



## **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)

## **Legislative Recess**

The Legislature is taking an Easter/Passover recess until next Tuesday, April 11<sup>th</sup>. When legislators return, work will continue on the processing of omnibus budget and tax bills. Metro Cities encourages city officials to connect with your local legislators during the recess, on issues of importance to your city.

## **Omnibus House Housing Bill Heard in House Taxes Committee**

On Tuesday, the House Taxes committee heard the [Housing omnibus bill](#). The committee's focus was on tax provisions in the bill. The bill includes creation of a metropolitan regional sales tax of 0.25% to fund local housing aid and establishes a state rental assistance program. The committee provided [a revenue estimate](#) showing potential revenue to be collected from this tax in the next two biennia. Metro Cities testified and [submitted a letter](#) to the committee raising concerns that a metropolitan regional tax would disparately affect metropolitan taxpayers, and substitutes state funding for programs traditionally funded by the state, such as housing, with a local revenue source. The bill was passed by the committee referred to the House Ways and Means committee. Questions? Contact Patricia Nauman at [patricia@metrocitiesmn.org](mailto:patricia@metrocitiesmn.org)

## **Transportation Bills Pass Key Committees; Bills Include Significant Impacts for Metropolitan Cities**

[SF 3157 \(Dibble\)](#) was passed, as amended, by the Senate Transportation Committee and referred to the Taxes Committee. The bill funds the Corridors of Commerce program at a significantly higher amount than the [House bill](#). There are also investments for the State Patrol and safety initiatives that mirror those in the House language. The Senate bill raises new revenue via a retail delivery fee and a tab fee surcharge that will direct additional dollars to the Small Cities Assistance account and MSAS-eligible cities. The bill establishes a regional sales tax for transportation and includes several provisions that attempt to maximize Minnesota's ability to provide matching funds for competitive grant programs as a part of the IJJA and other federal programs.

*Statutory Comp Plan Requirement for Metropolitan Cities.* The Senate bill contains language requiring that climate action content be included in the Metropolitan Council's Regional Development Guide and in local comprehensive plans. Metro Cities opposes highly prescriptive, one-size-fits-all mandates for local plans as such mandates do not accommodate for local needs

or capacities and usurp longstanding regional and local collaboration and processes used to set plan requirements.

*Metropolitan Council Governance.* The bill also modifies the governance of the Metropolitan Council by creating an 11-member charter commission, with members who have expertise in regional governance the law and who would be appointed by the chief judge of Ramsey County, to frame a proposed charter for the governance of the Metropolitan Council. Members would be required to determine that the proposed charter provisions include modifications to the Council's governance, including a requirement that Metropolitan Council members be elected. The commission would be required to report its findings to legislative committees with jurisdiction over the Council by February 15, 2024. A previous provision to provide for a task force to study regional governance was deleted from the bill. As reported in the Metro Cities newsletter last week, the House Transportation bill includes a task force to study regional governance. That task force originally included two city officials and two county officials but was amended last week to reduce the number of city and county officials to one official each. Metro Cities had previously provided testimony to encourage increasing the number of city officials on the task force due to the number of cities in the region and the fact that cities are responsible for most of the local implementation of regional policies and requirements.

An [A40](#) amendment to the Senate bill modifies how revenue from the metropolitan area sales tax would be distributed. After its adoption, 1/6<sup>th</sup> of the revenue is allocated to metropolitan area counties instead of the Transportation Advisory Board. The remaining 5/6<sup>th</sup> of the revenue is still allocated to the Metropolitan Council, but the bill now specifies that 5% of that amount must be spent on the metropolitan area active transportation program.

The [A15](#) Amendment makes changes to transit safety initiatives in the bill. The [A28](#) Amendment provides dedicated funding for the Corridors of Commerce program and the [A19](#) Amendment makes several policy changes to the program. The [A19](#) would have each county in the metropolitan area screen and recommend projects for scoring by MnDOT. Finally, the [A36](#) Amendment makes several policy changes that reflect recommendations made by the Office of the Legislative Auditor (OLA) in their most recent report on the SWLRT project. Click [HERE](#) to view the budget spreadsheet and [HERE](#) to view a summary of the bill. Note: These documents will change after adopted amendments are incorporated into the bill language for SF 3157.

[HF 2887 \(Hornstein\)](#) was passed, as amended, by the House Taxes Committee and referred to Ways and Means. The bill [contains several provisions of note](#) for cities. The discussion at the Tax Committee was largely focused on the pieces of the bill that raise new revenue for transportation in the metropolitan region and across the state.

