



Metro Cities' Annual Meeting a Success

Thank you to all the city officials who attended Metro Cities' Annual Meeting Wednesday evening. The annual meeting is both business meeting and social event and includes keynote speakers. Members also elect new Metro Cities Board officers and members.

Congratulations to Mark McNeill, City Administrator of Mendota Heights, on being elected as incoming Board President, and Myron Bailey, Mayor of Cottage Grove on his election as Board Vice President. Congratulations also to Dan Buchholtz, City Administrator of Spring Lake Park, Jan Jenson, Councilmember of Saint Anthony Village and Jay Stroebel, City Administrator of Brooklyn Park, on their elections to the Board of Directors. Metro Cities would like to thank Past President Gary Hansen, Councilmember of Eagan, and Kristi Luger, City Administrator of Excelsior, for their service on the Board as their terms on the Board conclude in July.

Guest speakers were political reporters Brianna Bierschbach of Minnesota Public Radio and Peter Callaghan of MinnPost who shared informative insights on the legislative session, then opened the floor for questions. A few takeaways from our speakers' comments and responses to audience questions: legislators and the Governor have agreement on opioid and cell phone legislation but remaining legislative issues will be divisive, i.e. transportation, local government aid, education, HAVA, the provider tax; the Senate and House majorities are far apart on budget proposals, with the House proposing tax increases and the Senate proposing to reduce revenues; both speakers noted they anticipate a special session; the number of introduced bills continues to move upward, while the number of bills being passed has gone down, meaning that omnibus bills, despite their recent controversy, continue to be prevalent; and legislative leaders appear to have good relationships, are even-keeled and are showing a desire to work together.

At the annual meeting, Metro Cities distributed the Association's annual report, which can be accessed [here](#). If you would like a hard copy, please contact our office at 651-215-4000 or email kimberly@metrocitiesmn.org.

Legislature Returns from Recess; Processing of Omnibus Appropriations Bills Continues

The Legislature returned from an Easter and Passover recess on Tuesday and have held committee meetings and floor sessions this week to continue the processing of omnibus appropriations and tax bills. Less than four weeks remain in the legislative session. Included in this newsletter are updates on activity this week on omnibus bills of interest to Metro Cities.

Omnibus Tax Bills Await Floor Action

Omnibus tax bills are progressing in the Senate and House. The House omnibus tax bill, [HF 2125-Marquart](#), has passed committees that have jurisdiction on the bill, and it now awaits action on the House floor. Provisions of the House tax bill of interest to Metro Cities are included in the [April 12th newsletter](#).

The Senate Taxes Committee released its omnibus tax bill, SF 5-Chamberlain, on Wednesday, and the bill passed the Taxes Committee this morning. The bill contains a number of federal

conformity and income tax related provisions and reduces the statewide property tax levy. The bill also allows for early termination from the metropolitan agricultural preserves program upon request by a landowner and a majority vote of the unit of government with authority over the land.

Metro Cities supports several provisions in the bill, including a provision that allows cities to appropriate funds to fund a local historical society, the expansion of the property Class 4D to support affordable housing, a provision that allows local political subdivisions including cities to establish a taxing district for fire protection, and an increase in the angel investment tax credit. The bill does not increase local government aid or expand direct property tax relief programs.

The bill authorizes several local sales and excise taxes, including for the metropolitan cities of Excelsior, Rogers and West Saint Paul. SF 5 modifies requirements for local sales taxes, including requiring several elements for local resolutions before a local government seeks legislative approval for a local sales tax. Specifically, a resolution must include a description of no more than five capital projects to be funded by the tax, documentation showing the benefit to persons outside the political subdivision, the amount of revenue to be used for each project, the projected time needed to raise the revenue, and the total revenue that will be raised. The bill includes additional provisions that require ballot questions to include the specific project(s) to be funded, the amount of revenue for each project, the length of time the tax will be imposed, and a notice that voting 'yes' may be voting for a property tax increase. A summary of the bill can be found [here](#).

The House is expected to take up the House tax bill this week. Stay tuned for further updates. Questions? Contact Patricia Nauman at patricia@metrocitiesmn.org or 651-215-4002.

