



## **Metro Cities Annual Meeting - Mark Your Calendar!**

Please plan to attend Metro Cities' Annual Meeting on **Wednesday, April 19th at 5:00 pm**, at the Roseville Oval Skating Center, Rose Room. This a great way to mingle with city colleagues in the metropolitan area! The meeting will feature a social hour at 5:00 pm, followed by guest speaker *Dr. Susan Brower, State Demographer*, and a brief meeting to elect Board members and officers. A quorum is required. Click [HERE](#) for meeting details. RSVP to Jennifer Dorn at [jennifer@metrocitiesmn.org](mailto:jennifer@metrocitiesmn.org)

## **Adult-Use Cannabis Update**

[HF 100 \(Stephenson\)](#) that would legalize adult-use cannabis, was heard by the House Taxes Committee on Thursday. Metro Cities submitted testimony urging an amendment to the bill to allow cities to share in revenues from taxation on cannabis. The current version of HF 100 requires local governments to register cannabis businesses if they have been licensed by the state and have met certain other requirements. Local governments are also required to conduct compliance checks for every cannabis and hemp business with retail registrations. This responsibility will likely place increased pressures on already cost-burdened local budgets.

Unlike its companion, [SF 73 \(Port\)](#), HF 100 does not include language that limits the number of retail businesses in each jurisdiction. Costs are anticipated to be especially burdensome for small cities and cities bordering states where adult-use cannabis is illegal. Without funding for local governments Minnesota would become an outlier among states that have legalized adult-use cannabis. No amendments concerning local revenue sharing or taxing authority were considered by the committee. HF 100 was passed, as amended, and referred to Ways and Means.

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

## **Omnibus Bills Advancing**

Several omnibus budget bills are receiving hearings, testimony, and mark-ups, as the third deadline as well as Easter/Passover recess approaches. The recess begins next Wednesday; legislators will return on April 14. Many bills will be considered by the Senate Finance Committee or Ways and Means Committee after legislators return from the recess. (Capital Investment and taxes bills are not subject to committee deadlines). Metro Cities is monitoring and responding to a number of bills that are consequential for metropolitan cities. See below for updates on specific bills and items of concern and significance to Metro Cities.

### *House Transportation*

[HF 2887 \(Hornstein\)](#) was passed as amended by the House Transportation Committee and referred to Taxes. The bill contains several provisions of significance for cities. These include funding for the Corridors of Commerce program, Small Cities Assistance Account, deputy registrars, state patrol aviation, and several safety initiatives. The bill contains adjustments to transportation taxes and establishes a retail delivery fee as well as a metropolitan regional sales tax with most of the revenues for transit in the region. The bill contains provisions to maximize

Minnesota's ability to secure federal grant funds made available by the Infrastructure Investment and Jobs Act (IIJA) and other federal bills.

The bill contains policy language to which Metro Cities has testified on numerous occasions with concerns that would statutorily mandate climate action content for local comprehensive plans for metropolitan cities. Metro Cities' concerns include that the language is an overly prescriptive, one-size-fits-all mandate that would not allow for local needs or capacities, and that required content for plans for metropolitan cities has historically and appropriately been addressed between city officials and the Metropolitan Council. Metro Cities is continuing to discuss the language with the author.

The bill also establishes a legislative task force on regional governance. Originally, the task force provided for two city officials and two county officials, as well as a township official. Metro Cities' testimony encouraged additional city official representation given the number of cities in the metropolitan region and that city officials are responsible for the majority of local implementation of regional policies. On Friday, an amendment was adopted that reduces the number of city and county officials to one each, with additional representation by legislators added to the task force, via an oral amendment.

The [A29 Amendment](#) changes the project selection process for Corridors of Commerce as well as amends the makeup of the governance task force. Click [HERE](#) to view the budget spreadsheet and [HERE](#) for a revenue spreadsheet.

### *Senate Transportation*

The Senate Transportation Committee held two hearings this week to walk through [SF 3157 \(Dibble\)](#) and to hear testimony. The bill funds the Corridors of Commerce program at a higher amount than the House bill. There are also investments for the State Patrol and safety initiatives. The Senate bill also raises new revenue that impacts cities. A retail delivery fee and tab fee surcharge will direct additional dollars to the small cities' assistance account and MSAS-eligible cities. The bill also establishes a regional sales tax for transportation primarily for transit. The Senate language contains several provisions that attempt to maximize Minnesota's ability to provide matching funds for competitive grant programs as a part of the IIJA and other federal programs.

