

## **City Contractor RFQ Bill Revived in Senate Committee**

Legislation that would set a process in law for requesting city contractor cost estimates was revived in the Senate Local Government Committee this week. The bill, previously defeated in the same committee on March 5, was reconsidered following adoption of amended language that narrowed city requirements. The [amended bill](#) still allows an applicant to receive a cost estimate prior to a city reviewing an application for a permit, license or approval related to real estate development or construction. The language explains how the 60-day review clock would not begin until the applicant has received the estimate, submitted the application review fees, submitted a signed acceptance of the cost estimate, and submitted a signed statement that the applicant has not relied on the estimate of fees in its decision to proceed with the final application.

Metro Cities and the League of Minnesota Cities pointed out that the legislation is not necessary because an applicant can currently request a cost estimate under existing law. The City of St. Louis Park testified that the proposed requirements are currently allowed and practiced.

The bill's proponent, representing a telecom company and builders' association, argued for greater transparency. The bill passed the Local Government Committee and was referred to the State Government Finance Committee. The House companion, HF 823 – Nelson, has not been scheduled for a hearing.

Contact Charlie Vander Aarde at 651-215-4001 or [charlie@metrocitiesmn.org](mailto:charlie@metrocitiesmn.org) with any questions.

## **Separate Metropolitan Council Governance Bills Moving in House and Senate**

Two bills to modify the governance structure of the Metropolitan Council were heard and passed in House and Senate committees this week.

[HF 192](#)-Masin, was heard and passed the House Government Operations Committee, after being passed and re-referred from the House Local Government Subcommittee. The bill would stagger the terms of Council members, expand the size of the statutory nominating committee from seven to 13 members, and require five city officials on the nominating committee appointed by Metro Cities, and three county officials appointed by the Association of MN Counties. The bill also requires a 14-day public comment period on nominated candidates and would require a governor to submit a written explanation to a nominating committee on any vetoed nominated candidates for the Council. Metro Cities provided supporting testimony for the bill. The bill was passed and referred to the General Register (House floor). Its companion has not received a hearing in the Senate.

[SF 47](#)-Osmeck, that would require nominated candidates for the Metropolitan Council to be approved by local governing bodies before they could be appointed, has passed two Senate committees. The bill requires the Governor to provide written notice of nominees to each local government in a Council district and gives local governing bodies 90 days to pass a resolution in support of or opposition to a nominee. A local government that does not pass a resolution would be considered to oppose the nominee. Once a majority of local governments pass resolutions of support, a Governor would submit nominees for Senate confirmation. If there is not a majority of local governments in support, a Governor would be required to select another nominee. The bill

passed the Senate State Government Finance Committee on Tuesday after having previously passed and been re-referred from the Senate Local Government Committee. Metro Cities testified in opposition to this bill and emphasized the organization's support for additional local official input in the selection through modifications to the statutory nominations process and a required comment period. The bill was passed to the Senate floor. The bill has no House companion.

Questions? Contact Patricia Nauman at 651-215-4002 or [patricia@metrocitiesmn.org](mailto:patricia@metrocitiesmn.org).

## **Bill Repealing Local Government Salary Cap Sent to House Floor**

HF 703-Masin, that repeals the local government salary cap, was passed in the House Government Operations Committee this week, after having passed and been re-referred by the House Local Government Committee. Current law caps local salaries at 110% of the Governor's salary, and provides a waiver process by the State's Office of MN Management and Budget, a process that is considered cumbersome and arbitrary. Lakeville Councilmember Luke Hellier testified in support of the bill, an LMC initiative, on Monday, and Metro Cities provided a letter of support along with other city organizations. The bill is now headed to the House floor. Its companion has not been heard in the Senate.

## **Local Government Aid Bills Heard in House**

Several local government aid (LGA) bills were heard in the House Taxes Committee this week, all of which were laid over for possible inclusion in an omnibus tax bill.

