



Municipal Legislative Commission

2023 Regular Legislative Session Report

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Introduction

The 2023 Legislative Session was ushered in with historic and unexpected wins by the DFL resulting in a legislative trifecta for only the second time in thirty years. Governor Walz easily won re-election and the DFL gained control of the Senate by one seat and held a 34/33 majority, while the House majority continued its reign with a six-seat majority of 70/64. All DFL constitutional officers also prevailed in their elections.

Legislators returned to St. Paul on January 3 with an unprecedented number of new colleagues. Of the 201 legislators 71 members between the House and Senate were brand new. In the House, a total of 47 newly elected members included 25 Republican members and 19 DFL members. In the Senate, a total of 24 newly elected members included 14 DFL members and 10 Republican members. Both House and Senate majority and minority caucuses came into session with newly elected leaders. House Speaker Melissa Hortman was the only leader to continue in her position and the DFL caucus elected Rep. Jaime Long as the Majority Leader and Rep. Athena Hollins as Majority Whip. Republicans elected Rep. Lisa Demuth as Minority Leader and Rep. Paul Torkelson as Deputy Minority Leader. In the Senate, the DFL caucus elected Sen. Kari Dziedzic as Majority Leader and Sen. Bobby Joe Champion as Senate President.

The first year of each biennium is a budget year in Minnesota with the primary goal of the Legislature to create a two-year budget for the state with the new fiscal year beginning July 1. However, this year with pent up demand on key DFL policies and election promises, Legislators got to work on several key items. Within the first six weeks the Legislature passed, and the Governor signed: targeted increases in the Attorney General's Office to add capacity for its criminal division, voter restoration, tax conformity, recognition of Juneteenth as a state holiday, 100% carbon free standards by 2024, and a fundamental right to reproductive health care.

A historic surplus of \$17.5 billion dollars greeted legislators in the updated February Forecast and the Legislature made quick work of their new majorities. They set early committee deadlines, agreed on joint budget targets a full two months before the end of session and predicted the possibility of adjournment prior to the May 22 deadline. The budget agreement framework prioritized multi-billions of investments in tax cuts, education and supports for children and families, transportation improvements, housing and infrastructure projects. Other marquee topics that dominated session action included paid family and medical leave, legalizing adult use cannabis, driver's license for all, social security tax elimination, and efforts to pass a robust bonding bill left over from last session.

As the session entered its final weekend eleven budget bills had passed off the House and Senate floors. However, final agreements on the tax, transportation, health and bonding bills held the legislature all the way to its deadline of Monday, May 22nd at midnight. A last minute compromise between democrats and republicans on an additional \$300 million dollars for nursing home support helped pave the way for a GO bonding agreement of \$1.5 billion, a cash bonding agreement of \$1.1 billion and the assurance of orderly floor sessions to complete their work. The last weekend also ushered in final passage of bills to legalize adult use cannabis, approve minimum compensation for Uber and Lyft drivers, and authorize committee-driven nurse-to-patient staffing

ratios as well as a pair of constitutional amendments; one to continue to dedicate a portion of lottery proceeds to protect the environment and one to adopt equality under the law.

Rumors of a possible special session to address the U of M's desire to buy back its hospital following the merger of Fairview and Sanford systems surfaced in the last days of session. However, absent a special session and with arguably the busiest and most accomplished session in recent memory legislators will return home to their districts until February 12, 2024, when the next session is set to reconvene. To date, only one member, Representative Jerry Newton, has declared his intent to not run again. The 2024 session will be a short session with a focus on policy measures, bonding, and it will be an election year for all members of the House of Representatives.

