



## Don't Forget – RSVP Now for the Metro Cities Annual Meeting!

Mark your calendars and be sure to RSVP for the upcoming Metro Cities Annual Meeting at the University Club in St. Paul! The April 20<sup>th</sup> event will begin at 5:30 with a social hour, followed by guest speakers Briana Biersbach with *MinnPost* and Patrick Condon with the *Star Tribune*, and will wrap up with a brief (but important!) business meeting to elect members and officers to the Board of Directors.

All member city staff and elected officials are welcome and encouraged to attend! Flyers with speaker bios and Board nominees have been sent to each member city. Please contact Kimberly Ciarrocchi if you have any questions or did not receive the information. We look forward to seeing you on April 20<sup>th</sup>!

RSVP to Kimberly at 651-215-4000 or [Kimberly@MetroCitiesMN.org](mailto:Kimberly@MetroCitiesMN.org).

## Legislative Update: A Week Marked by Action on Omnibus Bills

Today marks the third and final legislative committee deadline, and applies to omnibus finance and tax bills. The schedule this week has been marked by several omnibus bills moving through committees and the House and Senate floors. The House Omnibus Tax Bill has been passed off the House floor Thursday and is expected to be on the Senate floor Monday. The Senate passed its omnibus Transportation bill Thursday. The House is taking up a Transportation bill this afternoon.

Once omnibus bills are passed off both floors, legislative staff will prepare 'side by side' comparisons of bills for conference committees that are expected to be named and commence quickly after the legislative Easter/Passover recess, which runs from April 10-18.

Below are updates on specific legislative bills and activity. Metro Cities will provide an update of the omnibus Transportation bills early next week.

### Omnibus Tax Bills

This week the House passed an omnibus Tax bill, and the Senate passed its omnibus bill out of the Taxes Committee, with floor action expected next Monday. The bills take similar approaches on some issues but differ on others as well as differ on the level of tax reductions.

Below are summaries of the House and Senate bills and items of interest to Metro Cities:

#### *House Tax Bill, HF 4-Davids (passed off House floor this week)*

Provides \$1.3 billion in tax relief/reductions (statewide levy freeze, social security, estate, corporate income, various credits and deductions)

Streamlines construction sales tax exemption for local governments (support)

Subjects local levy increases to reverse referendum (oppose)

Subjects utility franchise fees to reverse referendum (oppose)

Subjects lease revenue bonds to reverse referendum (oppose)

One-time increase in Homestead Credit Refund (support)

No Local Government Aid (LGA) increase (oppose)

LGA reductions for cities contributing to world fairs or operating unauthorized diversion programs (oppose)

Various local Tax Increment Financing (TIF) special law exceptions

Minor modifications to TIF laws to increase flexibility (support)

Various local sales tax provisions

Subjects tax raised by a CTIB county for transit capital expenses (assumes dissolution of CTIB) that is greater than one quarter of one percent, to voter approval

*Senate Tax Bill, SF 2255-Chamberlain (passed Taxes, on Senate floor next week)*

Provides \$900 million in tax reductions (statewide levy freeze, social security tax, various credits and exemptions)

No provision to streamline construction sales tax exemption for local governments (Metro Cities supports streamlining the exemption)

One-time Local Government Aid (LGA) increase of \$12.5 million (support, but would like to see any increase be permanent, as one-time appropriations create program instability)

No reverse referendum provisions (Metro Cities opposes reverse referendum provisions on issues for which local officials have decision making authority)

Various local Tax Increment Financing (TIF) special law exceptions

Minor modifications to TIF laws to increase flexibility (support)

Various local sales tax provisions

Changes preliminary levy certification date for special taxing districts from September 15 to September 30 (support)

With respect to spending levels, the Governor's budget recommendation for a tax bill includes \$300 million in tax reductions, a marked contrast to the levels of reductions in both the Senate and House bills. Stay tuned for further updates. Please contact Patricia Nauman at 651-215-4002 or [patricia@metrocitiesmn.org](mailto:patricia@metrocitiesmn.org) with questions.

