Legislative Update

The Legislature must conclude the 2017 legislative session by midnight tonight, May 22. At this point, whether the Legislature will finish its budget setting work is unclear. Several relatively smaller budget bills were passed over the weekend, and legislative leaders and the Governor continued to meet privately. While some budget bills have passed the House and Senate, other key budget bills, including taxes, E-12 education, transportation, and health and human services, have not yet been released or considered. Several budget bills also include numerous policy provisions that need to be reconciled and agreed to among legislators and Governor Dayton.

Bills passed as of today at noon include: Environment and Natural Resources, Higher Education, Legacy, Agriculture, and Jobs/Housing.

Remaining budget bills include Transportation, E-12 Education, Judiciary & Public Safety, Health and Human Services, State Government and Taxes as well as a Capital Investment (bonding) bill.

Below is a brief legislative update. Metro Cities will provide a comprehensive legislative session review later this week.

Omnibus Jobs Bill Includes Small Cell Legislation; Passes House and Senate

The omnibus Jobs bill, SF 1456, is on its way to Governor Dayton after a flurry of activity Sunday night and early Monday. The bill contains several funding and policy item of interest to Metro Cities, including the ‘small cell’ bill that has impacts on local control over public rights of way, the prohibition of local ordinances for plastic merchant bags, and funding for economic development and housing programs.

The small cell wireless bill language was added to the jobs bill late Sunday. The stand-alone version of the small cell bill (HF 739) had passed the House on Friday on a vote of 76-50. The bill that passed contained amendments resulting from negotiations by bill proponents with the League of Minnesota Cities and utility cities. These changes allowed the League to be neutral on the bill.

The stand-alone bill (with the same language passed by the House) passed the Senate Local Government Committee on Sunday afternoon and was sent to the Senate floor. However, the stand-alone bill was never voted on by the Senate before it was added, by amendment, to the omnibus Jobs bill. Edina Mayor Jim Hovland and officials from the cities of Minneapolis and St Paul spoke with concerns about the bill during the hearing in the Senate committee on Sunday.

Several metro area legislators spoke in opposition to this bill as it was heard in the Senate Local Government Committee, on the House floor, during the Jobs Conference Committee, and again on the Senate floor. Many members had heard specific concerns from their local city officials. Metro Cities’ position on the bill is that we greatly appreciate the significant work done by the LMC and other stakeholders that have resulted in a far improved bill, but that the organization continues to have significant concerns that the bill continues to allow special access to public rights of way by one industry, and that the cost provisions in the bill could result in taxpayers subsidizing a private industry. This bill particularly affects metropolitan area communities.
An amendment to include an internet privacy provision onto the bill in the Senate Local Government Committee and the Conference Committee failed. These amendments would have prohibited internet service providers from selling information on internet users, such as web browser history.

The bill also includes a prohibition on local governments enacting ordinances related to consumer bags. This provision contradicts Metro Cities’ policy supporting allowing municipalities to decide their own local ordinances. It would also have the effect of nullifying ordinances already enacted by cities.

The omnibus Jobs bill includes funding for DEED and the Minnesota Housing Finance Agency. Metro Cities supports, and advocated for, full funding restoration for the Minnesota Investment Fund ($30M) and Job Creation Fund ($25M). The bill includes $25 million for MIF in FY18-19 and $17 million for JCF in FY18-19. The bill also includes $20 million for statewide broadband development grants in FY18. The Job Skills Partnership and other workforce development initiatives, including extension of equity initiatives from the 2016 session, are also included in the bill.

Several housing development programs within the Minnesota Housing Finance Agency are in the bill. These include the Challenge Program that funds single family and multifamily, owner-occupied and rental housing projects; home ownership training; rental assistance and funds for homelessness. A proposal to change how the state prioritizes its housing bonds and federal tax credits was not included in the bill.

The omnibus Jobs bill passed the Senate on a 46-20 vote, and the House on a 87-43 vote.

Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org or Steven Huser at 651-215-4003 or steven@metrocitiesmn.org with any questions.

**Condo/Townhome Bill Sent to Governor**

A Metro Cities-supported bill to remove several identified barriers to the construction of new condominiums and townhomes is awaiting consideration by Governor Dayton. The House and Senate approved different versions of HF 1538. The House voted Saturday to accept the Senate bill language rather than reconcile the bill differences in a conference committee. The bill requires a majority of condo owners to pursue litigation (a condo association board may take action for all owners under current law). It also requires mediation before a lawsuit for defects and damage can be filed. A condo association must also approve and follow a maintenance plan. The bill does not change owner warranties, the awarding of attorney fees (the losing party pays) and is effective for common interest communities established after the bill is signed. Contact Charlie Vander Aarde at 651-215-4001 or charlie@metrocitiesmn.org with any questions.

**Corrected Time - MCES Customer Forum: 2018 Budget**

We were recently alerted that, in some MCES correspondence, an incorrect time may have been listed for the May 23rd forum to be held in Minnetonka. Please note the correct time:

**9:00am – 11:00am**
Tuesday, May 23rd
Minnetonka City Hall/Community Center
14600 Minnetonka Blvd

To attend, RSVP to Kristin Hess at kristin.hess@metc.state.mn.us or 651-602-1016. If you have further questions regarding budget, contact Ned Smith at ned.smith@metc.state.mn.us.
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