Two LGA appropriation increase bills, [HF 1163](#)-Marquart, and [HF 1434](#)-Vang, were heard in the Taxes Committee on Monday. Metro Cities' President Mary Gaasch testified in support of HF 1163 that increases the LGA appropriation by \$30 million. HF 1434 also provides a \$30 million increase in the LGA appropriation. Mike Elliott, Mayor-Brooklyn Center, testified in support of HF 1434.

The Taxes Committee on Wednesday heard [HF 2125](#)-Marquart, the Governor's tax bill, which also increases the LGA appropriation by \$30 million. Metro Cities testified in support of this provision of the bill, as well as a provision that would streamline the construction materials sales tax exemption.

The committee heard individual bills to increase LGA, including for the cities of West Saint Paul and Lilydale, and heard a bill introduced by Rep. Hertaus- [HF 2031](#), that would modify the LGA program by dedicating two percent of the total LGA appropriation to an alternative per capita aid to cities that receive no aid under the current LGA formula with aid capped at \$200,000. Rep. Hertaus' bill also increases the appropriation by \$30 million. View the distributions of aid under [HF 1434](#), [HF 1163](#) and [HF 2031](#) at the included links.

Questions? Please contact Patricia Nauman at 651-215-4002 or [patricia@metrocitiesmn.org](mailto:patricia@metrocitiesmn.org).

## **Bill to Repeal Plastic Bag Ban Preemption Passes to House Floor**

A bill to repeal a ban on local governments enacting local ordinances related to merchant bags was passed by two House Committees and referred to the House General Register. [HF 511-Elkins](#) was passed by the Local Government Subdivision and was also passed by the Government Operations Committee on a 9-5 vote. Metro Cities testified in support of the bill on the basis of preserving local authority and decision making.

## **Proposed Rule Impact on Residential Construction - Legislative Notice and Review**

Legislation related to the legislative review of building codes, an issue that has been debated for several years, was discussed in the Senate State Government Committee on March 13. SF 2006 (Kiffmeyer) requires an agency to determine if implementation of a proposed rule, or any portion of a proposed rule, will, on average, increase the cost of residential construction or remodeling by \$1,000 or more per unit. The bill is supported by the builders' association.

If the agency determines that the impact of a proposed rule meets or exceeds the \$1,000 cost threshold the legislature must be notified. If a legislative committee with jurisdiction over that rule votes to advise an agency that the rule should not be adopted as proposed, the agency may not adopt the rule unless the rule is approved by a law enacted after the vote of the committee.

The Department of Labor and Industry testified that the agency is required to adopt codes that are intended to lower costs. A City of St. Paul building official noted \$1,000 is a very low threshold. Average cost per unit and fluctuations in design and labor/material cost means this will be very subjective.

The bill passed and was referred to the Finance committee. The House companion, [HF 2188](#), has not been heard.

Contact Charlie Vander Aarde at 651-215-4001 or [charlie@metrocitiesmn.org](mailto:charlie@metrocitiesmn.org) with any questions.

## **Emerald Ash Borer (EAB) Funding Bills Heard in House Committee**

Two bills that provide funds to mitigate emerald ash borer (EAB) mitigation were heard by the House Agriculture Policy and Budget Committee. [HF 1339](#)-Ecklund would allocate \$10 million over the biennium for grants to local governments, including cities, for the treatment, removal, and replacement of ash trees that have been infested by the EAB beetle. [HF 395](#)-Hansen would allocate an unspecified amount of funds to local governments to be used for rapid response to EAB infested areas. Both bills were laid over for possible inclusion in an omnibus budget bill. Metro Cities testified in support of both bills.

## **Deputy Registrar Reimbursements Bill Passes Senate Committee**

[SF 621](#)-Jasinski, that appropriates funding for costs incurred by deputy registrars due to MNLARS system problems was heard by the Senate Judiciary Committee. The bill was amended to include an additional \$3 million, for a total of \$13 million. Funding would be split so that 10% of funds would be divided equally among all registrars, 45% allocated proportionally based on transactions made between August 1, 2017 and December 31, 2019, and 45% based on transaction comparison looking back to a timeframe of July 1, 2014 to June 30<sup>th</sup>, 2017. The bill also includes a provision that would indemnify deputy registrars from any lawsuit resulting from the MNLARS rollout. Metro Cities supports this legislation. The bill was passed to the Senate Finance Committee.

