

Metro Cities News

April 12, 2024

Metro Cities Annual Meeting is April 24th -- Mark Your Calendar!

Please join us for Metro Cities' Annual Meeting on Wednesday, April 24th at 5:00 pm, at the Roseville Oval Skating Center Banquet Room. The meeting will feature Guest Speaker Tom Hauser, Chief Political Reporter for KSTP- 5, and will begin with a social hour with appetizers and cash bar. The event will conclude with a brief membership meeting to elect members and officers to the Metro Cities Board. RSVP to Jennifer Dorn at jennifer@metrocitiesmn.org. Elected city officials and staff are welcome! We hope to see you there!

Multifamily Preemption Bill Advances in House

On Friday, the House State and Local Government Committee heard HF 4010 – Kozlowski, which pre-empts local decision-making over multifamily residential developments. In response to concerns raised by city organizations, the bill was amended to allow cities to establish municipal controls or ordinances to preserve commercial space, as well as an amendment to narrow the bill's parking limitation provision to new multifamily residential developments within one-quarter mile of a major transit stop. The amendment also moves the effective date from January 1, 2025, to June 1, 2025. Metro Cities appreciates the work by Rep. Kozlowski and others to address concerns with the bill, but the association continues to oppose the legislation and provided opposing testimony Friday. Thank you also to Prior Lake City Manager Jason Wedel for his testimony. During the debate, several legislators expressed concerns with the bill, and reflected concerns heard from city officials. The bill passed and was sent to the House floor. Metro Cities will provide further updates on this legislation.

If you have any questions, contact Ania McDonnell at ania@metrocitiesmn.org.

Housing Maintenance of Effort Bill Heard in House Taxes

On Tuesday, the House Taxes committee heard <u>HF 4555</u>- Howard, that requires metropolitan cities receiving local affordable housing aid to maintain locally funded housing expenditures at a level not less than the average level of expenditures for the three preceding fiscal years. Metro Cities <u>submitted a letter</u> opposing the legislation. During the hearing, the bill was <u>amended</u> to eliminate the maintenance of effort requirement with a required annual report by cities certifying that local affordable housing aid is used to supplement, not supplant, existing locally funded housing expenditures. The bill was laid over for possible inclusion in an omnibus Tax bill.

If you have any questions, contact Ania McDonnell at ania@metrocitiesmn.org.

Local Sales Taxes Bill Heard

On Thursday, the House Taxes Committee heard <u>HF 5335</u>-Gomez, that authorizes cities and counties to impose local sales taxes for certain specified capital projects, including sports complexes, trails, parks, and libraries. Approval from the state auditor as well as approval by voters would be required. Letters or resolutions from governing bodies in surrounding jurisdictions

expressing support and acknowledging the tax fulfills a local or regional need would also be required.

The bill provides equalization payments to qualifying cities and counties, which would receive a portion of the collected local sales tax. The bill further gives the Office of the State Auditor oversight authority for the approval process for local sales taxes. During her presentation of the bill, Taxes Chair Gomez emphasized the recent increase in local sales taxes proposals, her concerns with inequities and that the sales tax is regressive.

Metro Cities' policies on local sales taxes support cities having the ability to impose a local sales tax using processes specified in law but without the need for specific legislation. The association monitored the work of a 2023 task force on local sales taxes that recommended allowing local governments to impose local sales taxes for certain projects and is concerned that HF 5335 as proposed narrows the list of allowed projects than was recommended by the task force.

The Senate Taxes Committee is scheduled to discuss the findings of the Local Sales Tax Advisory Task Force next week. Metro Cities will provide further updates and information.

Questions? Contact Patricia Nauman at 651-215-4002 or at patricia@metrocitiesmn.org.

Greenhouse Gas Assessment and Mitigation Bill Hearings

SF 5099/HF 4988 received hearings in both the House and Senate Transportation Committees. This legislation authored by Sen. Morrison and Rep. Kraft seeks to amend the greenhouse gas mitigation legislation passed last session as part of the 2023 omnibus transportation bill. The 2023 law requires a transportation greenhouse gas emissions impact assessment for all capacity expansion projects on state highways before they can be included in the State Transportation Improvement Program (STIP) or the metropolitan area's Transportation Improvement Program (TIP). The law also outlines the ways in which a given project's emissions can be mitigated, which is required for it to proceed.

The legislation is in response to concerns from transportation stakeholders and is in part based on the recommendations made by a MnDOT-led <u>working group</u>. SF 5099/HF 4988 move the assessment from a project level to a programmatic level. The bills create an advisory committee and empowers MnDOT to make changes to the enumerated list of mitigation actions. The bills also include appropriations for MnDOT, metropolitan planning organizations, and local governments for mitigation actions and planning costs. Click <u>HERE</u> for a summary of the bill, as introduced.

Both bills were laid over in their respective transportation committees for possible inclusion in a future omnibus transportation bill. Conversations are ongoing on several elements of the bill including where the funding contained in the bill will come from. Metro Cities will continue to monitor this legislation and its impact on the region.

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

Copper Theft Hearings

<u>HF 4461</u> (Hollins) was heard and passed, as amended, by the House Commerce Committee and referred to Ways and Means. The bill would require anyone selling scrap copper to have a license issued by the Dept. of Commerce for an annual fee of \$250. This legislation comes a year after the legislature passed measures to curb the theft of catalytic converters, which has proven to be successful. The theft of copper from public infrastructure (i.e. streetlights) negatively impacts

communities by reducing public safety for all transportation modes. These thefts also cost cities hundreds of thousands of dollars each year to replace and repair damaged streetlights. The Senate companion, <u>SF 4455</u> (Pappas), was passed by the Commerce Committee and referred to the Finance committee.

