



Interim Ordinance Bill Passes House Committee to Floor

[H.F. 330](#)-Nash, a bill that would restrict local interim ordinance authority, was heard in the House Government Operations Committee on Tuesday and passed to the House floor. The bill was amended to clarify that it applies to cities but not townships and that the two-thirds vote as well as 10-day notice and public hearing requirements apply to interim ordinances 'related to housing'. Metro Cities opposes this bill and provided written testimony to the committee.

Metro Cities, the LMC and other city organizations generally oppose the bill in that it restricts a city's ability to promptly pass an interim ordinance should it need to assess and address immediate issues potentially affecting the welfare of the local community. Metro Cities is also concerned about the broadness of the 'related to housing' clause in the legislation, and how this language would be interpreted in practice, with the potential that a city could be subjected to lawsuits. The bill passed the committee and was sent to the House floor.

The bill's chief proponents are the Builders Association of the Twin Cities (BATC) and Builders' Association of Minnesota whose lobbyists argued that the bill helps prevent additional project costs associated with halts or disruptions to projects, and that it protects the interests of homeowners.

A similar bill progressed but ultimately did not pass the Legislature last year. Metro Cities will continue to work with the LMC and other organizations to oppose the bill. The Senate companion, SF 201-Hall, has not been scheduled for a hearing.

Metro Cities encourages cities to express opposition to this bill with members of the Senate [Local Government](#) committee, where SF 201 was referred. Please contact Steve Huser at 651-215-4003 or steven@metrocitiesmn.org or Patricia Nauman at 651-215-4002, or patricia@metrocitiesmn.org, with questions or for additional information.

House Property Tax Division Hears This Old House/This Old Shop Bill

[HF 414](#)-Youakim, dubbed the "This Old House/This Old Shop" bill, was heard in the House Property Tax Division this week. Metro Cities testified in support of the bill, which allows qualifying home and business owners to defer increases in property taxes resulting from eligible property improvements. Metro Cities supports increasing resources for community reinvestment. The bill is also supported by the LMC and Preservation Alliance of MN.

Under the proposal, when a homeowner or business owner improves their property, the added assessed value of the improvement is not added onto the property's taxable value for 10 years. Assessed value improvements are then phased in depending on the value of the assessment. If the house is sold before the 10 years are up, the assessed value is added back for the future buyer. Houses must be owner-occupied and at least 30 years old. Commercial property that is at least 30 years old and valued at \$2 million or less is also eligible. Legislation authorizing such a program was last authorized in 1993 and had high participation.

The committee discussion included recognition by several legislators of the need for such reinvestment and the complexities and tax shifts associated with any deferral program, and discussion on whether there should be direct state assistance for this type of program.

The bill was held over for possible inclusion in a Property Tax Division report. Metro Cities will continue to work with the author and interested legislators on this legislation. Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

Bills to Streamline Construction Sales Tax Exemption Scheduled for Hearing

Bills to streamline the construction materials sales tax exemption process for local governments have been introduced and scheduled for a hearing in the House Property Tax Division next Tuesday. HF299-Swedzinski and HF 456-Freiberg are being initiated by the League of MN Cities and are supported by Metro Cities as one of the organization's legislative priorities. City purchases were exempted from state sales tax in 2013, but many cities continue to pay the tax on construction material purchases due to the cumbersome processes associated with receiving the exemption.

Metro Cities encourages city officials to support this provision with their local legislators and members of the Tax Committees; [See Senate](#), [See House](#). Please contact Patricia Nauman at 651-215-4002 or patricia@metrocitiesmn.org for additional information.

Local Wage Preemption Bill Passes House Committee

[H.F. 600](#)- Garafolo, which would prohibit local units of government from enacting certain employment mandates, such as minimum wages or sick leave, on private employers, was heard and passed Thursday in the House Job Growth and Energy Affordability Policy and Finance committee on a 13-9 vote following four hours of testimony. Bill proponents stressed the importance of uniformity in state labor laws.

Metro Cities' policies support local control and decision-making authority, and we provided testimony to that effect, as did the LMC.

The Senate companion will be heard in the Senate Committee on Jobs and Economic Growth on Monday.

Please contact Patricia Nauman at 651-215-4002 or patricia@metrocitiesmn.org, for additional information.

Submit Comments During MHFA Public Comment Period -- Due February 9

Minnesota Housing's public comment period for proposed changes to the 2018 Qualified Allocation Plan is open through 11 am on Thursday, February 9. A list of proposed changes can be found in the [January 27 Metro Cities News](#). Minnesota Housing's website has a [summary](#) and [detailed explanation](#) of the proposed changes.

