



Legislative Update

The six-week old 2017 legislative session is moving along at a hectic pace. A number of bills that would restrict local control and decision making authority are being considered in the House and Senate (see below as well as previous newsletters). The Governor's tax bill, which includes \$20 million for Local Government Aid, was heard in the Senate Taxes Committee this week, with public testimony taken, and the bill laid over. Metro Cities testified in support of the LGA provision. Governor Dayton's transportation budget recommendations, which include raising the metro area sales tax, was introduced on Thursday. Metro Cities staff are reviewing the bill.

Several bills relating to the governance of the Metropolitan Council have been introduced, as well as bills relating to various aspects of the Council's authority. Metro Cities is working to advance program funding for DEED economic development programs, and supports bills heard this week to streamline the local government sales tax exemption for construction materials. See specific updates and bills of note, below.

In addition, Metro Cities staff participated in a discussion with the Metro Area Managers Association (MAMA) on Thursday, on the subject of effective lobbying practices. In addition to providing information and tips for city officials, staff stressed the importance of keeping abreast of legislative activity through Metro Cities newsletters, updates and legislative alerts. The nature of legislative activity is often fast moving and unpredictable, with proposals being introduced and considered that can have wide ranging effects on local units of government.

Bill to Streamline Sales Tax Exemption for Construction Materials Heard

[H.F. 299](#)/H.F. 456, bills that would streamline the process for local governments to access the sales tax exemption for construction materials, were heard this week in the House Taxes Committee. This is an LMC-initiated bill that is supported by Metro Cities. Metro Cities testified in support of the bill, noting that it would make the law, to which cities are already entitled, accessible and functional. The bill was laid over for possible inclusion in an omnibus tax bill. Senate companion bills will be heard in the Senate Taxes Committee next week. Questions? Contact Patricia Nauman at 651-215-4002 or patricia@metrocitiesmn.org

Bills to Restore Economic Development/Redevelopment Program Funding

Metro Cities is working to advance legislation to restore funding the Minnesota Investment Fund and Job Creation Fund to the levels funded by the 2015 legislature as well as funding for the Redevelopment Grant Program, with requested levels of \$15 million for the Minnesota Investment Fund and \$12.5 million for the Job Creation Fund. The Redevelopment Grant Program was appropriated \$2 million last year, and Metro Cities will be supporting an increase in funding for that program in the FY2018/19 budget. We are working to secure authors on these bills.

Meanwhile, [SF 784](#)-Utke/HF 1018-Rarick were introduced Thursday that would restore funding for these programs but would require that 75% of JCF program awards go to projects in greater Minnesota and would reduce JCF requirements for new jobs. Metro Cities policies support having awarded funds be balanced between the metropolitan region and greater Minnesota.

Metropolitan Governance Bills Introduced

Several bills that would change the governance of the Metropolitan Council have been introduced. Introduced bills include: adding staggered terms, providing for a directly elected Metropolitan Council, expanding the nominating committee and adding transparency to the selection process; a bill to provide for an approval process by local governments for Metropolitan Council members; a bill creating a task force to study and make recommendations on metropolitan governance; and a bill to make up the Metropolitan Council of county and city officials, that also includes eliminating the Transportation Advisory Board. The bill to make up the Council of county and city officials provides for the appointment of seven county officials by county boards, and city officials appointed to 16 'municipal committees' that would appoint city officials to serve on the Council. No bills have yet been scheduled for a hearing.

Metro Cities' policies support staggered terms, an expanded nominating committee (with a majority of a nominating committee being local officials), and adding transparency to the selection process. Metro Cities' policies oppose making up the Council of county and city officials, and oppose eliminating the Transportation Advisory Board (TAB). Stay tuned for further information.

City Street Funding Bill Introduced

A bill that would provide state funding for city streets was introduced. [HF 934](#)-Hornstein, builds off legislation established in 2015 that created a Small Cities Account appropriated with \$12.5 million in one-time funds. The bill would appropriate the Small Cities Account and create a Large Cities Account for cities over 5,000 residents. On-going funds would be provided through a \$10 surcharge on license tab fees and vehicle title transfer fees projected to raise \$57 million annually. Funds are proposed to be split evenly with a formula-based distribution. Funds could be used for non-Municipal State Aid (MSA) city street maintenance, construction, and reconstruction.

Metro Cities, along with the League of MN Cities, the Coalition of Greater MN Cities, the MN Small Cities Association and cities of St. Paul and Minneapolis have worked together to support this legislation. A Senate companion bill is expected to be introduced next week. Questions? Please contact Steve Huser at steven@metrocitysmn.org or 651-215-4003.

