minnesota in one or more frontline sectors during the time period beginning March 15, 2020, and ending June 30, 2021; were not able to telework due to the nature of the individual's work and worked in close proximity to individuals outside of the individual's household; meet the income requirement and did not receive an unemployment insurance benefit payment or serve a nonpayable week for more than 20 weeks on a cumulative basis for weeks between March 15, 2020, and June 26, 2021.

Minnesotans will apply to Labor and Industry within a 45-day window. Up to 667,000 workers are estimated to be eligible for a payment averaging \$750. Checks will range from \$500 to \$1,000 depending on how many eligible people apply. The third article of the agreement directs the state to spend \$190 million on COVID-related costs while the legislature is not in session.

Auto Parts Tax Dedication Bill Passes Senate

[SF 3086 – Howe](#) passed the Senate on a vote of 59-7. The bill dedicates 100% revenues from the tax on motor vehicle repair and replacement parts to transportation. Under current law, a monthly amount of approximately \$12 million is deposited in the Highway User Distribution Trust (HUTD) Fund and the remaining revenues are kept in the general fund. SF 3086 moves 86% of all auto parts tax revenue into the HUTD, 7% into the small cities assistance account, and 7% into the town road account. The allocation for small cities (population under 5,000) amounts to an estimated \$22.4 million in FY 2023. Small cities currently receive no ongoing state funding for the construction and maintenance of their roadways. The increased funding for the HUTD means Municipal State Aid Streets (MSAS) will receive an additional \$11 million in FY 2023. Based on revenue projections, the funding for small cities and MSAS-eligible cities will increase annually as revenues from the auto parts tax does.

The language from SF 3086 was also included in the Senate Transportation omnibus bill (now rolled into the State Government and Elections omnibus bill). A similar proposal was passed by the House Transportation committee and referred to the Tax committee where it has not received a hearing. No changes to the auto parts tax dedication were included in the House Transportation omnibus bill.

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

House Committee Hears Bill on an Elected Metropolitan Council

The House Local Government Committee on Thursday held an informational hearing on [HF 1122-Hornstein](#), which would require the Metropolitan Council to be directly elected. The bill also provides for the processes required to establish an elected Council. The bill would maintain a 17-member Council and would provide for four-year staggered terms for members. Supporting testimony was provided by U of M Law Professor Myron Orfield, and advocates for transit and climate change. Metro Cities provided a letter outlining the association's governance policy that supports the appointment of members by the governor with four-year staggered terms, increasing participation by metropolitan city officials in the member selection process and increasing transparency in the nominating process.

There was no action taken on the bill. Contact Patricia Nauman at patricia@metrocitiesmn.org with any questions.

Senate Capital Investment Committee Discusses Metropolitan Inflow-Infiltration

On Thursday, the Senate Capital Investment Committee held an informational overview hearing with presentations from the MN Public Finance Authority (PFA) on the PFA's water infrastructure programs and funding, and on the Metropolitan Council's inflow-infiltration program. At the hearing, members discussed water utility rates in the metropolitan area as compared to greater Minnesota, and I/I mitigation needs on public as well as private property.

Metro Cities supports and is advocating for a state capital appropriation for metropolitan inflow-infiltration mitigation assistance for cities. The Capital Investment Committee is likely to meet again next week. Contact Patricia Nauman at patricia@metrocitiesmn.org with any questions.

Omnibus Housing Bills

Senate

The Senate's housing policy and supplemental finance provisions were rolled into [SF 4019](#) – Westrom. The Senate debated and passed the omnibus agriculture, housing and broadband bill on Wednesday. Metro Cities and several other city associations wrote a [letter to senators](#) prior to the floor debate, highlighting opposition to preemption language and supporting \$50 million in new funds for homeownership.

The Senate debated several amendments that would have removed provisions opposed by Metro Cities. These include zoning preemption and a retroactive prohibition of local rent control authorities. Those amendments were not adopted, and the provisions remain in the bill. The Senate bill will be reconciled with the House housing provisions in an upcoming conference committee.

House

The House housing policy and supplemental finance provisions were also debated this week. [HF 4366](#) – Sundin is the House vehicle for over \$400 million in state funds for housing. Metro Cities issued an action alert Monday prior to the floor debate, highlighting several amendments that would preempt local housing authorities. Metro Cities supports maintaining planning, zoning and land use decision-making authorities at the local level and opposed these amendments, which were not adopted.

Metro Cities thanks the cities that reached out to their legislators in support of maintaining long-standing local zoning authority. The House bill passed and will be reconciled with the Senate housing bill in an upcoming conference committee.

Omnibus Jobs Bills

The Senate's jobs bill which funds DEED, the Commerce department, and energy initiatives passed the Senate early this week. [SF 4091](#) – Pratt also includes an extension for hiring and capital investment requirements for projects that received Minnesota Investment Fund or Job Creation Fund awards. The extension runs through December 2023 to meet those capital investment, wage, or job creation goals or requirements before the grant must be repaid. The House Jobs bill, [HF 4355](#) – Noor, is scheduled to be debated on the House floor May 4.

Omnibus Environment Bills

SF 4062 – Ingebrigtsen, as amended, was passed by the House with a vote of 70-59. The [House language](#) was inserted prior to the floor session at Monday's Ways and Means hearing. The bill contains several provisions of note. \$10 million is included for grants to local governments to replace trees that are removed because of emerald ash borer (EAB), \$5 million is included for the Lawns to Legumes program, and \$10 million for grants to local governments to upgrade local infrastructure to protect against extreme weather. The bill appropriates \$2 million for grants funding projects that prevent PFAS releases into the environment, identify sources of PFAS, and implement reduction strategies.