Senate Transportation Bill Passes to Senate Floor

The Senate Omnibus Transportation bill, ([SF 1093](#)-Newman), passed the Senate Finance Committee on Wednesday evening, and awaits action on the Senate floor.

The bill provides base funding for Municipal State Aid (MSA), County State Aid Highway (CSAH), and regional transit. MSA would receive \$420 million, CSAH would receive \$1.6 billion and transit would receive \$179 million. The bill provides ongoing funding for the Small Cities Assistance Account, with \$250,000 in the first year and \$500,000 per year in following years.

The legislation includes an increase to the electric vehicle surcharge from \$75 to \$200 as well as a \$100 surcharge on hybrid vehicles, levies a tax of 5 cents per kilowatt hour for electric vehicle charging stations, and would direct these funds to the Highway User Tax Distribution Fund (HUTDF).

SF 1093 expands Metro Mobility service to all areas within the existing statutory transit taxing district and includes a provision to allow the Metropolitan Council and Department of Human Services to share data on riders to more efficiently provide Metro Mobility and other transportation services.

The Senate bill contains a provision that would allow all cities to establish speed limits on local city streets. Metro Cities no longer has a specific policy position on speed limits.

An amendment addressing municipal appeals of final layouts that are related to MnDOT projects was added to the bill. It allows a municipality to make an appeal in cases where the municipality does not approve the final layout of a project because a substantial portion of the work will replace roadway that has at least two years of service life remaining. If the project is approved after this process, the municipality would not be required to pay a local cost share. The amendment also

requires that MnDOT submit a project timeline and detour plan to a city council and allows the municipality to appeal the timeline and detour routes to the appeals board if they do not approve.

MnDOT testified that funding provisions in the bill are inadequate to meet the needs of the state's transportation system. MnDOT also opposes prohibitions on the testing of autonomous vehicles in the state and the changes to passenger requirements for MNPASS.

The Metropolitan Council provided testimony with concerns that funding levels for transit do not address an identified structural deficit. The Council also opposes the prohibition of state funds for light rail transit operating and capital costs for lines not in operation by July 2019.

Metro Cities has expressed support for the inclusion of ongoing Small Cities Assistance funding and state funding increases to support both road and transit needs. Metro Cities opposes eliminating future state funding for light rail transit lines included in the legislation.

The House Transportation Omnibus bill, ([HF 1555](#)-Hornstein), is scheduled for debate on the House floor tomorrow. A previous Metro Cities newsletter on this bill and its provisions can be found [here](#).

Jobs Bills

The House passed its omnibus Jobs budget bill, [HF 2208](#)-Mahoney, after two days of debate, on April 24. The bill includes funding for the Minnesota Investment Fund (MIF) and Job Creation Fund (JCF) programs supported by Metro Cities, but at amounts lower than levels requested and supported by the association. Two amendments that would have preempted city authority to establish local wage, benefit and scheduling ordinances were proposed and defeated.

The Senate omnibus Jobs budget bill, [SF 2611](#)-Pratt, was debated in the Senate Finance committee over two days this week, and passed to the Senate floor on April 24, where it awaits a vote. The Senate Jobs bill includes base level funding for the Minnesota Investment Fund (MIF) and Job Creation Fund (JCF) programs that are supported by Metro Cities. The bill also includes local labor standard preemption language that Metro Cities opposes.

See Metro Cities [April 12th newsletter](#) for details of provisions of interest to Metro Cities in both bills.

Housing Bills

The Senate passed an omnibus Agriculture, Rural Development and Housing budget bill on April 23. [SF 2226](#)-Westrom, includes funding for agriculture related provisions and broadband funding. Funding for housing related programs remains flat under the bill.

The House is scheduled to debate its omnibus Agriculture and Housing budget bill, [HF 1151](#)-Hausman, on Friday, April 26. See Metro Cities' [April 12th newsletter](#) for details on provisions in both bills.

Legacy Bills

The House Legacy bill [HF 653](#)-Lillie was heard in Ways and Means Wednesday. Of interest to and supported by Metro Cities, the bill includes \$1.39 million in FY 2020 to the Metropolitan Council for metro area inflow and infiltration grants for private property owners. The bill also

includes \$3 million to the Metropolitan Council for water management. \$2 million is appropriated to the Metropolitan Council's Water Supply Sustainability Program and \$1 million is appropriated to the Water Demand Reduction Grant program for grants to local governments. The Legacy bill will be heard on the House floor next week.

