

House Passes Adult-Use Cannabis Bill

[HF 100 \(Stephenson\)](#) was passed, as amended, by the Minnesota House of Representatives with a vote of 71 to 59. The debate over the bill was split over two days. Several amendments of note relating to local regulation were considered and voted on, but none were adopted. The [A100](#) amendment would have allowed cities to opt-out of retail sales within their jurisdiction. The [A102](#) amendment would have implemented population-based minimums for retail locations (similar to how liquor licenses are handled). The [A107](#) amendment would have established a process for each local unit of government to hold a referendum to decide whether or not to allow the sale, use, or possession of cannabis within the boundaries of that locality. Finally, the [A103](#) amendment would have established a local cannabis aid account. The version of the bill passed by the house contains no revenue sharing for local governments but does allow cities to charge a fee associated with a businesses' local registration requirement. Metro Cities signed a joint letter with other city as well as county associations expressing the need to include local regulation language, as the bill was considered by the House.

The Senate Finance Committee heard HF 100 on Wednesday where the contents of SF 73 were inserted in place of the House language. [HF 100 \(Port\)](#), as amended, contains important local control provisions including a zoning compliance requirement for those seeking cannabis licenses and population-based minimums for the number of cannabis retail stores in each jurisdiction. The Senate language also includes revenue sharing for local governments in recognition of the additional costs for cities and counties should adult-use cannabis be legalized. HF 100 (Port) is expected to be debated on the Senate floor on Friday, April 28.

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

Carjacking Legislation Heard in Senate

[SF 3236 \(Seeberger\)](#) was heard by the Senate Judiciary and Public Safety committee on Monday morning. The bill defines carjacking and describes criteria for first, second, and third-degree carjacking with associated penalties for each offense. The [A1 amendment](#), adopted by the committee, makes conforming changes elsewhere in statute to reflect the newly established crime of carjacking. Penalties in the bill are the same as what is currently on the books for robbery offenses. Proponents stated this is a positive first step in addressing this crime, but some members on the committee expressed a desire for harsher penalties. Earlier this session, an amendment was offered on the Senate floor that would have established carjacking as a distinct criminal offense and included harsher penalties than what is contained in Sen. Seeberger's bill. That amendment was not adopted. SF 3236 was laid over for possible inclusion in a future Judiciary and Public Safety omnibus policy bill.

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

Updates on Omnibus Bills

Taxes

The Senate Taxes Committee passed its omnibus tax bill Thursday, as a delete all amendment to SF 1811, a summary of which can be found [HERE](#). The bill includes updates to the local government aid (LGA) formula and an LGA increase of \$40 million, clarifying changes to tax increment financing (TIF) laws, language addressing TIF changes for several cities, local option sales tax authority provisions for several cities, and construction sales tax exemptions for specific projects in certain local communities. The bill does not broadly address the process for the construction sales tax exemption for local governments. The bill expands the 4d classification rate and provides transition aid for cities with over 2% of housing classified as 4d. The bill further repeals the sunset of the historic structure rehabilitation credit. The bill was amended Thursday to allow for three, rather than two, LGA payments for FY2025 only.

Authorization for local option sales taxes are included in the bill for the metropolitan cities of Saint Paul, Excelsior, Rogers, Edina, Bloomington, Chanhassen, Cottage Grove, Golden Valley, Mounds View, Richfield, Roseville, Stillwater and Woodbury.

Local TIF provisions for the metropolitan cities of Hopkins, Bloomington, Saint Paul, Savage, Ramsey, Fridley, Plymouth, Shakopee, West Saint Paul and Woodbury are included in the bill.

The bill includes construction materials sales tax exemptions for certain projects in the cities of Chanhassen, Oakdale, Ramsey, Wayzata and Woodbury.

The Senate taxes bill is likely to be heard on the Senate floor next Tuesday. The House passed its omnibus taxes bill off the floor on Thursday. (See Metro Cities 4-21-23 newsletter for details on the House taxes bill). The bills will need to be reconciled by a conference committee once the Senate bill passes the floor.