The Senate bill contains the same requirements that climate action content be included in the Metropolitan Council's Regional Development Guide and in local comprehensive plans. The bill also includes several provisions relating to the governance of the Metropolitan Council. Specifically, the bill establishes a charter commission for the Metropolitan Council, who would be empowered to enact governance reforms. The bill also includes a legislative task force to study regional governance and make recommendations.

The Senate Transportation Committee is expected to consider amendments and pass the omnibus bill out of committee on Monday, April 3. Click [HERE](#) to view the budget spreadsheet and [HERE](#) to view a summary of the bill.

### *Senate Judiciary and Public Safety*

[SF 2909 \(Latz\)](#) was passed, as amended, by the Senate Judiciary and Public Safety Committee and referred to the Finance Committee. The Senate omnibus public safety bill contains many of the same provisions as the House, but in smaller amounts. The bill includes \$2.8 million each year for community violence prevention and intervention programs, \$2.8 million each year for grants to local law enforcement agencies or local governments to improve responses to situations involving individuals experiencing a mental health crisis, \$5 million each year for youth intervention programs, \$6 million for grants to local governments to purchase and maintain portable recording

devices, \$400,000 each year for reimbursements to state and local law enforcement agencies that operate pathway to policing programs and \$2.9 million each year for reimbursements to local governments for peace officer training costs. The Senate bill contains concerning language that expands the definition of “killed in the line of duty” to include any public safety workers that die of cancer, without considering the level of job-related exposure to carcinogens, or potential contributing factors occurring outside of work such as tobacco use. Click [HERE](#) to view the budget spreadsheet for SF 2909.

#### *House Public Safety*

[HF 2890 \(Moller\)](#) was passed, as amended, by the House Public Safety Committee and was referred to Ways and Means. The bill includes \$100 million for Community Crime and Violence Prevention grants, \$1 million each year for grants to local governments to purchase or upgrade equipment that can be used as part of the Statewide Public Safety Radio Communication System, \$7.5 million each year for youth intervention programs, \$3 million each year for grants to law enforcement agencies and local governments to build or maintain mental health co-responder models, Investments in first responder mental health, and \$2.9 million each year for reimbursements to local governments for peace officer training costs. The bill also contains policy language that will require DPS to report carjacking data in its annual uniform crime report. Click [HERE](#) to view the budget spreadsheet and [HERE](#) to view a bill summary for HF 2890.

#### *House Environment*

[HF 2310 \(Hansen\)](#) was passed, as amended, by the House Environment and Natural Resources Committee and referred to Ways and Means. The bill includes \$9 million for emerald ash borer mitigation, \$20 million in grants to local governments to support climate-resilient infrastructure, over \$30 million for PFAS/PFOS, and \$4 million for the Lawns to Legumes program. Metro Cities raised concerns with language in the bill that requires the MPCA to establish water quality standards for six categories of PFAS, which could lead to permit violations for cities, even though municipalities are conduits for PFAS substances, not producers of them. The bill includes funding for the regional parks and trails system and a full repayment from the general fund back to the Metropolitan Landfill Contingency Action Trust (MLCAT). Click [HERE](#) to view the budget spreadsheet.

#### *Senate Environment*

[SF 2438 \(Hawj\)](#) was passed, as amended, by the Senate Environment, Climate, and Legacy Committee and referred to the Finance Committee. The bill provides \$9 million for the ReLeaf program, \$4 million for the Lawns to Legumes Program, and funding for the Metropolitan regional parks and trails system. The bill includes over \$86 million for grants to local governments to support local planning and implementation of water infrastructure projects that allow for adaptation as the climate changes. The Senate bill contains funding to address PFAS/PFOS and a partial repayment of the Metropolitan Landfill Contingency Action Trust (MLCAT) from the general fund. Click [HERE](#) to view the budget spreadsheet and [HERE](#) to view a summary of the bill.