MLC Legislative Priorities

Housing and Home Ownership

- NOAH Preservation Grants
- Housing Infrastructure Bonds (HIB)
- Community Land Trusts
- Down Payment Assistance
- Local Autonomy and Land Use Decisions

Tax Policy and Local Issues

- Property Tax Refund & Renters Credit
- Homestead Market Value Exclusion Adjustment
- Sales Tax Exemption on Construction Materials Process Simplification
- Repeal Local Government Salary Cap

Transportation and Infrastructure

- Corridors of Commerce
- Transportation Economic Development (TED)
- State Match for IJJA Funding
- Regionally Balanced Bonding Bill
- Street Impact Fees

Public Safety

- Duty Disability Reform
- State Funding for Juvenile Offender Detention, Treatment, and Programs
- Public Safety Aid for Cities
- Catalytic Converter Reform

Adult Use Marijuana

- Local Licensing Authority
- Revenue Sharing with Cities

Workforce & Economic Expansion

- Minnesota Investment Fund (MIF)
- Job Creation Fund (JCF)

MLC Legislation of Interest that Passed

State Forecast Required to Include the Rate of Inflation

H.F. 35 Representative Stephenson / S.F. 46 Senator Marty

View the bill summary [here](#).

[Chapter 10](#)

Each year, the Minnesota Office of Management and Budget releases a budget forecast in November and February to give legislators and the governor a baseline with which to create the state budget. It usually provides the inflation rate in the forecast; however, in 2002 lawmakers passed a law removing the inflation estimates.

The bill was drafted to require Minnesota Management and Budget (MMB) to include inflation when estimating future state expenditures in the biannual budget forecasts. A fiscal note accompanying the bill estimated that adding inflation to the forecast's projected spending would reduce the state's budget surplus by \$1.55 billion for the 2024-25 biennium and by \$3.3 billion the following biennium. The bill didn't specify how inflation will be measured but requires the Commissioner of Minnesota Management and Budget to consult with the Senate Government and Finance Committee and the House Ways and Means Committee before the forecast's release.

Juneteenth (June 19)

H.F. 48 Representative Richardson / S.F. 13 Senator Champion

View the bill summary [here](#).

[Chapter 5](#)

Juneteenth (June 19) is an annual celebration in recognition of the historical pronouncement of the abolition of slavery on June 19, 1865 – which was when federal troops arrived in Galveston, Texas to ensure the last enslaved people in the United States were set free, more than two years after President Lincoln signed the Emancipation Proclamation. Juneteenth became a federal holiday in 2021, after the murder of George Floyd and the Black Lives Matter protests. In current law, the third Saturday in June is an official state observance. This bill made June 19, rather than the third Saturday in June, a designated state Holiday. As a recognized state Holiday, no public business can be transacted by the state government.

Omnibus Housing Finance and Policy Bill

H.F. 2335 Representative Howard / S.F. 2566 Senator Port

View the bill summary here: [House](#) and [Senate](#)

The bill did pass.

[Chapter 37](#)

The state is making record investments in housing, over \$1 billion to address Minnesota's housing needs. The funding will go to a range of programs, from helping first generation homeowners afford down payments to preserving affordable housing. Lawmakers also put funding into rent vouchers and have included a 0.25% metro sales tax to support additional housing assistance.

Notable Bill Appropriations include:

- Challenge Program: \$95 million
- Housing Trust Fund: \$11.64 million
- Local Housing Trust Fund Grants: \$4.8 million
- Housing Infrastructure \$200 million in
- Homeownership: Homeownership assistance fund: \$50 million
- Homeownership Investment Grants (CFI's): \$40 million
- Naturally Occurring Affordable Housing (NOAH): \$90 million (\$10 million to Huntington Place)
- Workforce Housing Development Program: \$35 million
- Workforce Homeownership Program: \$20 million
- First Generation Homebuyer: \$50 million
- Community Based First Generation Homebuyer: \$100 million
- Metro Sales Tax: .25% deposited into the Housing Assistance Fund
 - This will take effect on October 1st, 2023, and is expected to generate between \$150-200 million annually

Omnibus Jobs, Economic Development, Labor and Industry Appropriations Bill

S.F. 3035 Senator Champion / H.F. 3028 Representative Hassan

[Chapter 53](#)

The Omnibus Jobs bill provides large-scale employment law reform and massive investments in an effort to address workforce shortages and economic disparities. These efforts are highlighted by a \$1.4 billion appropriation dedicated to workforce development, economic competitiveness, and assisting disadvantaged communities.