The bill includes funding for metropolitan cities to assist with improvements to municipal wastewater systems to reduce the amount of inflow and infiltration to the regional sanitary sewer system and funding to assist property owners in mitigating private property inflow-infiltration. Metro Cities supports resources to assist metropolitan cities with inflow-infiltration mitigation.

It also includes funding for the Metropolitan Council to assist local partners in mitigating climate change risks. There is additional funding for metropolitan parks and trails.

Finally, the bill contains language that expands the DNR's enforcement authority over water appropriations, which could result in overly punitive penalties on municipal water suppliers. These provisions could result in mandated infrastructure improvements and dramatic impacts on local budgets. Metro Cities offered testimony raising concerns over this language in addition to support for the investments listed above.

The Senate version of SF 4062 was passed off the floor [last week](#). Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

Omnibus Public Safety Bills

On Monday, the Senate passed [SF 2673 – Limmer](#) with a vote of 48-19. The bill includes over \$100 million for the Department of Public Safety (DPS) and of that amount there are several provisions for local law enforcement agencies, specifically for police officer recruitment and retention.

These include:

- Police Recruitment Advertising Campaign (\$1 million)
- Pathways to Policing (\$2 million)
- Mental Health Treatment for Law Enforcement/First Responders (\$1 million)
- Use of Force Training Reimbursement (\$2.6 million)
- Police Education Expenses Reimbursement (\$2.5 million)
- Police Recruitment Bonuses (\$20 million)
- Police Bonuses for Exemplary Service (\$2 million)
- Police Retention Bonus Program (\$47 million)

The bill also includes several provisions related to mandatory minimum sentences and increased penalties for certain crimes. Click [HERE](#) for a summary of the SF 2673. Click [HERE](#) to view the budget spreadsheet.

The Public Safety omnibus bill is scheduled to be debated and voted on by the House on Friday, April 29. Representative Mariani is expected to amend the bill passed by the Senate by inserting the House language found in [HF 4608](#). The bill, as amended, includes \$9 million for grants to local law enforcement agencies to pay for portable recording systems and costs associated with the maintenance of the cameras and the data they produce.

There are several provisions included in the House bill that address retention and recruitment challenges faced by police departments across the state. These include \$15 million for Emergency Community Safety grants, \$15 million for Local Community Policing grants, and \$15 million for Local Investigation grants. Metro Cities submitted testimony in support of these initiatives and the funding for body cameras.

Metro Cities continues to encourage legislators to consider statutory arbitration reforms to allow for the discipline, including removal, of law enforcement officers who have been found to have violated local law enforcement agency policies.

Click [HERE](#) to view a summary of the bill and [HERE](#) to view the budget spreadsheet. Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

State Government, Elections and Transportation

[HF 4293 – Nelson](#), as amended, was passed by the House with a vote of 70-63. The bill contains the omnibus bills for state government, elections, pensions, veterans and military affairs, and transportation.

The state government portions of the bill include several policy provisions of note. Specifically, it extends the time for opening and processing absentee ballots to 14 days and makes it a misdemeanor to intimidate election officials. It also includes preemptive language that allows property owners to install and maintain managed natural landscapes, which Metro Cities has testified in opposition to. While being debated on the floor, an amendment that authorizes cities to require licenses for hotels was adopted and added to the bill.

The transportation articles include important funding for city streets with an emphasis on providing local matches for federal dollars available via the Infrastructure Investment and Jobs Act (IIJA). The bill also includes funding for transit, policy changes to the Corridors of Commerce program, and changes to fees collected by DVS and deputy registrars.

Click [HERE](#) for the bill summary. Click [HERE](#) to view the budget spreadsheet. Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

Minnesota Housing Announces HomeHelpMN Resources

HomeHelpMN, a new state program to assist homeowners who have fallen behind on their mortgage or other housing expenses due to the pandemic, will open for applications this spring. Past due expenses may include mortgage payments, property taxes, insurance, association fees or lot rent. Utility expenses are not eligible under this program.

The state anticipates that the need for funds will be greater than the funding available and encourages homeowners to prepare today so they are ready to apply when the application period opens.

There are several resources now available to help homeowners prepare to apply, including the website at homehelpmn.org to learn more about what materials are needed to apply, what expenses are covered, and who is eligible. A [webinar recording](#) can be found here. The HomeHelpMN Call Center is open at 1-800-388-3226 or 651-204-1608. The call center is open from 8 a.m. to 6 p.m. Monday – Saturday.

HomeHelpMN uses federal Homeowner Assistance Funds (HAF) made available through the American Rescue Plan Act.

Bills of Note

[HF 4826](#), Quam: Bill prohibits the acceptance of municipal ID for state or federal services.

[HF 4833](#), Long/[SF 4517](#), Senjem: Bill authorizes municipalities to adopt the most recent ASHRAE 90.1 commercial energy code.

[HF 4835](#), Fischer: Bill appropriates funds for water supply planning in the North and East metro.

[HF 4840](#), Long: Bill proposes a constitutional amendment to allow the legislature to meet all year.

[SF 4554](#), Murphy: Bill establishes The Public Safety Innovation Board and appropriates funds for public safety including but not limited to the recruitment of new officers.

[SF 4555](#), Pappas: Bill establishes The Public Safety Innovation Board and appropriates funds for public safety including but not limited to the recruitment of new officers.

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