Bill to Limit Local Authority in Public Rights of Way Introduced

A bill that would severely limit the authority of local governments to site small cell wireless technology in public rights of way has been introduced in the House and Senate. [HF 739](#)-Hoppe and [SF 561](#)-Osmeck would allow wireless providers to place small wireless equipment on utility poles or other local government property. Cities would not be allowed to negotiate zoning, rates, permit timelines or maintenance related to this equipment. The bill's proponents are wireless carriers including AT&T and Verizon and is part of a nation-wide push to restrict local authority in this area. Metro Cities opposes this legislation, as it would limit the ability of cities to regulate public rights of way.

Related to this issue, the Federal Communications Commission's (FCC) Wireless Bureau is seeking comments on local siting policies related to wireless facilities. The request stems from a petition made by a telecommunications company asking the FCC to interpret the meaning of fair and reasonable compensation as well as whether siting policies hinder the rollout of small cell technology and if fees should be limited. The comment period ends on March 8th. Both the National League of Cities (NLC) and the League of MN Cities (LMC) plan to submit comments on this issue. To view the public notice, click [here](#). Cities can file comments on the [FCC's website](#).

The LMC has sent information to cities outlining specifics on how to file comments on the website. Questions? Please contact Steve Huser at 651-215-4003 or steven@metrocitiesmn.org

Bill Expanding Local Government Investment Authority Passes Committee

[S.F. 480](#)-Senjem, which would allow cities over 100,000 in population and an AAA bond rating to invest in certain equity funds, was heard and passed in the Senate Local Government Committee this week and re-referred to State Government Finance Policy. Metro Cities' policies support this legislation.

Email Retention Requirements for Cities Heard

[S.F. 123](#)-Latz was heard in the Senate Local Government Committee this week. The bill provides for electronic retention requirements for governmental entities and stipulates that such records must be kept for no less than 18 months from the date they were created.

LMC staff testified on the bill, noting that cities train employees on what records they need to keep, but that state guidance would be useful. Members asked questions about regulation of city council members' personal email accounts that are used to conduct city business, and where the records disposition panel resides. There was no action taken on the bill.

Local Wage Preemption Bill Passes Senate and House Committees

Bills that would prohibit local governments from enacting certain employment mandates, such as minimum wages or sick leave, on private employers are continuing to gain traction in the Senate and House. These bills were heard and passed in two committees this week, the Senate Jobs and Economic Growth Finance and Policy committee and House Government Operations Committee. Metro Cities' policies support local decision making authority and we provided testimony to that effect this week to oppose these bills, as did the LMC.

Livable Communities Work Group Discusses 2017 Fund Distribution Plan

The Metropolitan Council has convened a work group of city officials to examine aspects of the Livable Communities program. Council staff identified six areas for review and feedback. Metro Cities suggested city officials for participation in the group, and is participating in this work. The group's feedback could be incorporated into the 2017 Fund Distribution Plan (FDP).

The Livable Communities program includes the Tax Base Revitalization Account, Livable Communities Demonstration Account, Transit Oriented Development and the Local Housing Incentives. Currently, [95 cities in the metro](#) participate in the Livable Communities program and are eligible to submit applications and receive awards following a competitive review process.

The work group is discussing six issue areas identified by Council staff and the Livable Communities Advisory Council, to determine whether they should be continued or modified. The six issue areas are:

- Tax Base Revitalization Account pilot program which offers \$1 million per year for investigation or cleanup of land to encourage job growth in areas of concentrated poverty.
- Tax Base Revitalization Account Area-wide investigation program.
- Livable Communities Demonstration Account TOD Pre-Development grants that are offered twice each year with \$250,000 available each cycle.

- Funding site acquisition for LCDA and LCDA-TOD grants.
- Funding holding costs for LCDA and LCDA-TOD grants.
- Limiting awards, currently \$2 million per city (3 applications per city) for LCDA-TOD and the LCDA 60/40 awards split.

Council staff noted undersubscription to several of the programs. The work group recommended the Council expand outreach and notification of program criteria and grant opportunities to local communities.

The working group met for the first time this week and will meet again later this month. Metro Cities will provide updates via the newsletter. Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

Introduced Bills of Note

[H.F. 800](#), Bill governs light rail transit operating costs. Referred to the Committee on Transportation and Regional Governance Policy.

[H.F. 828](#), Albright - Bill modifies the governance of the Metropolitan Council. Referred to the committee on Transportation and Regional Governance Policy.

[H.F. 829](#), Hornstein - Bill modifies the governance of the Metropolitan Council, introduces staggered terms, expands the membership of the nomination committee, clarifies the qualifications of council members, requires a new advisory committee, and requires additional information to be public during the selection process. Companion Bill S.F. 641. Referred to the committee on Transportation and Regional Governance Policy.

[H.F. 830](#), Hornstein – Bill creates an election of Metropolitan Council members. Companion S.F. 642. Referred to the committee on Transportation and Regional Governance Policy.