The policy changes in this legislation will have significant impacts on employers in Minnesota. Employers will take note of the changes that render non-compete agreements unenforceable, prohibit mandatory employer-sponsored meetings, establish additional paystub requirements, and enhance protections for pregnant employees. Employers will have to act relatively quickly to ensure compliance as many provisions of this bill take effect as early as July 1 of this year.

Earned Sick and Safe Time

The bill contains language from the Earned Sick and Safe Time bill, which was passed as a stand-alone bill by the House earlier in the session. This allows all workers to accrue paid time off, earning one hour of paid leave for every 30 hours worked. Eligible use of sick leave includes:

- An employee's mental or physical illness, treatment, or preventive care
- Care for a sick family member or a family member in need of preventive care or treatment
- Absence related to domestic abuse, sexual assault, or stalking of an employee or family member
- Closure of an employee's workplace or a family member's school or daycare due to weather or public emergency
- A determination by a health care provider that an employee or family member is at risk of infecting others with a communicable disease
- Effective Date: January 1, 2024

Economic and Workforce Development Provisions

- \$12.9 million for the Small Business Assistance Partnerships Program
- \$10 million for the Minnesota Expanding Opportunity Fund Program
- \$5 million for Launch Minnesota, to spur innovation and grow technology start-ups
- \$5 million for the Emerging Developer Grant Program
- \$3 million for the Community Grant Wealth Building Program
- \$50 million in targeted populations workforce grants for organizations that provide job skills training and businesses that hire and retain people of color
- \$20 million for the Drive for Five Initiative
- \$14.3 million in additional funding for the Pathways to Prosperity competitive grant program
- \$2 million to establish the Getting to Work grant program
- \$1.5 million to establish the Office of New Americans for helping immigrants economically integrate into Minnesota
- \$91.4 million for Vocational Rehabilitation Services

- \$26.1 million for General Support Services
- \$20.9 million for State Services for the Blind
- \$1m in funding to support a working group on youth interventions to provide recommendations on the design of a regional system of care for youth interventions, sustainable financing models and alternatives to criminal penalties
- \$25 million to fund a Minnesota Climate Innovation Finance Authority, also known as a “green bank” that would provide loans for green initiatives, and includes enabling legislation for the Authority
- \$8.5 million in fiscal years 2024-25 and \$4.5 million in fiscal years 2026-27 in dedicated general fund spending for the Redevelopment Grant Program to help assist cities with the cost of redeveloping blighted industrial, residential, or commercial sites
- Base-level funding for both the Minnesota Job Creation Fund and the Minnesota Investment Fund at \$16 million and \$24.74 million respectively over each biennium.
- Program for a total of \$4.57 million for fiscal years 2024-25 and fiscal years 2026-27
- \$10 million in one-time funding for Community Energy Transition Grants to assist local communities address economic dislocation associated with the closing of a local electric generating plant
- \$13 million in fiscal years 2024-25 and \$3 million in fiscal years 2026-27 for Local Community Child Care Grants to provide local governments with grant funding to increase the number of child care providers to support economic development

Notable Labor and Industry Appropriations

- \$3 million in grants for clean economy jobs
- \$497,000 for a novel regulatory framework of combative sports

Notable Labor Policy Provisions

- Noncompete Ban
 - Under the new law, which passed out of the Minnesota Legislature this week, most noncompete agreements between employers and employees or independent contractors would be banned. If signed by Gov. Walz, the law would go into effect July 1st, but would not be retroactive. The law would not ban non-solicitation agreements or agreements restricting the ability to use client or contact lists or to solicit customers
 - Unlike other states that have passed laws that restrict noncompete agreements only with employees earning below a certain salary or income threshold, Minnesota enacted a complete prohibition on noncompete agreements with only two limited exceptions:
 - Those agreements that are agreed to during the sale of a business where the agreement prohibits the seller from carrying on a similar business within a reasonable geographic area for a reasonable period of time; or
 - In anticipation of the dissolution of a business in which the dissolving partnership or entity agrees that the partners, members, or shareholders will not carry on a similar business in a reasonable geographic area for a reasonable period of time