The Legacy bill includes \$40 million over the biennium to the Metropolitan Council to distribute to metropolitan parks implementing agencies for approved projects. The author highlighted the statewide benefit of the metropolitan area parks systems.

The Senate Legacy bill is waiting to be heard on the Senate floor. The Senate proposal does not include funding from the Clean Water fund for inflow infiltration mitigation. The bill does provide \$2 million to the Metropolitan Council's Water Supply Sustainability program and \$500,000 to the Water Demand Reduction Grant program for grants to local governments.

Elections Bills

Last year, the federal government appropriated \$380 million in Help America Vote Act (HAVA) grants to support state efforts in securing elections infrastructure against cyber threat. Each state was allocated a share of the grant and \$6.6 million was designated for Minnesota. The grant is available in the state's HAVA account, but the Secretary of State cannot use the funds unless they are appropriated by the Legislature.

The two legislative bodies disagree on the appropriation amount. The House version of the bill authorizes the full \$6.6 million available in federal funding. The Senate version authorizes the amount that the Secretary of State requested last year (\$1.5 million). The Secretary of State is now requesting the full amount to secure our elections after our 2018 elections were infiltrated by a foreign government. The House convened the Help American Vote Act Conference Committee this week with no conferees from the Senate in attendance.

The Senate Government Finance bill [SF 2227](#)-Kiffmeyer includes \$13 million for elections equipment grants to political subdivisions, including cities. This bill was heard on the Senate Floor today. The House State Government Finance bill ([HF 1935](#)-Nelson) does not include these grants. The House bill does authorize local governments to elect local officials using ranked-choice voting and establishes uniform procedures for the conduct of these elections, extends the period for conducting a special election and reimburses local governments for the costs, and allows cities with fewer than 400 registered voters to use mail balloting. The bill also provides free transit on election day, but at this time it is unclear how this service will be funded. The House State Government Finance bill will be heard next week.

TAB Receives Regional Solicitation Before and After Study

The Transportation Advisory Board (TAB) recently received the results of a Regional Solicitation "Before and After" Study. The purpose of the study was to conduct a peer review of other regions' solicitation and project selection processes and to document regional benefits of constructed projects.

The peer review found three approaches employed by peer regions: a long-range transportation plan approach that employs a project priority list; a geographic distribution approach that directed funds to sub-regions or priority areas; and a traditional approach, which is used by the TAB, that selects projects based on a call for proposal and is linked to regional goals, priorities and long-range planning. The peer review also found that nine of ten regions do not cap the amount of

funding a project can receive and that, in general, regions are funding larger scale projects that demonstrate a greater regional benefit.

The report also included a before and after analysis to document the regional benefits achieved through projects funded through the Regional Solicitation or Highway Safety Improvement Program (HSIP). This was done by using a performance-based approach that evaluates the before and after conditions associated with a built project. Findings include a 100% reduction of fatal crashes for highway safety projects in 2007 and 2009, an overall delay reduction of 55% for roadway congestion projects, and an increase of 1.5 million in total new ridership for transit projects.

To view the executive summary of the report, click [here](#). To view the presentation presented to TAB, click [here](#).

DEED Announces Redevelopment and Demolition Awards

Three projects in the metropolitan region were awarded grants from DEED's redevelopment grant program. Projects in Woodbury, Edina and Minneapolis received awards to cover a range of uses, including hazardous materials abatement, asbestos abatement, demolition and infrastructure costs. Overall, \$2 million in awards were made to the three metro cities and two projects in greater Minnesota. The funds were made available via internal transfer of DEED funds. Metro Cities is advocating for a legislative appropriation this session. More information on the awards can be [found here](#).

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

Bills of Note

[HF 2844](#), Moran: Bill modifies classification of community land trust property.

[HF 2848](#), Vang: Bill requires voting instructions in languages other than English for use in-person voting.

[HF 2856](#), Carlson, L.: Bill increases the local government aid appropriation and modifies the minimum aid payments for 2020.

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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