#### *House Legacy*

[HF 1999 \(Lillie\)](#) was passed, as amended, by the House Legacy Committee and referred to Ways and Means. The bill appropriates funds from the Clean Water Fund and includes \$8.5 million in each year for the Board of Water and Soil Resources to make grants to local governments to protect, restore, and enhance surface water, ground water, and drinking water. It also includes \$1.125 million each year for the Metropolitan Council to implement projects that address emerging threats to the drinking water supply and \$1.5 million for water demand reduction grants to assist municipalities in the metropolitan area with implementing water demand reduction measures to ensure the reliability and protection of drinking water. The Legacy bill also spends money out of the Parks and Trails Fund and includes \$28.5 million in FY 2024 and \$25.5 million in FY 2025 for the metropolitan regional parks system. Click [HERE](#) to view the budget spreadsheet and [HERE](#) to view a bill summary for HF 1999.

### *House Climate and Energy*

[HF 2754 \(Acomb\)](#) was passed, as amended, by the House Climate and Energy Committee and referred to Ways and Means. There are several provisions in the bill that Metro Cities supports. The bill includes Local Climate Action grants for cities to increase their adaptability and resiliency in the face of extreme weather and climate change. The bill would adopt a more aggressive schedule for adopting energy code standards for new commercial buildings. Finally, the bill establishes the Minnesota State Competitiveness Fund so that the state and local governments can maximize their ability to win grant awards for energy programs from the IJA and Inflation Reduction Act. Click [HERE](#) to view the budget spreadsheet.

### *House Elections*

[HF 1723 \(Freiberg\)](#) was passed, as amended, by the House Elections Committee and referred to Ways and Means. The bill contains funding for a Voting Operations, Technology, and Election Resources Account which would provide funding for cities to purchase equipment, pay for staff costs, improve polling place accessibility, and provide local match for federal grants. The bill includes language that protects election workers from intimidation and interference. Metro Cities voiced concerns over language related to the early voting provisions that would mandate certain hours for early voting locations during the 18-day early voting period. Click [HERE](#) to view the budget spreadsheet and [HERE](#) for a summary table of the provisions in the bill.

### *Senate Elections*

[SF 1636 \(Carlson\)](#) received one hearing this week, where the staff walked through the bill and the committee heard public testimony. The Senate bill contains the same mandate requiring certain hours for early voting locations as the House bill. The protections against intimidation and interference are also included. SF 1636 includes funding to help cities increase polling place accessibility for individuals with disabilities. Finally, the bill contains several provisions related to ranked choice voting including language that authorizes any city to implement ranked choice voting for local offices within their jurisdiction. Click [HERE](#) to view the budget spreadsheet and [HERE](#) for a summary of the bill.

### *House and Senate Housing Bills*

The House and Senate Housing Committees heard and took testimony on their omnibus bills this week. Most of the base funding increases for housing programs are one-time funding increases. Below is a comparison of funding for programs supported by Metro Cities, in the House and Senate housing bills:

- Challenge Program: \$75.85M in the House, \$125.85M in the Senate.
- Housing infrastructure bonds: \$200M in the House, \$250M in the Senate.
- Local housing trust funds: \$8.7M in the House, \$10M in the Senate.
- First generation homebuyer down payment assistance: \$150M in the House, \$100M in the Senate.
- Homebuyer education, counseling, training programs: \$2M in the House, \$4.7M in the Senate.
- Community Stabilization (NOAH preservation grants): \$150M in the House, \$100M in the Senate.
- Homeownership Assistance Fund: \$1.77M in the House, \$26.77M in the Senate.
- Housing Cost Reduction Incentive Program: \$2.5 million in the Senate.

- State rental assistance: \$100M in the House for Greater Minnesota, \$131.33M in the Senate for statewide assistance.

The House bill proposes a metropolitan region sales tax to pay for a rental assistance program and a local housing aid program for cities and counties in the metropolitan area. The House committee [posted a fiscal note](#) illustrating how much revenue would be raised, and what would be dedicated to rental assistance and the local housing aid.

The Senate bill also proposed a metropolitan region sales tax, but on Thursday the Senate Housing Committee amended to delete the provision from the omnibus bill. The amendment also deleted the local housing aid for cities and counties.

Metro Cities testified in both committees and [submitted letters](#) detailing support for various housing programs in bills and expressed concerns on the proposal to create a metropolitan region sales tax. Housing programs are traditionally funded by the state, and Metro Cities policies oppose substituting traditional funding sources for state programs and objectives with funding mechanisms that would have disparate effects on metropolitan taxpayers.