Interested parties are encouraged to comment on the newest proposal before the MHFA board takes final action at its February 2017 board meeting. Comments may be provided in person or in writing. A public hearing will be held on Thursday, February 9 from 9:00 a.m. to 11:00 a.m. at Minnesota Housing. Submit written comments to mn.housing@state.mn.us or by mail to

Minnesota Housing, attn: Tamara Wilson, 400 Sibley Street, Suite 300, St. Paul, MN 55101. Written comments must be received by 11:00 a.m. on Thursday, February 9.

Contact Charlie Vander Aarde at charlie@metrocitiesmn.org or 651-215-4001 with any questions.

Met Council Discusses Fare Increase, Equity Advisory Committee Work

The Metropolitan Council's Committee of the Whole met Wednesday for discussion on two issues, a possible increase in transit fares and service cuts to deal with a projected deficit and an update on the work of the Equity Advisory Committee.

Transit Budget

A budget for transit was [presented by staff](#), who informed the Council of a projected \$89 million budget deficit for state FY 2018-19. Decreased revenue and increased costs from four areas are contributing factors in the projected deficit. These include a \$43 million decrease in motor vehicle sales tax (MVST) revenue, \$24 million in increased expenses for Metro Mobility (inflation and increased ridership), \$9 million in expenses for certificates of participation (LRT funding), and \$13 million in increased expenses from inflation.

Staff presented several options to balance the budget. Those included administrative reductions such as a temporary hiring freeze, a fare increase, and finding service efficiencies and service reductions. To generate additional revenues, the Council could increase fares across all modes and service. A \$0.25 fare increase would be projected to raise \$14 million for state FY 2018-19. Staff explained the most recent fare increase occurred in 2008.

A service reduction plan would review all transit services, include a public engagement process and not be implemented until December 2017 at the earliest.

Equity Advisory Committee

The co-chairs of the Equity Advisory Committee (EAC) updated the Council on the committee's work to date and solicited input on the future work of the committee. A set of EAC bylaws which govern the work of the committee are scheduled to be reviewed by the Met Council Management Committee next week. The Equity Advisory Committee is comprised of 17 community representatives (representing eight geographic districts as well as nine at-large members) and four Metropolitan Council members.

The EAC has four subgroups; one focused on mission, one focused on community engagement and transparency, a third focused on criteria for evaluating how the EAC chooses to engage in issues, and a fourth looking at how the EAC will impact the way the Council performs its business.

Members of the EAC requested suggestions from Met Council members on potential work items, which resulted in several suggestions that the EAC review Council business, policy and budget items through an equity lens. A suggestion for the EAC to review the transit budget and potential fare increase and service cuts was made to the co-chairs. Other suggestions included EAC review of regional parks items, the Community Development Committee's Fund Distribution Plan and procurement procedures.

Metro Cities will continue to monitor the work of the Equity Advisory Committee. Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

House and Senate Committees Discuss Metropolitan Council's Budget and Activities

Legislative committees have heard overviews from several agencies and entities, including the Metropolitan Council. This week, House and Senate committees heard overviews from the Council on its budget, as well as SAC program and Metro Mobility program. The topic of SAC has received increased discussion over the last year, and a current SAC task force, in which Metro Cities and several city officials are participating, are considering SAC fees for outdoor seating and whether there should be changes in how SAC fees overall are determined.

Members of the Senate Local Government Committee also heard an overview of the Council's overall budget. Members questioned the Council specifically on the ½ cent sales tax increase for transit included in the Governor's budget, and the impact on transit funding needs should the Counties Transit Improvement Board (CTIB) dissolve. No final action has been taken on the CTIB.

Additional Tour of Metro Wastewater Plant Added Next Friday

Last week, Metro Cities publicized an invitation from the Metropolitan Council to city officials to tour the Metro Wastewater Plant next Friday morning. Spots quickly filled, prompting the Council to add an afternoon tour of the plant next Friday, February 10th. The second tour will be conducted from 1:00-3:00 p.m. at the same location. Registration information is below.

City officials are invited to join Metropolitan Council members, staff and other city officials on a tour of the region's largest wastewater treatment plant, known as the Metro Plant. The Metro Plant serves 67 cities and more than 550 permitted industries which combined produce 175 million gallons of wastewater per day. The Metro Plant was opened in 1938 and is one of the largest wastewater plants in the United States.

Metro Cities staff are told the tour is a fascinating and educational experience. Metro Cities encourages city officials to attend.

Friday February 10

1:00 – 3:00 p.m.

Metro Plant, 2400 Childs Road, St. Paul (approximately 7 miles from Capitol)

Questions and registration: Contact Jennifer O'Rourke, Director of Community Relations at the Met Council at 651-602-1576 or Jennifer.ORourke@metc.state.mn.us

Notes: Free parking available will be available, and light refreshments will be served. Please wear comfortable walking shoes. There may be some dust, please plan accordingly on clothing.

