



## **2022 Metro Cities Policy Committees**

Metro Cities is preparing for 2022 policy committees and your participation is encouraged! Meetings will be held in July, August, and September. Committees will recommend the association's legislative policies for 2023. Committee participation is open to member city elected officials and staff. Committees and dates are on our [website](#). Additional information 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!

## **Two Weeks Until Legislative Adjournment**

The 2022 Legislature is required to adjourn the regular session on Monday, May 23. As of this week, most omnibus bills have passed the House and Senate and conferees have been appointed to conference committees on several bills. Some conference committees, including for the housing and environment bills, are scheduled to begin meeting early next week. Omnibus pensions, capital investment and liquor bills, as well as a second Senate omnibus tax bill, are still under consideration. See below for specific omnibus bill updates and information on appointed conferees for bills. The Legislative Reference Library has created a page on its website that provides 'side by side' bill comparisons for omnibus bills: [https://www.revisor.mn.gov/side\\_by\\_sides/](https://www.revisor.mn.gov/side_by_sides/)

Initial meetings among legislative leaders and the Governor to begin overall budget negotiations have also begun. This is not a budget setting year for the Legislature, so there is no requirement to pass budget bills or address the budget surplus.

Metro Cities will review, monitor, and respond to provisions in omnibus bills consistent with the association's policy positions, and will alert city officials on specific issues and provisions as conference committees get underway.

## **Public Safety Omnibus Bill Passes House**

The Public Safety omnibus bill ([SF 2673](#)) passed the House April 29<sup>th</sup> on a 68-61 vote after House language was substituted in place of Senate language and other amendments were considered. The House bill contains funding for body cameras and provisions to 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. Grant funds have an array of eligible uses and are targeted toward local jurisdictions experiencing high rates of crime or sudden increases in crime. Most retention and recruitment provisions passed by the Senate in its public safety bill focus on providing financial incentives to individual officers.

The conference committee for SF 2673 is expected to begin meeting next week. Conferees from the House include Representatives Mariani, Becker-Finn, Moller, Frazier, and Johnson. The Senate conferees are Senators Limmer, Osmeck, Matthews, Latz, and Bigham. Click [HERE](#) to view the webpage where conference committee documents including side by side comparisons, spreadsheets, and meeting notices will be posted when available.

Contact Mike Lund at [michael@metrocitiesmn.org](mailto:michael@metrocitiesmn.org) or 651-215-4003 with any questions.

## **State Government, Elections, and Transportation Omnibus Bill Passes Senate**

The State Government, Elections, and Transportation omnibus bill ([HF 4293](#)) passed the Senate on May 2<sup>nd</sup> after Senate language was substituted in place of the House language and other amendments were considered. The vote was 40-26. The Senate bill contains provisions regarding elections administration and transportation funding. The bill requires that in-person absentee voting locations be open for the absentee voting period and for the same days and hours as the county auditor. This provision limits a city's ability to adjust early voting locations and hours based on increased demand in a particular part of the city or at the end of the early voting period. The bill also contains livestreaming requirements for absentee ballot drop boxes and ballot boards.

The transportation portion of the bill allocates \$11.1 million in 2022-23 and \$25.6 million in 2024-25 for the Municipal State Aid Street (MSAS) system to help provide local matches for federal dollars made available via the Infrastructure Investment and Jobs Act (IIJA). The bill dedicates 100 percent of the revenue from the tax on motor vehicle repair and replacement parts to transportation purposes. The bill directs 86 percent of revenues into the HUTDF, which will result in an additional \$11 million for the MSA system. The bill allocates 7 percent of auto parts tax revenues (\$22.4 million in 2023) directly to the Small Cities Assistance Account to provide transportation funding for cities under 5,000 in population.

The bill makes several changes to the Corridors of Commerce program. The program's initial project vetting and selection process is changed so that in the metropolitan region, county boards are responsible for initial project screening. Each county in the metro area is directed to select up to two projects for scoring by MnDOT. Members of the legislature can submit a letter of support for a project of their choosing, and a project earns an additional scoring point for every letter it receives. The bill stipulates that funding be split evenly between greater Minnesota and the metropolitan area and that in the metropolitan area 55 percent of funds be spent on projects outside of Hennepin and Ramsey Counties.

Finally, the bill includes provisions related to transit guideway planning and financing. It establishes a process for municipal consent for proposed transit guideways. It requires local hearings on guideway plans and approval or disapproval from local governments where the guideway is proposed to be located and allows for the revocation of that approval. Also included in the omnibus bill is language that suspends the Metropolitan Council's ability to study, plan, engineer, design, or construct any proposed guideway until the SWLRT line begins operations.

Several amendments of note were adopted on the Senate floor including one that requires a study on the merits of electing members of the Metropolitan Council, and another that takes streets off the MSA system if a roadway's vehicle lanes are reduced from two or more to one traveling in each direction.

The conference committee for HF 4293 will begin meeting next week. Members from the House include Representatives Nelson, M., Hornstein, Murphy, Koegel, and Nash. The Senate conferees are Senators Kiffmeyer, Newman, Howe, Jasinski, and Dibble. Click [HERE](#) to view the webpage where conference committee documents including side by side comparisons, spreadsheets, and meeting notices are posted.

