



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. Committee descriptions and dates are on the [website](#). Please be sure to [sign up](#) for the committee(s) you wish to attend. This will help us keep our rosters accurate. We look forward to seeing you this summer!

Metro Cities Breakfast at LMC Annual Conference

Metro Cities will host a breakfast meeting as part of the League of Minnesota Cities 2022 Annual Conference in Duluth, from **8:00-9:00 a.m. Friday, June 24. Breakfast will be held in Ballroom O on the second floor of the Duluth Entertainment Convention Center (DECC)**. This is a great opportunity to connect with other metro-area city officials. We hope you will join us! The conference will be held Wednesday, June 22 – Friday, June 24. [Please visit <https://www.lmc.org/learning-events/events/league-events/2022-annual-conference/>](#) to register.

Omnibus Bill Updates

Taxes

The Senate passed its second omnibus tax bill, HF 3669, on Wednesday, after passing the bill out of the Taxes Committee on Tuesday. The bill contains a variety of tax policy provisions, including an exemption of Social Security benefits and reduction in the first- tier income tax rate. The bill establishes a tax credit for public safety pensions and a tax credit for 'new markets' and increases funding for the angel investment credit, among other provisions, including property tax related provisions that Metro Cities summarized in its [May 6 newsletter](#).

Metro Cities provided a letter to the Taxes Committee emphasizing support for modifications to expand the state's direct property tax relief programs, extending the sunset for the historic tax credit, the inclusion of clarifying changes to tax increment financing laws, and general support for revenue diversification for cities. Metro Cities' letter also states concerns with the bill's provisions that expand the state's 4d classification rate program as well as market value exclusion language, both of which create potential shifts for local property taxes and puts the responsibility for funding state programs and objectives onto local taxes. Metro Cities also encouraged support for addressing the local construction sales tax exemption process, and formula updates and appropriation increase for the local government aid program as tax bills are further considered this session. See Metro Cities' letter [HERE](#).

On Thursday, the House appointed tax conferees as follows: Representatives Paul Marquart (Chair), Cheryl Youakim, Kaohly Vang Her, Dave Lislegard and Greg Davids. Metro Cities expects the Senate will appoint conferees early next week.

Environment and Natural Resources

The Environment and Natural Resources Conference Committee ([SF 4062](#)) met Monday through Thursday this week. The committee heard testimony from the DNR, MPCA, and other state

agencies on provisions in both the omnibus bills. On Monday, the committee adopted some 'same and similar' provisions. No other action has been taken. Click [HERE](#) to view a list of matching policy provisions in each bill. The committee's next likely meeting will be Monday, May 16. The Senate has the gavel next.

State Government/Transportation/Elections/Pensions

The State Government, Elections, Transportation, and Pensions Conference Committee ([HF 4293](#)) met Monday and Wednesday. The committee has produced two documents containing same and similar provisions. Click [HERE](#) to view the provisions for discussion in the Transportation articles of both bills and [HERE](#) for the State Government provisions that are the same in both bills.

The Public Safety Conference Committee ([SF 2673](#)) met Tuesday, Wednesday, and Thursday this week. Committee hearings have largely consisted of nonpartisan staff walkthroughs of both bills and testimony from the Department of Public Safety and other law enforcement officials. The committee has only adopted one provision so far which would allow the use of tracking devices on stolen vehicles (House Article 2, Sec. 44). The next likely meeting date for the committee is Monday, May 16.

Housing

The Agriculture/Housing/Broadband conference committee met several times this week. Two of the hearings focused exclusively on agriculture provisions in the bill while one hearing provided a high-level overview of the House and Senate housing provisions. Metro Cities [shared this letter](#) with conferees, which highlights opposition to the zoning and local authority provisions contained in the Senate language. The [side by side housing language](#) can be found here and [fiscal tracking spreadsheet](#) here.

Jobs

The conference committee considering the Jobs/Commerce/Energy bill held its first meeting Thursday. Nonpartisan staff reviewed the policy and budget documents. Metro Cities [submitted this letter](#) to conferees, outlining specific support for redevelopment, child-care, and economic development funding. The conference committee is next scheduled to meet on Monday, May 16. The [side by side jobs language](#) can be found here and [fiscal tracking spreadsheet](#) here.

City Criminal Background Checks Modification Passes Senate

[HF 2945](#), which allows law enforcement agencies performing background checks for cities (for employment or licensing) to share criminal history data with the city requesting the check, passed the Senate Thursday. Under current law, law enforcement agencies performing background checks can only inform the city whether an individual has a disqualifying offense on their record. This change will give cities more information when evaluating applicants and the extent to which an applicant's criminal history is disqualifying (or not) when hiring or issuing licenses. The bill was carried by Representative Her and Senator Koran. HF 2955 passed 64-0 in the Senate after being passed the House in March. Contact Mike Lund at michael@metrocitiesmn.org with any questions.

Metropolitan Council Environment Services Reviews Preliminary 2023 Rates

MCES staff presented the preliminary Metropolitan Council Environment Services (MCES) Budget to the Metropolitan Council's Environment Committee on May 10. The presentation covered proposed changes in the budget and rates for 2023. Mr. Smith broke down the proposed budget by revenue, uses, labor, and changes in the debt service. The proposed budget includes a

wastewater charge increase of 5.5%, no increase for sewer availability charges (SAC), and an average increase of 5.5% for industrial permit fees. Staff also compared MCES rates to peer agencies across the country and noted that MCES' average retail sewer rate per household of \$347 continues to fall below the average rate of \$535. The presentation ended with an overview of the rate setting schedule which includes two municipal customer forums planned for May 26 and June 7. Click [HERE](#) to view the full presentation.

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

Active Transportation Planning Assistance Applications Due Next Month

MnDOT's Active Transportation Program provides grants to help communities create active transportation plans with the help of a consultant. These plans will analyze existing conditions, engage with community, identify infrastructure improvements, and identify ways to encourage active transportation. The maximum grant award is \$400,000 worth of consultant support each year from 2022 through 2024. All cities are eligible to apply and there are no matching funds required. Once hired, the consultant provides the department with monthly reports. Applications for planning assistance grants are due via [online form](#) by 5PM on Friday, June 10, 2022. Grant awards will be announced this summer with contract implementation occurring in fall 2022.

Click [HERE](#) to view the website for the Active Transportation Program and contact Jack Rueter at jacob.rueter@state.mn.us or 651-366-4164 with any questions.

Bill Intros

[SF 4584](#), Limmer/[HF 4870](#), Johnson: Bill prohibits street racing, creates penalties for street racing, and appropriates general fund money for the state patrol to purchase helicopters and airplanes. Bill also includes an open appropriation for grants to law enforcement agencies to pay for overtime costs.

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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