Introduced Bills of Interest and Note

[H.F. 605](#), Bill provides an exemption for an annual city celebration. Referred to the Committee on Environment and Natural Resources Policy and Finance. Recalled and Rereferred to the Committee on Taxes.

[H.F. 628](#), Reasonableness in systems statements in Metropolitan Land Planning Act.

[H.F. 630](#), Appropriates money to local governments for out-of-home placement costs of children under the Indian Child Welfare Act. Companion S.F. 503.

[H.F. 638](#), Bill allocates revenue from motor vehicle parts sale to the highway user tax distribution fund. Referred to the Committee on Transportation Finance.

[H.F. 654](#), Allows reverse referendum for property tax levies. Referred to the Committee on Government Operations and Elections Policy.

[S.F. 426](#), Bill provides an exemption for an annual city celebration. Companion bill H.F. 605.

[S.F. 440](#), Bill establishes 2018 Super Bowl extended alcohol service hours. Bill heard in Committee on Commerce and Consumer Protection Finance and Policy, and laid over for potential inclusion in liquor omnibus bill. Companion H.F. 217.

[S.F. 444](#), Bill creates labeling requirements for 3.2 percent malt liquor. Bill heard in Committee on Commerce and Consumer Protection Finance and Policy, and laid over for potential inclusion in liquor omnibus bill. Companion H.F. 68.

[S.F. 476](#), Increases local government aid. Referred to the Committee on Taxes. Companion H.F. 672.

[S.F. 477](#), Makes minor policy and technical changes to TIF.

[S.F. 480](#), Bill provides long-term equity investment authority to local governments. Referred to the Committee on Local Government. Companion H.F. 409. *Bill heard in House Government Operations Committee this week; Metro Cities testified in support.*

[S.F. 491](#), Bill expands an exemption for certain motor vehicle purchases for local governments. Referred to the Committee on Transportation Finance and Policy. Companion H.F. 479.

[S.F. 498](#), Bill provides a permanent tax reduction for border city enterprise zones. Companion H.F. 671.

[H.F. 677](#), Allocates certain general funds for the corridors of commerce program to finance the trunk highway system. Referred to the Committee on Transportation Finance.

[H.F. 720](#), Authorizes some holders of on-sale liquor license to provide catering service. Companion S.F. 501.

[S.F. 533](#), Bill makes a public body liable for unpaid costs when there is no performance or payment bond. Referred to the Committee on Local Government. Companion H.F. 145.

[S.F. 549](#), Bill appropriates money for innovative business development public infrastructure grants.

[S.F. 556](#), Dedicates rental motor vehicles tax to corridors of commerce program. Referred to the Committee on Taxes.

[S.F. 572](#), Credits a surcharge on parking violations to the highway user tax distribution fund.

[S.F. 576](#), Dedicates a portion of local government aid to cities for housing purposes. Referred to the Committee on Taxes. Companion H.F. 80.

[S.F. 583](#), Bill adjusts city revenue need and certified aid adjustments. Referred to the Committee on taxes. Companion H.F. 760.

[H.F. 754](#), Bill adjusts payments to counties, cities or towns contributing to a world fair.

[H.F. 760](#), Bill modifies definitions of LGA, adjusts city revenue need and certified aid adjustments.

[H.F. 777](#), Bill allows cities and towns to require additional licensing for hotels.

[S.F. 514](#): Secretary of State technical bill. Includes a change that would require a municipality that is making a change to its election year to do so at least 180 days prior to an election.

[S.F. 572](#), Bill credits surcharge on vehicle parking violations to the highway user tax distribution fund.

[S.F. 573](#), Bill would prohibit use of money from parks and trails fund to acquire property by eminent domain or to acquire land that was previously acquired by eminent domain.

[H. F. 739](#), Bill would allow for the collocation of small wireless facilities within the local right of way. *Metro Cities and LMC oppose this bill.*

[H. F. 748](#), Bill would allow individuals under the age of 18 to vote in a primary election preceding a general election in which they will be of voting age.

[H.F. 606](#), Phases out the state general levy on commercial-industrial property over five years.

[H.F. 628](#), Removes prohibition on considering reasonableness during a hearing of system statements in the Metropolitan Land Planning Act.

[H.F. 631](#), Establishes a youth skills training program for workforce development.

[H.F. 661](#), Allows shareholders of manufactured home park cooperatives to include a portion of ground lease payments when filing for the homestead credit state refund.

[H.F. 679](#), Prohibits use of money from parks and trails fund to acquire property by eminent domain.

[H.F. 681](#), Prohibits mandatory fire sprinkler installation by requirement of The State Building Code, the State Fire Code, or a political subdivision of the state.

[HF 752](#), Establishes a new markets grant program.

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