Questions? Contact Patricia Nauman at patricia@metrocitiesmn.org.

Housing (HF 2335)

The Senate heard and passed the omnibus Housing bill on Tuesday. Two zoning preemption amendments were offered by Senator Lucero (R-St. Michael), one to limit aesthetic mandates on residential developments and limit square footage minimums, and a second amendment to cap municipal park dedication fees at 10% of fair market value, as well preempting municipalities from requiring a dedication of land for a street with a curb-to-curb width exceeding 32 feet. The amendments failed. The bill passed the Senate on a 39-28 vote. The House housing bill is similar to the Senate version but includes a 0.25% metropolitan region sales tax to fund a metropolitan rental assistance and local housing aid program. Click [HERE](#) for a summary of the House language, and click [HERE](#) for a summary of the Senate language.

House and Senate conferees on the housing bill have been named: Representatives Howard, Agbaje, and Johnson; Senators Port, Mohamed, and Housley.

Economic Development (SF 3035)

The House floor heard the omnibus economic development budget bill on Monday. The omnibus workforce bill authored by Chair Jay Xiong, as well as the omnibus labor budget bill authored by Representative Mike Nelson were added to this bill. The bill passed on a partisan vote of 69 yes votes and 61 no votes.

The Senate passed their omnibus economic development budget bill last week. Click [HERE](#) for a summary of the Senate economic development language, and click [HERE](#) for a summary of the House economic development language.

Conferees: Representatives Hassan, Nelson, Berg and Olson; Senators Champion, McEwen, Mohamed, Hauschild, and Gustafson.

Labor

The Senate Labor omnibus policy bill, [SF 1384](#) (McEwen), was heard and passed by the Senate on Tuesday. Language of concern to Metro Cities in the bill allows religious institutions to establish a residential settlement as a form of permanent housing for chronically homeless persons, extremely low-income persons, and designated volunteers on their religious grounds. Units are considered “micro-units” that can be no more than 400 gross square feet and must provide residents with access to common kitchen facilities, toilet, bathing, and laundry. The bill includes technical requirements for the micro-units and requires an annual certification from a local unit of government. The bill passed on a 36-30 vote.

The House Labor omnibus policy bill, [HF 1522](#) (Nelson, M.), also includes this language allowing for sacred communities and micro-unit dwellings. This bill will likely be heard on the House floor on Monday, May 1st.

Legacy ([HF 1999](#))

The omnibus Legacy bill conference committee held its first meeting on Wednesday. The bill includes funding for water infrastructure projects and funding for the metropolitan regional parks and trails system. Click [HERE](#) to view the House and Senate bill language. Click [HERE](#) to view the budget spreadsheet. Click [HERE](#) for the House summary.

Conferees: Representatives Lillie, Hussein, Her, Cha, and Backer; Senators Hawj, Morrison, Mohamed, Pha, and Housley.

Environment, Climate, and Energy ([HF 2310](#))

The omnibus environment, natural resources, climate, and energy finance and policy bill conference committee has its first hearing scheduled for May 1. These bills include funding for PFAS, urban forests, parks and trails, climate action grants, and a state fund to help provide the required match for federal grants for energy projects. Click [HERE](#) to view side by sides of the House and Senate bills. Click [HERE](#) for the House budget spreadsheet. Click [HERE](#) for the Senate budget spreadsheet. Click [HERE](#) for the House summary and [HERE](#) for the Senate summary.

Conferees: Representatives Hansen, Acomb, Hollins, Jordan, and Kraft; Senators Hawj, Frentz, McEwen, Xiong, and Coleman.

State and Local Government, and Elections ([HF 1830](#))

The omnibus state government finance bill conference committee has not yet convened. Both the House and Senate bill establish a procedure for early voting, prohibit the intimidation and interference of election officials, and provide cybersecurity funding for local governments. The House bill establishes an Infrastructure and Resilience Advisory Task Force. Click [HERE](#) to view the House language and [HERE](#) to view the Senate language. Click [HERE](#) to view the House budget spreadsheet and [HERE](#) to view the Senate budget spreadsheet. Click [HERE](#) for the House summary and [HERE](#) for the Senate summary.