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

Omnibus Policy Bill Updates

Omnibus policy bills are moving through the committee and floor processes in the House and Senate, and omnibus finance bills are starting to be rolled out this week as the Friday April 19 deadline for Finance and Ways & Means Committees to act favorably on appropriations and finance bills approaches. Below are updates on omnibus bills.

Elections Policy

HF 4772 (Freiberg) was passed, as amended, by the House on Monday with a vote of 69-62. The bill contains language that is problematic for cities and other local governments that was part of HF 3527 (Greenman), the Minnesota Voting Rights Act. Click HERE for more information on these provisions from an earlier newsletter. Another provision of note in the bill requires counties and cities to establish temporary polling locations at the request of a college, university, or student government organization. Click HERE for a summary of the House elections bill.

The Senate elections policy bill, <u>SF 4729</u> (Carlson) contains the Minnesota Voting Rights Act language, but does not contain the same requirement for pop-up polling locations on college campuses.

Elections Finance

<u>SF 4260</u> (Carlson) was passed, <u>as amended</u>, by the Senate Elections Committee. The bill essentially moves funds from existing programs (the Voting Equipment Grant Account and local government drop box grants) to the VOTER account established in 2023. The Voting Operations, Technology, and Election Resources (VOTER) Account Click <u>HERE</u> for the associated fiscal spreadsheet.

Environment Policy

<u>SF 3631</u> (Hawj) was passed, as amended, by the Senate with a vote of 51 to 14. The House companion, <u>SF 2904</u> (Hansen), is scheduled for a floor vote on Monday, April 15. There are no major provisions of note for cities in either policy bill.

Human Services Policy

<u>SF 4399</u> (Hoffman) was passed by the Senate last week with a vote of 58-9. The bill contains language opposed by Metro Cities that would exempt group homes and assisted living facilities with licensed capacities of six or fewer individuals from local rental licensing regulations. The House is expected to take up <u>SF 4399</u> (Fischer) on Monday, April 15. The House language also contains the preemptive group home language.

Public Safety Policy

<u>HF 3614</u> (Moller) was passed by the House earlier this week with a vote of 130-0. There are no major provisions of note for cities in the omnibus public safety policy bill. The Senate has not yet taken action on this bill following its passage in the House.

Transportation Policy

<u>HF 3436</u> (Tabke), the transportation policy bill was passed as amended last week with a vote of 97 to 34. The Senate passed <u>HF 3436</u> (Dibble), as amended, on Thursday afternoon with a vote of 65 to 0. There are no major provisions of note for cities in either transportation policy bill.

Tenant Protections

On Monday an omnibus tenant protections bill, <u>SF 3492</u> (Mohamed), was heard and passed on the Senate floor. The bill provides for a tenant's right to organize, allows individual taxpayer identification numbers to be used in lieu of social security numbers, strengthens protections for survivors of domestic violence, provides tenant remedies due to new construction delays, and codifies renters' right to call emergency services without retaliation. The bill passed on a 37-29 vote. The House companion bill has not yet been considered on the House floor.

Omnibus Jobs and Economic Development Policy

An omnibus Jobs and Economic Development policy bill, <u>SF 4027</u> (Champion), was heard and passed Monday on the Senate floor. The bill makes technical changes to the Innovative Business Development Public Infrastructure Program, as well as technical changes to the Job Creation Fund. The bill passed on a vote of 38-29.

EPA Announces PFAS Drinking Water Standards

The Biden Administration finalized and <u>announced</u> limits on PFAS in drinking water along with nearly \$1 billion in new funding to help states implement PFAS testing and treatment. The rule sets limits for five individual PFAS: PFOA, PFOS, PFNA, PFHxS, and HFPO-DA. It also sets a limit for mixtures of any two or more of the following: PFNA, PFHxS, PFBS, and HFPO-DA. All public water systems will have three years to complete initial monitoring for these chemicals and they must implement solutions to reduce PFAS in their drinking water within five years.

EPA will host a series of webinars to provide information to the public, communities, and water utilities about the final PFAS drinking water regulation. To learn more about the webinars, please visit EPA's <u>PFAS drinking water regulation webpage</u>. EPA has also published a <u>toolkit of communications resources</u> to help drinking water systems and community leaders educate the public about PFAS, where they come from, their health risks, how to reduce exposure, and about this rule.

Minnesota has taken steps as recently as last year to curb the number of products containing PFAS from being introduced into the environment. On the same day these limits were announced, the Minnesota Dept. of Health reported that 11 systems in the metropolitan area exceed the EPA limits.

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

Bills of Note

HF 5309, Lee, F.: Bill requires the MPCA to produce a report on PFAS removal strategies.

HF 5324, Bahner: Bill establishes a state-funded county and city cybersecurity grant program.

HF 5327, Klevorn: Bill modifies the deposits of motor vehicle lease sales tax revenue.

<u>HF 5347</u>, Hemmingsen-Jaeger/<u>SF 5064</u>, Pha: Bill prohibits common interest communities from charging fees for estoppel letters or certificates.

<u>HF 5348</u>, Hemmingsen-Jaeger/<u>SF 5071</u>, Pha: Bill creates a homeowner's association database.

SF 5366, Putnam/HF 5231, Vang: Bill makes supplemental appropriations and transfers relating to broadband.
SF 5369, Housley/HF 5262, Myers: Bill provides a refundable construction exemption for construction of new residential housing for first-time homebuyers.
SF 5372, Farnsworth/HF 4998, Zeleznikar: Bill modifies the CPR training requirement for child care centers.

<u>SF 5384</u>, Boldon/<u>HF 5038</u>, Curran: Bill requires cities and counties to create policies regarding homeless encampments.

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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