

Catalytic Converter Theft Hearings in Senate

[SF 5 – Marty](#) was heard by two Senate committees this week. The bill makes it illegal to possess or purchase catalytic converters without documentation showing that the catalytic converters were legally obtained. There are also provisions that prohibit cash payments, require a five-day delay for payments, and require converters to be held on the dealer's premises for seven days after they are acquired. Click [HERE](#) for the most current summary of SF 5. Metro Cities submitted a letter of support for this bill. The Department of Commerce presented the Senate Commerce Committee with detailed information on catalytic converter theft, the impacts on individuals and community public safety, and recommendations for curbing this behavior. Click [HERE](#) to view the department's slides.

After being passed by the Commerce Committee and the Judiciary Committee, the bill was referred to the Senate Finance Committee. The House companion, HF 30 – Richardson is scheduled to be heard by the Ways and Means Committee on Monday, February 13.

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

Cannabis Amendment Includes Some Local Authorities

[HF 100 – Stephenson](#) and [SF 73 – Port](#) continue to move through their respective bodies. These bills would legalize adult use cannabis and establish the regulatory framework for its production, sale, possession, and use. As introduced, the language preempted local units of government from adequately zoning or licensing for the sale of cannabis within their jurisdiction. This week in the House Workforce Development Committee Rep. Stephenson offered an amendment that would establish some local tools for cities and counties.

Specifically, the [A47 Amendment](#), which was adopted by the committee, requires cannabis retailers to register with the appropriate local unit of government and authorizes local governments to charge an initial registration fee of up to \$200. The amendment includes language relating to compliance checks conducted by local governments. If a local government determines that a cannabis business with a retail registration is not operating in compliance, they may suspend the retail registration and must immediately notify the Office of Cannabis Management, who will review the matter and take further action. The language authorizes a local government to impose a penalty of \$2,000 for violations of this registration requirement.

The A47 Amendment also adds a requirement that the Office of Cannabis Management inspect complaints from local governments within 24 hours if there is an immediate threat to the health or safety of the public. Finally, the amendment allows cities to adopt an ordinance prohibiting the sale of cannabis for any period between 9:00 PM and 2:00 AM or between 8:00 AM and 10:00 AM Monday through Saturday.

The bill still has no limits on the number of licenses that can be issued in each city, the ability for a city to opt-out of allowing retail sales, or sufficiently strong zoning authority. After the Workforce Committee HF 100 still has at least seven more committee stops. The bill was passed and re-referred to the Human Services Policy Committee.

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

Local Aid Bill Heard in House Property Tax Division

[HF 1377-Lislegard](#), was heard this week in the House Property Tax Division. The bill would increase local government aid (LGA) by \$150 million and County Program Aid (CPA) by \$150 million. The bill also modifies formula factors that underpin the LGA program to reflect updated census and other demographic information. Metro Cities' President Matt Stemwedel, City Manager-City of Coon Rapids, provided testimony in support of the bill, along with other city as well as county officials. Metro Cities has worked with other city organizations and non-partisan legislative staff over the last two years, to review and analyze LGA formula factors. The last modifications and updates to the LGA formula were made 10 years ago; the formula is typically analyzed every decade to ensure formula factors are reflective of current city costs and needs.

Questions? Contact Patricia Nauman at 651-215-4002 or patricia@metrocitiesmn.org

Construction Sales Tax Exemption Bill Introduced

[SF 1519-Maye Quade](#), which would streamline the refund process for the sales tax exemption for construction materials by local governments and other entities, was introduced this week. The legislation would be effective June 30, 2023. Metro Cities supports this legislation and is working with a coalition of local governments, school districts, counties and other entities to jointly support legislation. Last year, legislation that would have provided a temporary correction was considered but did not pass. Metro Cities expects the bill to receive a hearing in the Senate Taxes Committee in the coming weeks.

Questions? Contact Patricia Nauman at 651-215-4002 or patricia@metrocitiesmn.org

Local Housing Trust Fund Bill Heard

This week, [HF 950](#), Brand and [SF 609](#), Boldon was heard in the House and the Senate Housing committees. This bill would provide \$10 million in one-time funding in 2024 for matching grants for Local Housing Trust Funds. Both bills garnered significant support from a variety of stakeholders and legislators. Metro Cities submitted a letter of support for these bills in both committees.