## **Senate Housing Policy Bill Includes Changes to Challenge Program, Bonding Allocations**

The Senate Housing committee assembled and passed its housing policy bill on March 12. The bill includes proposed changes to Minnesota Housing's Challenge Program following the OLA

program evaluation. The program is one of Minnesota Housing's most flexible funding programs, supporting single family and multifamily housing, as well as ownership, rentals and home improvements.

The proposed changes to the Challenge Program were included in [SF 2178](#). The Challenge requirements currently allow grants or loans for the purpose of construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing of housing to support economic development and redevelopment activities or job creation or job preservation within a community or region by meeting locally identified housing needs.

The new language would define workforce as people working at least 30 hours per week or enrolled full time in an accredited postsecondary school. It would define locally identified housing needs as housing for the area workforce supported by the local municipality, housing redevelopment authority, economic development authority, or other political subdivision responsible for housing. Metro Cities testified to the importance of workforce housing while recognizing cities are also interested in lifecycle housing and meeting a full range of housing needs for residents. Other testifiers listed fair housing concerns with the workforce definition.

The other portion of the [policy bill](#) contains several changes to Minnesota's bond allocation process. This includes several consensus items developed two years ago by a group of stakeholders who convened to review how the state prioritizes and allocates its limited bonding authority to support multiple housing needs across the state. Under the bill, allocations of available bonding authority from the housing pool for eligible residential rental projects shall be awarded in the following order of priority: (1) preservation projects; (2) 30 percent AMI residential rental projects; (3) 50 percent AMI residential rental projects; (4) 100 percent LIHTC projects; (5) 20 percent LIHTC projects; and (6) other residential rental projects for which the amount of bonds requested in their respective applications do not exceed the aggregate bond limitation. Under current law, age restricted projects (55+) are not allowed to access funds prior to May 15 of each year. The bill also clarifies how to prioritize funding when there is insufficient bonding authority in a particular year.

The House housing policy bill has not been released. Contact Charlie Vander Aarde at 651-215-4001 or [charlie@metrocitiesmn.org](mailto:charlie@metrocitiesmn.org) with any questions.

## **Labor Preemption Bill Passes Senate Local Government Committee**

A bill to preempt local control related to local labor standards was passed by the Senate Local Government Committee. The bill [SF 2321-Koran](#) would prohibit local governments, including cities, from enacted ordinances that set local minimum wages, require paid or unpaid leave time, or provide for employee scheduling requirements. The committee heard from 20 testifiers, including Metro Cities. Metro Cities' policies generally oppose efforts to undermine or preempt local authority. The bill was passed on a 7 to 5 vote and was referred to the Senate Jobs and Economic Growth Committee.

## **House Transportation Hearing on Local Speed Limit Bills**

Two bills related to speed limits on local roads were passed by the House Transportation Committee.

[HF 1777-Elkins](#) makes changes to the definition of a residential road way, which will allow for the reduction of residential speed limits by cities.

[HF1778-Elkins](#) would allow cities of the first class to establish a speed limit on local streets and would require cities to implement changes in a consistent and understandable manner, develop procedures for safety, conduct an engineering and traffic analysis and erect appropriate signs. Both bills were passed to the General Register. Cities of the first class support this legislation.

The City Engineers Association of Minnesota (CEAM) testified on both bills and encouraged the committee to consider the formation of a stakeholder group to continue looking at the issue of speed limits and submit a report to the Legislature. MnDOT testified in support of current speed limit policies. Metro Cities does not have a legislative policy position on speed limits.

