



Metro Cities Annual Meeting Next Wednesday!

Please plan to attend Metro Cities' Annual Meeting next **Wednesday, April 19th at 5:00 pm**, at the Roseville Oval Skating Center, Rose Room. This is a great way to mingle with your city colleagues in the metropolitan area. The meeting starts with 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, and your attendance is important and appreciated. Click [HERE](#) for meeting details. RSVP to Jennifer Dorn at jennifer@metrocitiesmn.org

Legislature Returns from Its Recess

The Legislature resumed the business of the 2023 legislative session on Tuesday, following a brief recess. This week, omnibus bills and other key bills received hearings in the Senate Finance and Taxes Committees as well as the House Taxes and Ways and Means Committees. The session has been marked by an intense pace that is likely to continue as the required adjournment date approaches in late May. Once omnibus bills pass their respective bodies, they will be reconciled in conference committees, which are typically the focus of the last few weeks of the legislative session. Omnibus budget bills in the areas of transportation, housing, jobs, pensions, judiciary/public safety, and education have been heard this week. Legislation to legalize cannabis also continues to advance as well as paid family leave legislation. Omnibus tax and capital investment bills have yet to emerge and be considered. Committee deadlines do not apply to tax and capital investment bills. Both Taxes Committees are hearing omnibus bills that include tax related provisions.

Below are brief status updates on omnibus bills of interest and significance to Metro Cities.

Omnibus Bill Updates

Public Safety

[SF 2909 \(Latz\)](#) was passed, as amended, by Senate Finance Committee and referred to the floor. The bill includes funding for local governments for community crime and violence prevention programs including but not limited to juvenile diversion programs. The bill also includes funding for local law enforcement agencies to improve responses to situations involving individuals experiencing a mental health crisis. There is also funding for radio and 911 equipment costs, youth intervention programs, body cameras, and training reimbursement costs.

[HF 2890](#), the House Public Safety omnibus bill, is scheduled to be heard by the Ways and Means Committee on Tuesday, April 18.

Elections

[HF 1723 \(Freiberg\)](#) was amended and then incorporated into the State Government Omnibus bill, [HF 1830 \(Klevorn\)](#). The bill contains provisions establishing an early voting system, which includes certain mandated hours for local elections administrators. The bill also includes protections for election officials from interference and intimidation. Finally, the bill contains funding for elections administration including state matching funds for Help America Vote Act (HAVA)

dollars, and the establishment of a Voting Operations, Technology, and Elections Resources Account to provide additional assistance to local governments. HF 1830 was passed, as amended, and referred to the general register.

No action has been taken on [SF 1636](#), the Senate Elections omnibus bill, since it was passed by the Senate Elections Committee and referred to the Finance Committee.

Transportation

[HF 2887 \(Hornstein\)](#) was passed, as amended, by the Ways and Means Committee and referred to the general register. The bill contains several provisions of note for cities including funding for the Corridors of Commerce program, the Small Cities Assistance Account, deputy registrars, state patrol aviation, and several safety initiatives. The bill contains several adjustments to current transportation taxes and the establishment of a retail delivery fee. These revenue raisers allocate money to large and small cities, and the other recipients of Highway User Tax Distribution Fund dollars. The bill also establishes a regional sales tax for transportation in the seven-county metropolitan area and contains several 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.

HF 2887 contains provisions that would mandate certain climate action content be included in the Metropolitan Council's Regional Development Guide and in local comprehensive plans, which Metro Cities opposes. Finally, the bill establishes a legislative task force to make recommendations for the governance of the Metropolitan Council.

Several amendments were considered and adopted by the committee. The [A32](#) amendment directs the Metropolitan Council to use \$9 million from the metropolitan area sales tax for grants to suburban providers for microtransit services. Other adopted amendments concerned certain requirements for greenhouse gas emission mitigation for highway projects and changes to the administration of the retail delivery fee. HF 2887 now awaits action on the House floor.

[SF 3157 \(Dibble\)](#) was passed, as amended, by the Senate Tax Committee and referred to the Finance Committee. The committee's discussion was limited to the tax provisions in the bill. These include increases to the vehicle registration tax, dedicating the revenue from the auto parts sales tax to transportation, an increase in the motor vehicle sales tax (MVST), a surcharge on tab fee renewals, a 75-cent retail delivery fee, and a 0.75% metropolitan area sales tax. The [A50](#) amendment adopted by the committee removed the retail delivery fee from the bill and lowered the metropolitan area sales tax to 0.5%. No other amendments were adopted before SF 3157 was passed and referred to the Finance Committee. The Senate Transportation bill also contains climate action content requirements for the Regional Development Guide and metropolitan city comprehensive plans, as well as language that would establish a charter commission for the Metropolitan Council and its governance.

Environment, Climate, and Energy

At Tuesday's Ways and Means Committee [HF 2754 \(Acomb\)](#), the House Climate and Energy omnibus bill, was incorporated into [HF 2310 \(Hansen\)](#), the House Environment and Natural Resources omnibus bill. The [A18](#) amendment to HF 2310 was considered and adopted. The A18 includes an appropriation for the Metropolitan Council to create a plan for drinking water in the communities surrounding White Bear Lake. The A18 also incorporated sections from a standalone bill dealing with the White Bear Lake court case.