Conferees: Representatives Klevorn, Freiberg, Greenman, Huot, and Nash; Senators Murphy, Carlson, Mitchell, Westlin, and Boldon.

Omnibus state and local government policy bills have been passed by both bodies. [HF 1826](#) ([Klevorn](#)) includes language removing the state of emergency requirement for the medical exception to the open meeting law to be used. The bill also requires cities to allow managed natural landscapes on private property. Both the House bill and the Senate bill, [HF 1826](#) ([Murphy](#)),

repeal the salary cap for local employees. Click [HERE](#) for the House summary and [HERE](#) for the Senate summary.

Public Safety (SF 2909)

The House passed its omnibus judiciary and public safety bill, as amended, on Wednesday with a vote of 69 to 60. Both the House and Senate bills contain funding for community violence prevention, equipment, and retention and recruitment efforts. The bills fund these areas in significantly different amounts. Click [HERE](#) for the House language and [HERE](#) for the Senate language. Click [HERE](#) to view the House budget spreadsheet, which may not reflect changes made on the House floor. Click [HERE](#) for the Senate budget spreadsheet. Click [HERE](#) for the House summary and [HERE](#) for the Senate summary. The conference committee will have its first hearing on May 1.

Conferees: Representatives Moller, Becker-Finn, Feist, Frazier, Curran; Senators Latz, Oumou Verbeten, Pappas, Seeberger, and Westlin.

[1267 \(Latz\)](#), the Senate's omnibus public safety policy bill was passed, [as amended](#), by the Judiciary Committee and referred to the floor. The bill contains language establishing the crime of carjacking and a requirement that carjacking data be included as its own category in the DPS annual crime report. Click [HERE](#) for a summary of the public safety policy bill.

Transportation (HF 2887)

[HF 2887 \(Dibble\)](#) was passed as amended by the Senate with a vote of 36-31. Like the House bill, which was passed last week, the Senate bill raises a significant amount of new revenue for transportation and provides direct funding to cities of all sizes. The Senate bill does not have a retail delivery fee and the rate of the metropolitan area sales tax has been reduced to 0.5%. Both bills contain problematic provisions requiring certain climate action content be incorporated into local comprehensive plans. Both bills address regional governance but take different approaches in doing so. Click [HERE](#) for the House language and [HERE](#) for the Senate language. Click [HERE](#) for the most recent House budget spreadsheet and [HERE](#) for the most recent Senate spreadsheet. Click [HERE](#) for the House summary and [HERE](#) for the Senate summary.

Conferees: Representatives Hornstein, Koegel, Tabke, Brand, Petersburg; Senate Conferees have not been named yet.

Federal Funding Opportunities

[Safe Streets and Roads for All](#) funds regional, local, and Tribal initiatives through grants to support planning, infrastructure, behavioral, and operational initiatives to prevent death and serious injury on roads and streets involving all roadway users, including pedestrians, bicyclists, transit users, motorists, and commercial vehicle operators. The Safe Streets and Roads for All grant program is now open with a July 10, 2023 deadline. USDOT has upcoming [training webinars](#) on the grant types and applications.

The [PROTECT](#) discretionary grant program will fund projects that address climate change by improving the resilience of the surface transportation system. PROTECT funds are separate from those directly allocated to the Metropolitan Council by MnDOT. The PROTECT discretionary grant program is now open with an August 18, 2023 deadline. The Federal Highway Administration has [upcoming webinars](#) on this funding opportunity.

Bills of Note

[HF 3287](#), Wiens: Bill establishes a temporary reduction in the gas tax rate.

[SF 3303](#), Lucero: Bill limits municipal regulations on aesthetic mandates and limits minimum square footage requirements.

[SF 3304](#), Port: Bill provides funding for temporary housing, shelters, and support housing services.

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