## **Angel Tax Credit Passes House Jobs Committee**

Legislation to reauthorize the Angel Investor Tax Credit was heard in the House Jobs Committee on March 12. The bill would fund the tax credit at \$20 million per year. The tax credit is not currently funded. [HF 1268](#) is authored by Rep. Carlie Kotyza-Witthuhn.

Much of the committee discussion focused on where previous investments were made in the state. Due to the state's research university and technology industry clusters being in the metro region, the majority of previous investments have been made in the metro area. The program currently requires 50 percent of allocated credits be made for qualifying investments in qualified greater Minnesota businesses and minority- or women-owned qualified small businesses in Minnesota. Any unused credits after September 30 may be issued anywhere in the state.

A delete-everything amendment made additional changes to current law, including a lower investment threshold for greater Minnesota businesses or women- or minority-owned businesses (\$5,000 instead of \$10,000).

The Senate companion currently awaits a hearing in the Taxes Committee. Contact Charlie Vander Aarde at 651-215-4001 or [charlie@metrocitiesmn.org](mailto:charlie@metrocitiesmn.org) with any questions.

## **RSVP Today for the Metro Cities Annual Meeting!**

Mark your calendars and RSVP today for the Metro Cities Annual Meeting! This year's event will be held on **Wednesday, April 24<sup>th</sup>** at the Como Park Zoo and Conservatory in the Bullard Rainforest Auditorium. We're pleased to announce that this year's speakers are Briana Bierschbach of MPR News and Peter Callaghan of MinnPost. The evening will start with a social hour, followed by our guest speakers, and will wrap up with a brief 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. There is no cost, but we do ask that you **RSVP by April 8<sup>th</sup>** if you plan to attend.

For questions or to RSVP, contact Kimberly at 651-215-4000 or [kimberly@metrocitiesmn.org](mailto:kimberly@metrocitiesmn.org).

## **Metropolitan Council Land Use Advisory Committee Openings**

The Metropolitan Council is seeking members to serve on the Land Use Advisory Committee. LUAC provides advice and assistance to the Metropolitan Council on regional land use issues as well as comprehensive planning. The Land Use Advisory Committee (LUAC) has specific seats for local officials, as officials must make up at least 50% of the LUAC.

For more information visit the [current committee vacancies](#) page. The deadline to apply is Friday, March 29.

## **Metropolitan Council PlanIt News**

The Metropolitan Council periodically issues PlanIt News Blasts that provide resources, updates and answers to FAQs for comprehensive plan reviews and amendments. Several new resources for resilience and energy efficiency (e.g. a [rural resiliency tool](#), a [property-assessed clean energy tool](#), a [local energy efficiency program](#), and a [guaranteed energy savings](#) program) are now available.

The most recent news blast also noted upcoming events:

### **Minnesota Women in Public Finance**

**Wednesday, March 20, 2019, 11:30am-1:00pm**

**Dorsey & Whitney**

[Register Here](#)

### **Electric Vehicle Best Practices Workshop**

**Thursday, March 28, 11:30am – 4:00 pm**

**Como Park Zoo and Conservatory in St. Paul**

400 10<sup>th</sup> St NW, New Brighton MN 55112

[Register Here](#)

### **The Green Schools Conference & Expo in Saint Paul**

**April 8-9**

**Saint Paul RiverCentre in Saint Paul**

175 W Kellogg Blvd, St Paul, MN 55102

[More info](#)

## **Minnesota Basin Water Storage Forum**

The Water Resource Center at Minnesota State University Mankato is hosting a water storage forum to showcase the need for water storage in the Minnesota River Basin. The forum will present the latest research and regional case studies on the topic.

### **Water Storage Forum**

**Thursday, April 4, 10:00am – 3:30 pm**

**Kato Ballroom**

200 Chestnut Street, Mankato MN 56001

[Register Here](#)

## **Bills of Note**

[HF 2296](#), Tabke/ [SF 2442](#), Pratt: Bill authorizes municipalities to charge a street impact fee.

[HF 2297](#), Tabke: Bill modifies municipal authority to regulate subdivisions.