## **Senate and House Advance Jobs Bills with MIF and JCF Funding**

A House omnibus Jobs bill passed out of its primary committee this week, while the Senate passed an omnibus Jobs bill off its floor. Below are summaries of provisions in these bills of interest to Metro Cities.

### *House*

The House Job Growth and Energy Affordability committee took testimony, debated amendments and passed [HF 2209 – Garofalo \(spreadsheet\)](#) the bill to the Ways and Means committee this week.

The bill includes \$25 million for the Minnesota Investment Fund, \$10 million for the Job Creation Fund and no funds for the redevelopment grant program. As Metro Cities reported, all seven metro counties and 24 additional counties across the state would be excluded from accessing the Job Creation Fund under the proposal. A \$4 million MIF dedication for DigiKey in Thief River Falls and a \$750,000 MIF dedication for a wastewater project in Inver Grove Heights are also included. MIF financing is usually awarded through DEED's application process rather than direct appropriations from the legislature. Metro Cities policies support a competitive process that allows all jurisdictions access to apply for funding.

Metro Cities testified on several provisions, including support for MIF and JCF funding, opposition to the metro exclusion for the Job Creation Fund, opposition to the elimination of Minnesota Housing's Challenge Program funding in FY2019, opposition to language preempting local governments from prohibiting consumer bags, and opposition to a provision that erodes local control in the negotiation of local housing goals with the Metropolitan Council. Metro Cities testified in support of workforce development funds and youth training programs in the bill.

Policy language that would change how the state prioritizes its housing bonds is also included in the House bill. The Senate does not have similar language in its housing bill. See the [February 17 newsletter](#) for additional information.

A policy provision that would preempt local right of way and other controls regarding the deployment of small cell wireless equipment was removed from the bill on a voice vote. This provision was strongly opposed by Metro Cities and a coalition of local government associations.

The bill will be heard in the House Ways and Means committee next week before it can be heard by the full House on the floor. Contact Charlie Vander Aarde at 651-215-4001 or [charlie@metrocitiesmn.org](mailto:charlie@metrocitiesmn.org) with any questions.

### Senate

The Senate on Tuesday approved a jobs bill, [SF 1937](#)-Miller, that contains funding for the Minnesota Investment Fund (MIF), Job Creation Fund (JCF) and Redevelopment Grant Program.

The bill includes \$12.5 million in FY 18 & 19 for MIF, \$8 million in both fiscal years for JCF and \$1.5 million in FY 2018-19 for the Redevelopment Grant Program. Metro Cities has advocated for restoring funding for these programs. The Senate bill includes a \$4 million MIF award for DigiKey in Thief River Falls.

Workforce development funds are included, including the Job Skills Partnership and several small direct grants.

The Senate includes \$10 million for broadband grants in both FY 18 and FY 19. The House bill includes \$7 million for broadband grants in FY 18 with no funds in FY 19.

The Senate also passed a series of housing funding provisions in [SF 780 – Westrom \(spreadsheet\)](#). They include \$13 million for the Challenge Program that funds new construction and rehabilitation of owner occupied and rental housing. The bill also creates a new market rate workforce housing program for greater Minnesota. The bill funds homeownership education, counseling, training and assistance funding, a manufactured park redevelopment program and infrastructure grants, and family homeless prevention and assistance funds. Concerns were raised, in committee and on the floor, that previously appropriated funds to address disparities in homeownership rates was not included in this budget. Contact Charlie Vander Aarde at 651-215-4001 or [charlie@metrocitiesmn.org](mailto:charlie@metrocitiesmn.org) with any questions.

### **Fire Sprinkler Restrictions Approved**

A bill that would prohibit the requirement of fire sprinklers in townhomes passed the House floor this week. [HF 792 – Theis](#) requires the commissioner of Labor and Industry to establish that one- and two-family dwellings and two-unit townhouses are not required to have installed automatic fire sprinkler systems. The Senate added language to the omnibus housing bill that prohibits mandatory fire sprinklers via the state building code, state fire code or political subdivision.

Governor Dayton has said in previous years he does not support fire sprinkler prohibitions and would veto a bill if it includes that language. Metro Cities supports efforts to increase awareness of the potential impacts and benefits of requiring sprinklers in new homes and townhouses and supports discussion and the dissemination of information around these impacts via the code adoption process through the Department of Labor and Industry.

