

Local Sales Taxes Advisory Task Force Meeting

The Local Sales Taxes Advisory Task Force that was established in law this year to examine the role of local taxes in city and county government funding, held its second meeting on Wednesday. Task Force meetings are being coordinated through the MN Department of Revenue (DOR). At the second meeting, DOR Commissioner Paul Marquart introduced questions that task force members will be asked to consider in evaluating local sales taxes as a revenue mechanism.

Questions included: *If a first-ever local tax were being considered, what information would you need to evaluate it? Should the uses that a local tax pays for be limited? Are there purposes that should not be allowed to be funded with a local tax? Should state aids and local government financial capacities be evaluated in determining whether to permit a jurisdiction to impose a local sales tax? Should local sales taxes be limited to funding projects that have a regional benefit and if so, how should 'regional benefit' be defined? How should tax burdens be considered? Should other funding mechanisms be considered?*

Members discussed the questions. Some questioned whether the term 'regional' has been defined in other legislative contexts. Members also noted potential competition among communities, the need for clarity and transparency on local taxes, and acknowledged the complexity of issues, and referenced a 2004 report on local taxes that grappled with similar questions and considerations.

The agenda for the third meeting, scheduled for September 13th, will include discussion on criteria used to evaluate local sales, food and beverage, and lodging tax proposals. Metro Cities is monitoring the work of the task force and will provide further updates. Questions? Contact Patricia Nauman at patricia@metrocitiesmn.org.

Metropolitan Council Transportation Committee Updates of Note

The Metropolitan Council's Transportation Committee considered several business items of note at their meeting on August 28th. The first item concerned the Transit Service Intervention Project enacted in the 2023 omnibus transportation bill, with the goal of providing support to individuals on the transit system experiencing homelessness, mental illness, or other challenges. The committee voted to approve five contracts with organizations to help the Metropolitan Council carry out this work. More actions on this initiative are expected in the future. Click [HERE](#) to view this business item in full.

The Committee also voted to approve the Regional Solicitation and Highway Safety Improvement Program (HSIP) Solicitation following minor changes from the Transportation Advisory Board to address public comments. The 2024 Regional Solicitation will be funded with about \$250 million. Local project sponsors must provide a minimum 20% match for these federal funds. One of the biggest changes for this round of the regional solicitation is a focus on safety, with safety being the highest-valued criterion in most application categories. The Regional Solicitation is anticipated to be released in late September, with applications due by mid-December, and project selection in Summer 2024. The 2024 HSIP will be funded with about \$42 million. HSIP requires at least a 10% local match. Click [HERE](#) to view the Regional Solicitation application, [HERE](#) to view the Regional Solicitation public comment report, and [HERE](#) for more detailed information on the Highway Safety Improvement Program.

The committee further adopted the 2024-2027 Transportation Improvement Program (TIP) for the metropolitan area. The 2024-2027 TIP was released for public comment in May and approved by the Transportation Advisory Board on August 16. The TIP is a 4-year list of projects funded entirely or in part with federal funds. It is required for all Metropolitan Planning Organizations and is incorporated into the MN Dept. of Transportation's Statewide Transportation Improvement Program (STIP). The TIP includes transit projects with FTA formula funds, roadway projects programmed by MnDOT with federal and state funds, and regional solicitation projects. The 2024-2027 TIP is expected to be considered and approved by the full Metropolitan Council on September 13. Following Council action, MnDOT will include the TIP into the STIP (expected to occur in September or October). Click [HERE](#) to view the full 2024-2027 TIP and [HERE](#) to view the associated public comment report.

Click [HERE](#) to view a recording of the meeting. This link will also show you a full agenda, which includes several other business items. Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

Policy Committee Updates

Metro Cities' four policy committees met this week for the August round of meetings. All committees hosted speakers, including representatives from MnDOT, MN Housing, Metro Transit, Metropolitan Council Environment Services, and non-partisan legislative taxes staff. The Municipal Revenues and Metropolitan Agencies Committees have completed their work and will not meet in September. The Transportation and General Government Committee and Housing and Economic Development Committee will hold September meetings to complete policy recommendations. Those meetings are September 25th and September 27th, respectively.

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