[HF 2304](#), Long: Bill authorizes cities to adopt an ordinance to provide for municipal IDs and sets regulations.

[HF 2323](#), Elkins/ [SF 2365](#), Draheim: Bill defines conflict for the purposes of municipal comprehensive planning and zoning.

[HF 2327](#), Bahner: Bill clarifies prohibitions on soliciting at or near a polling place.

[HF 2330](#), Hansen: Bill appropriates \$10 million for the local road wetland replacement program.

[HF 2376](#), Gomez: Bill requires the governing bodies of each local unit of government that oversees a law enforcement agency to establish a citizen oversight council in compliance with this section.

[HF 2387](#), Murphy: Bill extends the state aid to local governments to fund increased employer contributions to the Public Employees Retirement Association.

[HF 2392](#), Runbeck: Bill establishes a construction prohibition related to colocation of light rail transit and freight rail.

[HF 2403](#), Hornstein/ [SF 2360](#), Dibble: Bill establishes Governor Walz's budget for transportation and public safety activities.

[HF 2422](#), Anderson: Bill expands the types of liquor licenses that a city can issue to a bowling center within that city.

[HF 2431](#), Bill appropriates \$75,000,000 to the commissioner of natural resources for the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damages. This appropriation includes money for specified municipal projects within in the metropolitan area.

[HF 2439](#), Quam: Bill provides for state and local government settlement accountability and transparency and requires reports.

[HF 2461](#), Garofalo: Bill allows a city within five miles of the border of a solid waste management district or county to opt out of a solid waste processing or disposal facility designation.

[HF 2473](#), Nash: Bill prohibits any city from increasing a present excise tax or fee or impose a new excise tax on fee on the manufacture, distribution, wholesale, or retail sale of food.

[HF 2495](#), Nash: Bill establishes a Legislative Commission on Housing Affordability.

[HF 2501](#), Howard/ [SF 2478](#), Bakk: Bill permits city and town expenditures for city and town historical societies.

[HF 2506](#), Wazlawik/ [SF 2492](#), Champion: Bill appropriates money for community prosperity grants. Local units of government are eligible grantees.

[SF 2262](#), Eaton: Bill appropriates money from the clean water fund for various projects, including money for technical assistance to municipalities. Bill also includes \$1,000,000 for the water demand reduction grant program to encourage municipalities in the metropolitan area to implement measures to reduce water demand.

[SF 2272](#), Champion/ [HF 2361](#), Dehn: Bill appropriates money for Minneapolis SafeStreets.

[SF 2314](#), Ingebrigtsen: Bill appropriates money for environment and natural resources, including funds for a municipal liaison to assist municipalities with water management.

[SF 2321](#), Koran: Bill prohibits cities from adopting, enforcing or administering an ordinance, local resolution, or local policy requiring an employer to pay a wage higher than the state minimum wage.

[SF 2350](#), Goggin: Bill allows a city within five miles of the border of a solid management district or county to opt out of a solid waste processing or disposal facility.

[SF 2411](#), Rest: Bill provides conformity and nonconformity to certain federal law changes and provides an increase to local government aid.

[SF 2419](#), Frentz: Bill appropriates money for the local road improvement fund.

[SF 2420](#), Frentz: Bill redistributes the five percent highway user tax distribution fund set-aside and allocates it to a small cities road account and a large cities road account.

[SF 2424](#), Eken: Bill authorizes jurisdictions to adopt ranked-choice voting and allows municipalities to use electronic voting systems with a reallocation feature.

[SF 2438](#), Lang: Bill appropriates money from the general fund to the Board of Water Soil Resources for the local road wetland replacement program.

[SF 2443](#), Pratt: Bill modifies municipal authority to regulate subdivisions.

[SF 2473](#), Anderson: Bill requires the Metropolitan Council to purchase electric buses with an appropriation.

[SF 2488](#), Rosen: Bill extends the state aid to local governments to fund increased employer contributions to the Public Employees Retirement Association.

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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.

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