Here is a [handout](#) from the Minnesota Housing Partnership on Local Housing Trust Funds (LHTFs) which explains the benefits of Local Housing Trust Funds, and cities and counties that currently have LHTFs.

MnDOT, DPS, and METC Budget Presentations

The House Transportation Committee heard budget recommendation overviews from the Department of Transportation, Department of Public Safety, and Metropolitan Council on Thursday.

Transportation

MnDOT's budget recommendations include several pieces of note for cities. The Governor's budget recommendation includes \$722 million for a multimodal transportation package. \$358 million (roughly \$90 million per year) of this total is allocated to the trunk highway fund for MnDOT to provide required state match for funds flowing to Minnesota as part of the Infrastructure Investment and Jobs Act (IIJA). \$364 million is for non-trunk highway purposes, which is expected to include \$100 million to provide local matching funds for federal grants and \$10 million per year

for the Small Cities Assistance Account. The recommendation includes \$50 million in trunk highway bonds for the state to have additional matching funds for discretionary federal grants.

The MnDOT recommendation includes a proposed change to the depreciation schedule for tab fees which is expected to generate \$175 million per year for the Highway User Tax Distribution (HUTD) Fund. The agency anticipates that this funding will lead to \$60 million for Municipal State Aid Streets (MSAS) over four years. Click [HERE](#) to view the MnDOT budget recommendation materials and [HERE](#) for their presentation slides.

Public Safety

Department of Public Safety Commissioner Jacobson, along with representatives from State Patrol, Driver and Vehicle Services, Office of Traffic Safety, and Office of Pipeline Safety highlighted key provisions in the Governor's budget recommendation for DPS.

Some of these include:

- \$40,000 to unlock federal funds for rail safety oversight for light rail in Minnesota.
- \$14.5 million in general fund dollars and \$1.7 million from the Trunk Highway Fund for State Patrol to purchase a new twin engine helicopter with four additional pilots.
- \$2.5 million in general fund dollars and \$2.5 million from the Trunk Highway Fund to create a traffic safety council, unlock IJA funding, and support Toward Zero Deaths work in Minnesota.
- \$1.5 million in general fund dollars to develop a pilot project to do roadside testing for drug-impaired drivers, which includes training for law enforcement and purchasing equipment.

Click [HERE](#) to view the DPS budget recommendation materials and [HERE](#) for their presentation slides.

Metropolitan Council

Transportation-related budget recommendations for the Metropolitan Council includes a 0.125% regional sales tax for transit operations and capital costs beginning in October 2023. This sales tax would reduce but not eliminate, the structural deficit for transit operations, currently estimated at \$260 million over the 2026-2027 biennium. The tax is expected to generate approximately \$350 million between 2024 and 2027.

The Governor's recommendation also includes \$72 million in general obligation bonds for Arterial Bus Rapid Transit. Chair Zelle shared some details about the F, G, and H lines as well as background information on BRT. Governor Walz also recommends \$29.2 million to accelerate the Council's zero emissions bus transition.

Finally, the budget recommendation calls for an increase to the Metropolitan Council's regional transit bonding authority from \$98.4 million over two years to \$104.545 million. Click [HERE](#) to view the Metropolitan Council budget recommendation materials and [HERE](#) for their presentation slides.

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

Governor's Economic Development Budget Presented in Senate

The Senate Jobs and Economic Development Committee heard the Governor's Department of Employment and Economic Development (DEED) Budget on Wednesday. The Governor's budget recommendations are focused on economic expansion, growing small businesses, and investing in talent. Items include:

- \$85 million in 24-25 in new funding for the Main Street Economic Revitalization program.
- \$20 million in 24-25 and 26-27 for the Angel Tax Credit program.
- \$15 million in 24-25 for child-care economic development grants.
- \$17 million for three adult use cannabis grant programs to support THC businesses.
- \$30 million in 24-25 for a workforce fund to support five of the most critical occupational categories: technology, caring professions, education, manufacturing, and trades.
- \$20 million in 24-26 for a youth workforce development program.
- \$10 million in 24-25 for a return to work program for Minnesotans 55+.

There is no new funding proposed for the Job Creation Fund, which has a base level of funding at \$16 million per biennium, and no new funding for the Minnesota Investment Fund, which has a base level of funding at \$24.7 million per biennium. Metro Cities' policies support both programs as important tools for local economic development and investments.

Contact Ania McDonnell at ania@metrocitiesmn.org if you have any questions.