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## Senate Property Tax Subcommittee Report Released

The Senate Property Tax Subcommittee released its report this week. The bill includes a number of provisions of interest to Metro Cities.

*4d Low Income Rental Classification.* The report included a provision that would expand the 4d Low Income Rental Classification, which currently provides a two-tier class rate reduction for qualifying units. The proposal would eliminate the first tier currently set at 0.75% on the first \$100,000 of assessed value and reduce the class rate to 0.25% on all current 4d units. Cities would not have the ability to opt-in to this reduction. Metro Cities has expressed concerns about property tax shifts for metropolitan cities under the proposal. Any newly built or existing units wishing to receive the new lower 4d class rate would have to receive a one-time city approval.

The report provides 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. Metro Cities is concerned the aid is not ongoing, which could result in property tax shifts in future years.

*Affordable Housing Market Value Exclusion.* The report establishes a new market value exclusion for newly constructed buildings that include a portion of affordable units. Eligible properties would receive a 50 percent exclusion. To be eligible, a property must be classified as 4a market rate (without any 4d units), would have to have begun construction after January 1, 2022, and at least 20 percent of the units are available for residents whose household income at time of initial occupancy does not exceed 60 percent of the greater of area or state median income (AMI), and at least 80 percent of the available units are occupied by residents meeting the income requirement. Cities would be able to choose to participate in this exclusion program via resolution and would have to approve each property.

Metro Cities provided written testimony and highlighted concern with putting the responsibility of funding supports that are traditionally a state function and responsibility, onto local property taxpayers.

*Direct Property Tax Relief Program Expansion.* The bill expands the state's direct property tax relief targeting program by decreasing the threshold from 12 to 10% and increasing the maximum refund from \$1,000 to \$2,000. Metro Cities supports this provision.

*TIF Modifications.* The bill contains provisions to clarify existing tax increment financing laws. Metro Cities and the League of MN Cities worked with the Office of the State Auditor and stakeholders on these provisions, and Metro Cities supports these changes.

*LGA.* The Senate Property Tax Subcommittee had previously heard but did not include a bill to provide supplemental "hold harmless" local government aid (LGA) in 2023 to cities losing aid. The Subcommittee has also not heard introduced legislation to update GA formula factors and increase the aid appropriation. Metro Cities supports this legislation, and it is included in the House omnibus tax bill.

The Senate Taxes Committee will meet Monday and Tuesday of next week on a second omnibus tax bill, into which the property tax subcommittee report will be incorporated.

The House passed its omnibus tax bill, HF 3669-Marquart, this week. Metro Cities reported on the provisions of the House tax bill in the [April 8th newsletter](#). Questions? Contact Patricia Nauman at 651-215-4002 or [patricia@metrocitiesmn.org](mailto:patricia@metrocitiesmn.org)

## House Passes Jobs Omnibus Bill

The House passed the omnibus Workforce & Business Development, Climate and Energy bill, [HF 4355](#) – Noor, on Wednesday. It includes \$5 million in FY2023 and a future base budget of \$3.5 million for the Redevelopment Grant Program, which Metro Cities supports. It also includes funds for childcare, workforce development, closing economic disparities by investing in lower-income communities, investing in small businesses, and supporting COVID relief. Senators Pratt, Rarick, Dahms, Senjem and Frentz, and Representatives Noor, Ecklund, Long, Stephenson, and Swedzinski have been appointed to a conference committee.

## Local Road and Bridge Funding Discussed in Senate Committee

On Wednesday afternoon the Senate Committee on Capital Investment heard testimony on [SF 4066 – Jasinski](#). The bill appropriates \$200 million in bond proceeds for the Local Road Improvement Program to provide grants to cities and other local governments to finance transportation projects on roads that are regionally significant (according to criteria found in statute). The bill also appropriates \$200 million in bond proceeds for the Local Bridge Program. Metro Cities submitted written testimony supporting SF 4066 and the funding it would provide cities. Other government associations, industry stakeholders, and transportation advocates offered their support for the bill. The bill was laid over by the Chair for possible inclusion in this session's Senate bonding proposal.

Contact Mike Lund at [michael@metrocitiesmn.org](mailto:michael@metrocitiesmn.org) or 651-215-4003 with any questions.

## Register to Attend the Minnesota Brownfields PFAS Forum – May 10

Minnesota Brownfields is hosting a PFAS Forum with the MPCA on May 10th for interested city officials. Presentations will include an overview and implementation of the Monitoring Plan, information on a pending PFAS guidance, a stakeholder advisory group process, a panel discussion, and Q&A session.

Tuesday, May 10, 2022, 8 a.m. – noon, WSB, Golden Valley  
[Registration and agenda information can be found here.](#)

## Bills of Note

[HF 4860](#), Winkler: Bill requires scrap metal dealers to verify ownership before purchasing a catalytic converter.

[SF 4568](#), Dornink/[HF 4826](#), Quam: Bill prohibits the use of municipal ID for state or federal services.

[SF 4569](#), Marty/[HF 4866](#), Hausman: Bill authorizes the use of automated traffic enforcement systems for speed violations.

[SF 4570](#), Dornink: Bill establishes the crime of unauthorized possession of a catalytic converter.

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