[H.F. 847](#), Bill authorizes public and private sale of certain tax-forfeited land. Referred to the Committee on Environment and Natural Resources Policy and Finance.

[H.F. 862](#), Bill modifies provisions governing outdoor advertising near roadways and highways. Referred to the Committee on Transportation and Regional Governance Policy.

[H.F. 876](#), Bill modifies the manufactured home park redevelopment program. Referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

[S.F. 649](#), Utke - Bill provides the right to carry a firearm without a permit, provides for penalties. Referred to the Committee on Judiciary and Public Safety Finance and Policy.

[S.F. 650](#), Utke- Bill provides for the right to carry without a permit, provides for an optional permit to carry. Referred to the Committee on Judiciary and Public Safety Finance and Policy.

[S.F. 666](#), Bill appropriates money for the preservation of public housing, and supports issuance of additional housing infrastructure bonds, bill adds senior housing to the allowable uses of housing infrastructure bonds. Referred to the Committee on Capital Investment.

[S.F. 679](#), Bill authorizes governmental units to sue to recover for the public safety response costs related to unlawful assemblies and public nuisances. Companion H.F. 322. Referred to the Committee on Judiciary and Public Safety Finance and Policy.

[S.F. 688](#), Bill appropriates money for local recreation grants. Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

[S.F. 699](#), Bill allows cities and towns to require additional licensing for hotels. Referred to the Committee on Local Government.

[S.F. 714](#), Bill appropriates money for certain intercity passenger rail projects. Referred to the Committee on Transportation Finance and Policy.

[S.F. 754](#), Bill allocates the estimated revenue from the sale of motor vehicle tires to the highway user tax distribution fund. Referred to the Committee on Taxes.

[S.F. 770](#), Bill allows cities to canvass primary results on the second or third day after the primary. Referred to the Committee on State Government Finance and Policy and Elections.

[S.F. 778](#), Bill modifies the eligibility requirements for the corridors of commerce program. Referred to the Committee on Transportation Finance and Policy.

[S.F. 796](#), Bill provides for automatic voter registration of applicants for a driver's license, instruction permit, or identification card. Referred to the Committee on State Government Finance and Policy and Elections.

[S.F. 838](#), Bill provides grants to counties and municipalities for the purchase or lease of electronic roster systems, and establishes a voting equipment grant. Referred to the Committee on State Government Finance and Policy and Election.

[S.F. 840](#), Bill establishes four uniform special election dates each year, requires special elections to be held on one of the four uniform dates. Referred to the Committee on State Government Finance and Policy and Elections.

[H.F. 894](#), Bill establishes the governor's budget for public safety and transportation. Imposes a motor fuels gross receipts tax, and a metropolitan area transit sales and use tax. Referred to the Committee on Transportation Finance.

[H.F. 901](#), Bill modifies the allocation of motor vehicle lease sales tax revenue. Referred to the Committee on Transportation Finance.

[H.F. 912](#), Hornstein - Bill establishes a task force to study and make recommendations on metropolitan governance. Referred to the Committee on Transportation and Regional Governance Policy.

[H.F. 934](#), Hornstein – Bill establishes a large cities assistance account for transportation funding through surcharge fees. Referred to the Committee on Public Safety and Security Policy and Finance.

[H.F. 957](#), Bill prohibits certain fees imposed on a local government. Referred to the Committee on Government Operations and Elections Policy.

[H.F. 1007](#), Bill requires certain criteria to be met before a state agency sues a local government. Referred to the Committee on Government Operations and Elections Policy.

[H.F. 1008](#), Bill extends the hours of sale of liquor for on-sales licenses to 4:00 am.

[H.F. 1037](#), Vogel - Bill requires legislative approval of housing incentives and allocations by the Metropolitan Council. Referred to Committee on Transportation and Regional Governance Policy.

[H.F. 1062](#), Bill prohibits using public funds for aesthetic enhancements in road projects. Referred to the Committee On Transportation and Regional Governance Policy.

[H.F. 1066](#), Bill increases penalties for obstructing a highway under certain circumstances. Referred to the Committee on Public Safety and Security Policy and Finance.

[H.F. 841](#) – Appropriates \$100 million to the border-to-border broadband grant fund.

[H.F. 864](#) – Appropriates \$80 million in housing infrastructure bonds and \$20 million in GO bonds for public housing, makes senior housing eligible for housing awards.

[SF 782](#) – Adds cities of the second, third and fourth class to statute governing concentration standards of residential programs.

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 and provide the following: Name, Title, Employer and Email address. Thank you.

Metro Cities 145 University Ave W., St. Paul, MN 55103-2044 Phone 651-215-4000 Fax 651-281-1299 www.MetroCitiesMN.org *...click for full article*