The combined Environment, Natural Resources, Climate and Energy bill contains several provisions of note for cities. The bill includes funding for water infrastructure planning, emerald ash borer mitigation, efforts to address PFAS/PFOS, the operation and maintenance of regional

parks and trails, and local climate action planning grants. HF 2310 was passed, as amended by the committee, and referred to the general register.

No action has been taken on the Senate Environment omnibus bill, [SF 2438 \(Hawji\)](#), following its passage in the Senate Environment, Climate, and Legacy Committee.

Legacy

[HF 1999 \(Lillie\)](#) was passed, as amended, by the House with a vote of 69 to 59. The Senate companion, [HF 1999 \(Hawji\)](#) was passed, as amended, by the Finance Committee on Wednesday. Both bills contain funding for the Board of Water and Soil Resources (BWSR) to make grants to local governments for water protection and restoration projects, the Metropolitan Council for projects that would address emerging threats to the drinking water supply, and funding for water demand reduction grants. The two Legacy bills also contain funding for metropolitan area regional parks and trails. HF 1999, with the Senate language substituted in place of the House bill, will now be taken up by the full Senate.

Housing

[HF 2335](#) (Howard) was heard this week in the House Ways and Means Committee. The bill includes funding for the Challenge program, housing infrastructure bonds, local housing trust funds, first generation homebuyers for down payment assistance, rental assistance, and the Homebuyer Education, Counseling, and Training (HECAT) program. The bill also includes funding for the Community Stabilization program for preserving NOAH. The bill contains a 0.25% metropolitan region sales tax to fund a metro area rental assistance program, as well as a local housing aid program. Metro Cities [submitted a letter](#) to the committee that supports state funding for various housing programs in the bill and expressing concern with the creation of a metro sales tax for rental assistance in the bill. The bill was amended during the hearing to reduce the amount of cash for Housing Infrastructure Bonds (HIBs) from \$200 million to \$185 million and reduced the amount of Housing Infrastructure Bond debt authorization for fiscal years 2026-27 from \$200M to \$66M. This funding was shifted to the Bring It Home rental assistance program in fiscal years 2026-27, increasing the allocation from \$24M to \$44M. The bill was passed by the committee and sent to the House floor. The bill will likely be heard next week on the House Floor.

[SF 2566](#) (Port) was the first bill heard in the Senate Finance Committee this week. The bill includes funding for the Challenge program, Community Stabilization program, housing infrastructure bonds, local housing trust funds, first generation homebuyers for down payment assistance, rental assistance, and the Homebuyer Education, Counseling, and Training (HECAT) program. The bill does not contain the metropolitan region sales tax, or the local housing aid, like the House version does. The bill was passed and referred to the Senate floor.

Economic Development and Workforce

[SF 3035](#) (Champion) was heard in Senate Finance committee this week. The bill includes an increase in funding for the Redevelopment Grant and Demolition Loan program. The bill also includes continued base funding for the Minnesota Investment Fund and the Job Creation Fund. The committee added an amendment to the bill to clarify that for any grant that is made, the language makes it clear that there are no longer any COVID exceptions for grantees, and any grant making requirements would be subject to current requirements in law. The omnibus Labor bill was rolled into this economic development bill, and the bill was passed and sent to the Senate floor. The bill is scheduled to be heard on the Senate Floor Friday.

The House has split this area into two omnibus bills, [HF 3028](#) (Hassan) for Economic Development, and [HF 2233](#) (Xiong) for Workforce Development. These bills have not been heard yet in the House Ways and Means Committee.

Agriculture, Broadband, and Rural Development

The omnibus Agriculture, Broadband, and Rural Development bill, [SF 1955](#) (Putnam), was heard on the Senate floor on Thursday. This bill includes \$85 million for FY24-25 for the border-to-border broadband fund, and \$40 million for the lower population density grant program to award grants for broadband service to unserved and underserved areas. The bill passed the Senate floor with 58 yes votes, and 7 no votes.

The House bill, [HF 2278](#) (Vang) has yet to be heard in the House Ways and Means Committee.

Senate Passes State Competitiveness Fund

The Senate passed [HF 1656 \(Sen. Frentz/Rep. Acomb\)](#) with a vote of 39 to 22. This action taken by the Senate comes after the House passed the same bill on March 23. The bill establishes a state competitiveness fund account for grants to entities applying for federal funds made available as a part of the Infrastructure Investment and Jobs Act (IIJA) or the Inflation Reduction Act (IRA). The competitiveness account can be used to provide required state matching amounts or towards costs associated with grant application development and technical assistance. Eligible entities include cities, counties, townships, tribal governments, institutions of higher education, utilities, and nonprofit organizations. This competitiveness fund is being established exclusively for energy-related projects and programs in the IIJA and IRA. HF 1656 will now head to the Governor's desk for his signature.

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

Bills of Note

[SF 3236](#), Seeberger: Bill establishes the crime of carjacking.

[SF 3237](#), Putnam/[HF 1635](#), Norris: Bill modifies the workforce and affordable homeownership development program and appropriates funding.

[SF 3250](#), Hawj: Bill requires an open bidding process when deputy registrars and driver's license agents close locations.

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.

If you'd like to sign up to receive Metro Cities News, please email newsletter@metrocitiesmn.org and provide the following: Name, Title, Employer and Email address. Thank you!

Metro Cities (Association of Metropolitan Municipalities)
145 University Ave W, St. Paul, MN 55103-2044
Phone 651-215-4000 · Fax 651-281-1299 · www.MetroCitiesMN.org