Both bills include the requirement for cities of the first and second class to report a list of high-rise buildings without sprinklers to the state fire marshal by June 20, 2024. The House Housing bill was referred to the Taxes Committee, and the Senate bill was passed and sent to the Finance Committee.

#### *Economic Development Omnibus Bills*

This week, the House Economic Development Committee and the Senate Jobs and Economic Development Committee both heard their omnibus bills. [Here is a link](#) to the House bill, and [here is a link](#) to the Senate bill.

The bills include funding for programs that Metro Cities supports:

- Minnesota Investment Fund: \$24.74 million in the House and Senate– both maintain baseline funding.
- Job Creation Fund: \$16 million in the House and Senate– both maintain baseline funding.
- Redevelopment Grant program: \$4.492 million in the House (baseline funding), \$8.492 million in the Senate.

Metro Cities [submitted letters](#) in support of the bills. Both bills were passed, and the House bill was sent to the Ways and Means committee, and the Senate bill to the Finance Committee.

#### *Broadband Funding in Agriculture Omnibus Bill*

The Senate Agriculture omnibus bill includes \$55 million the first year and \$30 million the second year for the border-to-border broadband account, and \$20 million each year for the lower population density grant program. The House bill includes \$75 million in the first year and \$50 million in the second year, and \$20 million each year for the lower population density grant program.

#### *Taxes and Capital Investment Bills*

The Senate and House Taxes and Capital Investment Committees are not subject to committee deadlines. Committees have continued to hear a range of bills, including local tax increment financing and local option sales tax bills in taxes committees.

## Shared Mobility Spring 2023 Convening

The Twin Cities Shared Mobility Collaborative is holding its quarterly convening on **Wednesday, April 19**. The event will be held virtually via Zoom from 12:30 PM to 2:00 PM. This convening will kick off with Will Schroeer, chair of the Twin Cities Shared Mobility Collaborative Steering Committee, sharing background on the Collaborative and highlighting future plans—including a name change to Minnesota Shared Mobility Collaborative as the group moves to include a statewide focus. Following this overview, a series of speakers will discuss the economic sustainability of shared mobility with examples from both the metro area and Greater Minnesota. Confirmed speakers include Russ Brooks, mobility planner at the City of Minneapolis, and Elliott McFadden, coordinator of the Greater Minnesota Shared Mobility Program at MnDOT. Click [HERE](#) to register for this event.

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

## Federal DOT Accepting Applications for Charging and Fueling Infrastructure

The Charging and Fueling Infrastructure (CFI) Discretionary Grant Program is a new competitive grant program established in the Infrastructure Investment and Jobs Act (IIJA) that aims to deploy publicly accessible electric vehicle charging infrastructure in urban and rural communities. Cities are eligible to apply for this grant opportunity. There is \$700 million available for this program. Interested cities can click [HERE](#) for more information. Applications must be submitted through [grants.gov](https://grants.gov) no later than **11:59 PM on Tuesday, May 30, 2023**.

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

## Bills of Note

[HF 3134](#), Igo: Bill appropriates \$25 million for mental health treatment grants for law enforcement officers, correctional officers, and 911 telecommunicators.

[HF 3147](#), Richardson/[SF 3036](#), Champion: Bill requires the commissioner of employment and economic development to study student loan forgiveness programs and appropriate funding.

[HF 3153](#), Hassan/[SF 2994](#), Fateh: Bill appropriates money for a grant to Community Action Partnership of Hennepin County (CAP-HC) to increase affordable housing in the Black community.

[HF 3168](#), Nash: Bill limits regulations on certain residential development aesthetic mandates or minimum square footage requirement.

[SF 3147](#), Draheim/[HF 2938](#), Johnson: A bill for an act relating to housing; establishing task force on student housing; requiring reports.

[SF 3152](#), Utke/[HF 3116](#), Knudsen: Bill provides funding for a grant program for unrealized businesses.

[SF 3180](#), Putnam/[HF 2839](#), Brand: Bill authorizes cities to impose a local sales tax if certain criteria are met.

[SF 3201](#), Mohamed/[HF 2704](#), Perez-Vega: Bill provides for a tenant's right to organize and penalties for retaliation for tenant organizing.

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**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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