State Rental Assistance Program Unveiled

The House Housing Committee heard [HF 11](#), Howard, which establishes a state rental assistance program which would provide grants to local housing authorities to provide tenant-based and project-based rental assistance to renters paying over 30% of their household income on rent. Fully funded, this program would cost about \$4 billion per biennium. Metro Cities submitted a letter of support for this legislation.

Contact Ania McDonnell at ania@metrocitiesmn.org if you have any questions.

Metro Cities Annual Meeting - Mark Your Calendar!

Metro Cities will hold its Annual Meeting on **Wednesday, April 19th at 5:00 pm**, at the Roseville Oval Skating Room. The meeting will feature a social hour at 5:00 pm, followed by guest speaker *Susan Brower, State Demographer*, and the election of Board members and officers. We hope to see you! Stay tuned for RSVP and other information and details.

Bills of Note

[HF 1274](#), West: Bill allocates some forecasted general fund balances for transportation purposes.

[HF 1280](#), Richardson/[SF 1085](#), Champion: Bill appropriates money to the Center for Economic Inclusion at DEED.

[HF 1283](#), Hansen: Bill requires the MPCA to adopt rules establishing water quality standards for PFOA and PFOS.

[HF 1289](#), Hassan/[SF 1084](#), Champion: Bill creates an emerging developer fund program and appropriates funding.

[HF 1291](#), Demuth/[SF 414](#), Howe: Bill allocates 100% of the revenue from the tax on auto parts to transportation purposes.

[HF 1297](#), Hollins/[SF 863](#), Marty: Bill prohibits local units of government and law enforcement agencies from acquiring military grade weapons.

[HF 1322](#), Tabke/[SF 1049](#), Dibble: Bill authorizes the Metropolitan Council to issue administrative citations for transit fare evasion.

[HF 1325](#), Elkins/[SF 1055](#), Dibble: Bill modifies the process for local officials to initiate expiration of property designated as agricultural preserves.

[HF 1327](#), Tabke/[SF 1053](#), Port: Bill clarifies the authority of the Metropolitan Council to establish fare programs and passes.

[HF 1328](#), Elkins/[SF 1058](#), Dibble: Bill modifies the time period for review and assessment of metropolitan significance rules.

[HF 1330](#), Elkins/[SF 1052](#), Port: Bill modifies the Metropolitan Council's local housing incentive account program requirements to not require matching funds.

[HF 1332](#), Elkins/[SF 1057](#), Dibble: Bill modifies the basis for determining operation and maintenance expenditures for the regional parks.

[HF 1334](#), Elkins/[SF 1054](#), Dibble: Bill authorizes the Metropolitan Council to compensate advisory committee and Parks and Open Space Commission members.

[HF 1346](#), Kraft/[SF 1132](#), Morrison: Bill authorizes MnDOT to establish a statewide electric vehicle infrastructure program.

[HF 1382](#), Daudt: Bill prohibits local actions that would alter eligibility requirements to vote in federal, state, and local elections.

[HF 1389](#), Fischer: Bill reestablishes the Advisory Council on Water Supply Systems and Wastewater Treatment Facilities.

[HF 1391](#), Fischer: Bill appropriates money to study stormwater retention and infiltration.

[HF 1392](#), Fischer: Bill allows for artificial recharge of groundwater sources.

[HF 1402](#), Hanson, J./[SF 1146](#), Pratt: Bill authorizes municipalities to charge a street impact fee.

[HF 1412](#), Howard/[SF 1488](#), Boldon: Bill establishes a community stabilization program for the acquisition, rehabilitation, interest rate reduction, or gap financing of housing to support the preservation of naturally occurring affordable housing.

[HF 1415](#), Curran/[SF 1087](#), Cwodzinski: Bill appropriates \$25 thousand to develop a curriculum for licensed therapists to gain skills to provide services to first responders.

[HF 1419](#), Howard: Bill creates a local affordable housing aid program.

[HF 1440](#), Howard/[SF 1367](#), Port: Bill provides funding for the family homeless prevention and assistance program.

[HF 1142](#), Folgeman/[SF 1464](#), Weber: Bill appropriates \$40 million to the small cities assistance program.

[HF 1472](#), Hassan: Bill establishes a homeownership investment grant program and a workforce homeownership program.

[HF 1476](#), Hanson, J./[SF 1430](#), Port: Bill authorizes a rail transitway feasibility study from St. Louis Park to Savage.