These include:

- The imposition of a 75-cent retail delivery fee.
- Increases to vehicle registration fees and a change in the depreciation schedule.
- An increase in the motor vehicle sales tax (MVST).
- Dedication of the auto parts sales tax to the Highway User Tax Distribution Fund.
- The imposition of a 0.75% sales tax in the metropolitan area.

One amendment was adopted, which makes some changes to the fee on retail deliveries. Members of the committee had a lot of concerns with the delivery fee proposal and a broader debate was had over the regressivity of several of the tax provisions contained in the bill. Click [HERE](#) to view a revenue spreadsheet for HF 2887.

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

## Senate Elections Omnibus Bill Passes Elections Committee

[SF 1636 \(Carlson\)](#) was passed, as amended by the Senate Elections Committee, and referred to the Finance Committee. The Senate bill contains certain mandated hours for early voting locations, which could place increased staffing and budget pressures on municipal elections administrators and city clerks. The bill also establishes protections for election workers against intimidation and interference. SF 1637 was amended in committee to remove or alter provisions related to ranked choice voting. The [A24](#) Amendment removes language that would have authorized any city to implement ranked choice voting for local offices. Grants for local governments conducting ranked choice voting are now limited to those cities already using it for their local elections. Click [HERE](#) to view the budget spreadsheet and [HERE](#) for a summary of the bill.

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## Legacy Bills Moving in House and Senate

[HF 1999 \(Lillie\)](#) was passed, as amended, by the Ways and Means Committee and referred to the House floor. The bill appropriates funds from the Clean Water Fund including \$17 million for grants to local governments to protect, restore, and enhance surface water, ground water, and drinking water. It also contains \$2.25 million 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 projection of drinking water.

The House 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. HF 1999 was amended in the Ways and Means Committee to incorporate some guardrails for the money in the bill going directly to nonprofit organizations. Click [HERE](#) to view the budget spreadsheet and [HERE](#) to view a bill summary for HF 1999.

[SF 1682 \(Hawi\)](#) was passed, as amended, by the Senate Committee on Environment, Climate and Legacy and referred to the Finance Committee. The Senate Legacy bill contains the same appropriations from the Clean Water Fund and Parks and Trail Fund highlighted above in the House bill. SF 1682 is expected to be heard by the Finance Committee next week. Click [HERE](#) to view the budget spreadsheet.

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## Metropolitan Council Presents on Regional Growth Forecasting to 2050

On Wednesday, the Metropolitan Council Committee of the Whole heard a [presentation](#) from council staff on an updated forecast of the population and employment growth of the region from 2020 to 2050. These forecasts are intended to provide a foundation for coordinated regional and local planning for systems and services in the region. According to the forecast, the region's population is anticipated to grow from 3.19 million in 2022 to 3.82 million in 2050. The forecast shows slower growth of about 100,000 people from previous biennial updates. The smaller growth rates for population and employment are likely due to a decrease in domestic migrants, birth rates remaining historically low, an increase in economic competitiveness with other metro areas, and elevated death rates following the COVID-19 pandemic. Next, the forecast will be modeled to show where the projected population increase will likely reside within the metropolitan area. This forecast will be publicly released in mid-2024.

## Transportation Policy Plan Overview

Metropolitan Council staff presented information on the 2050 Transportation Policy Plan (TPP) for the Committee of the Whole at their meeting on Wednesday. The [TPP](#) is the metropolitan region's long-range transportation plan. It directs investments for the regional transportation system (including all federal transportation dollars), describes regional goals and a regional vision, sets policies for how the regional transportation system should be implemented, and provides guidance for that implementation. The TPP is governed by certain federal and state requirements including requirements for the Transportation Advisory Board (TAB) and its membership.

In their presentation, staff described current goals found in the 2040 TPP and then transitioned to ongoing work for the development of the 2050 TPP. The Council is leveraging the TAB, its Technical Advisory Committee (TAC), and the TAC's subcommittees in their 2050 TPP work. The Council has also created a 2050 TPP Technical working group and a 2050 TPP Advisory Work Group. These two working groups are dedicated to planning for the 2050 TPP. Council staff also described some of the broader engagement efforts being conducted including dedicated equity engagement and listening sessions. Some key themes from the listening sessions include safety, system preservation, multimodal investments, equity, climate, and a perceived lack of prioritization for rural and suburban edge communities. For each of these themes, staff provided more context and nuance, based on the listening session discussions.

Click [HERE](#) to view the presentation slides, which include more detailed information on the 2050 planning process and findings from engagement efforts to date.

## Bills of Note

[HF 3187](#), Wiens/[SF 3212](#), Housley: Bill would prohibit the Metropolitan Council from requiring a local unit of government to amend its comprehensive plan until the council has secured, acquired or arranged resources required by state or federal agency to accommodate an increased population density. Resources including potable water, real property, easements, and permits.

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