### **Letter Supporting Local Control: Update**

Last week, Metro Cities drafted and sent a letter to legislative leaders and Governor Dayton that was signed by the LMC and other city organizations to express concern on several bills that would restrict local government decision making authority. The letter can be found [here](#). A list of proposed bills can be found [HERE](#). The letter has subsequently been picked up by several news outlets, resulting in articles in various newspapers around the state on the topic. The letter has also been referenced by legislators as omnibus bills have been debated in the House and Senate.

Metro Cities continues to encourage city officials to engage with their legislators to express concerns on bills of this nature. The LMC has drafted a sample resolution [HERE](#). Please stay tuned for newsletter updates and legislative action requests as bills are moving through the process. Please contact Patricia Nauman at 651-215-4002 or [patricia@metrocitiesmn.org](mailto:patricia@metrocitiesmn.org) with questions or for additional information.

### **Join a Metro Cities Policy Committee!**

It's almost time for the Metro Cities 2017 Policy Committees to begin. Policy committees are open to city staff as well as elected officials and the form to sign-up can be found [HERE](#). Whether you are new to the process or have participated in a committee in the past, we welcome your participation in one or more of the committees in 2017.

Policy Committees recommend legislative policies for the next legislative session, and those policies serve as a foundation for our work at Metro Cities. Each committee has three meetings and considers new polices as well as modifications to old policies. The results from each committee are forwarded to the Metro Cities Board of Directors for review and action, and then are put forward to the full Metro Cities membership for final approval at the Regional Meeting in November. Being a part of a Policy Committee is a great opportunity for *your* city to have a voice in the processes for the polices as well as at the legislature.

The committees and dates are listed below. All meetings take place at the Metro Cities/League of MN Cities building in the St. Croix Room from 11:00-1:30pm. Updates regarding each committee and additional information can be found [here](#) on our website.

Please consider serving, and encourage other staff and officials within your city to do the same!

#### Transportation & General Government

*Monday, July 17, 2017*

*Monday, August 7, 2017*

*Monday, September 18, 2017*

#### Municipal Revenues

*Tuesday, July 18, 2017*

*Tuesday, August 8, 2017*

*Tuesday, September 19, 2017*

#### Metropolitan Agencies

*Wednesday, July 19, 2017*

*Wednesday, August 9, 2017*

*Wednesday, September 20, 2017*

#### Housing & Economic Development

*Friday, July 21, 2017*

*Friday, August 11, 2017*

*Friday, September 22, 2017*

## Newly Introduced Bills of Note:

[HF 2516/SF 2257](#), Appropriates money to the Minnesota investment fund and the Minnesota job creation fund.

[HF 2518/SF 2276](#), Requires peace officers to receive training in crisis response, conflict management, and cultural diversity; forms and increases funding for peace officer training reimbursement, provides reimbursement grants for pathway to policing programs, authorizes the Peace Officer Standards and Training Board to collect peace officer race data for a limited purpose.

[HF 2520/HF 2523/SF 2282](#), Modifies housing trust fund and family homeless prevention and assistance program requirements, establishes a rental assistance program for homeless highly mobile students.

[HF 2538](#), Appropriates money for workforce housing to the challenge program.

[HF 2542](#), Amends requirements for participating in a program to crosscheck voter registration data with data from other states.

[HF 2555/SF 2287](#), Modifies the definition of a metropolitan area: means “the area over which the Metropolitan Council has jurisdiction, including only the counties of Anoka; Carver; Dakota excluding the ~~city~~ cities of Northfield and Cannon Falls; Hennepin excluding the cities of Hanover and Rockford; Ramsey; Scott excluding the city of New Prague; and Washington.

[SF 2256](#), Requires voter approval for the greater Minnesota transportations sales and use tax.

[SF 2280](#), Appropriates money for a nonprofit infrastructure, workforce development, and partnerships program.

[SF 2299](#), Appropriates money for workforce housing.

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**Metro Cities News** is emailed periodically to all Metro Cities member mayors, councilmembers, city managers and administrators to keep officials abreast of important metro city issues. This information is also intended to be shared with city staff.

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

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