[HF 1500](#), Petersburg/[SF 1437](#), Jasinski: Bill prohibits the Metropolitan Council from expending state sources of funds for the SWLRT project.

[HF 1507](#), Fischer/[SF 1471](#), Rest: Bill creates a lead safe homes grant program to increase lead testing and make residential rental units lead safe, and provides funding.

[HF 1514](#), Hansen: Bill creates a new inflow and infiltration grant program for metropolitan cities.

[HF 1529](#), Engen: Bill would make a county with a light rail transit facility located entirely within its borders the responsible authority for planning, designing, acquiring, constructing, and equipping the facility.

[HF 1530](#), Engen: Bill requires municipal approval of guideway plans and allows municipalities to revoke that approval so long as federal funds have not yet been secured.

[HF 1539](#), Lee: Bill appropriates \$50 million in bond proceeds for metropolitan regional parks and trails.

[HF 1550](#), Koegel: Bill appropriates \$2 million to assist local units of government in applying for federal discretionary grant programs and approximately \$250 million for required matching funds.

[HF 1558](#), Hudella: Bill prohibits local units of government from disarming peace officers who are in good standing.

[SF 1222](#), Draskowski/[HF 983](#), Jacob: Bill establishes a procedure for provisional balloting.

[SF 1248](#), Seeberger/[HF 638](#), Freiberg: Bill appropriates \$5 million to the Metropolitan Council for grants to cities to address inflow and infiltration.

[SF 1287](#), Pappas/[HF 1214](#), Hussein: Bill provides funding for a grant to a Community Stabilization Project for services to renters and property owners in low-income and underrepresented communities.

[SF 1294](#), Howe: Bill requires the state to fully fund costs related to the continuation of health insurance coverage for disabled or deceased peace officers or firefighters.

[SF 1298](#), Oumou Verbeten/[HF 917](#), Agbaje: Bill amends residential housing evictions language.

[SF 1300](#), Westlin/[HF 1300](#), Stephenson: Bill establishes a public safety aid program to provide mental health care for first responders with base funding of \$9 million per year.

[SF 1345](#), Jasinski: Bill requires a cost-benefit analysis be conducted for proposed transit guideways.

[SF 1358](#), Carlson: Bill establishes a large cities assistance account and allocates filing fee and surcharge revenue to that account as well as the small cities assistance account.

[SF 1361](#), Carlson: Bill authorizes cities with under 400 registered voters to do mail balloting.

[SF 1368](#), Port/[HF 772](#), Kraft: Bill modifies how often the building code for new commercial buildings is adopted.

[SF 1370](#), Port: Bill expands the eligible uses for housing infrastructure bonds to 50% of AMI.

[SF 1371](#), Port: Bill exempts affordable housing covenants on real property from a 30-year restriction.

[SF 1372](#), Port: Bill adopts Minnesota Housing Finance Agency technical policy provisions.

[SF 1373](#), Port: Bill prohibits rental discrimination based on receipt of public housing assistance, expands procedural requirements for evictions and expungements.

[SF 1380](#), Mohamed/[HF 1219](#), Kozlowski: Bill provides funding for homeownership education, counseling, and training program.

[SF 1388](#), McEwen/[HF 597](#), Kraft: Bill establishes a grant program to provide assistance to cities as they develop local climate action plans.

[SF 1390](#), Putnam/[HF 1080](#), Sencer-Mura: Bill provides funding to DEED for capacity building grants for culturally specific organizations.

[SF 1404](#), Port/[HF 747](#), Reyer: Bill establishes a grant program for the installation of solar energy generating systems on public buildings.

[SF 1434](#), Boldon/[HF 558](#), Frederick: Bill provides for early voting with certain requirements for hours, locations, and other procedures.

[SF 1457](#), Mathews: Bill prohibits a political subdivision from banning new natural gas or propane service for buildings.

[SF 1458](#), Mathews: Bill prohibits local bans on new natural gas hookups in residential construction.

[SF 1472](#), Kunesh/[HF 156](#), Feist: Bill amends policy related to utility billing practices in manufactured home parks.

[SF 1507](#), Mitchell/[HF 635](#), Greenman: Bill prohibits the interference or intimidation of election officials.

[SF 1518](#), Marty: Bill authorizes the use of automated traffic enforcement systems for certain speed violations.

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