- Establishing new standards related to public sector unions including:
 - Requiring the dissemination of employee personnel data to public sector unions for several purposes, such as conducting elections and investigating grievances
 - Obligating employers to provide union representatives with contact information of and face-to-face time with both newly hired and all bargaining unit employees
 - Enabling workplace unionization without going through the process of a formal election if over 50% of employees provide authorization for representation

Additional policy provisions

- Authorization for religious institutions to site micro-unit dwellings in sacred settlements on their property, and requires cities to authorize use as a permitted use or conditional use
- Updated commercial energy code tied to new American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) baselines
- New state building code requirements for minimum number of electric vehicle charging for commercial and multifamily properties
- Establishment of an Office of New Americans
- Establishment of an Office of Child Care Community Partnerships
- Construction worker wage protections expanding liability for wage theft claims to include general contractors and owners in certain circumstances
- A ban on “captive audience” meetings, prohibiting employers from requiring employees to attend employer-sponsored meetings to communicate their opinion about religious or political matters

Omnibus Transportation Finance and Policy Bill

H.F. 2887 Representative Hornstein / S.F. 3157 Senator Dibble

Chapter 68

Transportation Chairs Hornstein and Dibble, both from Senate District 61 in Minneapolis, were tasked with putting together the state's transportation budget. The final deal will make historic investments in the state's roads, bridges, and transit, while also creating significant new revenue streams to increase ongoing dedicated funding for the state's transportation system.

The bill increases funding for transportation statewide and includes many new revenue sources including:

- Indexing the gas tax to inflation, resulting in a 5-cent increase over the current rate by fiscal year 27
- Establishing a new Regional Transportation Sales and Use Tax of .75%
 - 83% of these funds will go to the Met Council for the following uses:
 - 5% for active transportation as determined by the Transportation Advisory Board
 - 95% for the below uses:
 - Improvements to regular route bus service levels
 - Improvements to transit safety
 - Maintenance and improvements to bus accessibility at transit stops and transit centers
 - Transit shelter replacement and improvements
 - Planning and project development for expansion of ABRT lines
 - Operations and capital maintenance of ABRT lines
 - Planning and project development for expansion of highway BRT and bus guideway lines
 - Operations and capital maintenance of highway BRT and bus guideways
 - Zero-emissions bus procurement and associated costs in conformance with the zero-emission and electric transit vehicle transition plan
 - Demand response microtransit service provided by the Council
 - Demand response microtransit service provided by the Suburban Transportation Providers
 - Financial assistance to political subdivisions
 - Wage adjustments for Metro Transit hourly operations employees
 - The Met Council is prohibited from using these funds on Southwest light rail transit.
 - 17% to the metropolitan counties
 - Delivery fee of 50 cents for most deliveries to homes that are more than \$100
 - Funds deposited into the Transportation Advancement Account

- Increasing the Motor Vehicles Sales Tax from 6.5% to 6.875%
 - New distribution of funds:
 - 60% to Highway User Trust Fund
 - 34.3% to Metropolitan Area Transit Account
 - 5.7% to Greater Minnesota Transit
- Raising the fees to register vehicles, purchase driver's licenses, and documentary fees
- Fully dedicating the Auto Parts Sales Tax Receipts to transportation over a ten-year period

Notable appropriations provisions:

- \$216,400,000 for Infrastructure Investment and Jobs Act discretionary matches
- \$9 million to expand micro transit services for the Suburban Transit Providers:
 - \$5.8 million for Minnesota Valley Transit Authority
 - \$3 million for SouthWest Transit
 - \$200,000 for Maple Grove Transit
 - \$195 million to support the Northern Lights Express passenger rail service between the Twin Cities and Duluth
 - \$2 million to fund safety interventions with passengers on the Green and Blue light-rail lines
 - Creates \$1500 credits for purchasing electric bikes
 - \$153 million for Corridors of Commerce
 - \$8,000,000 for FY24
 - \$72,500,000 in FY25
 - \$72,500,000 in FY26
- \$200,000,000 in State Road Construction
 - \$67,000,000 in FY24
 - \$67,000,000 in FY25
 - \$66,000,000 in FY26
- \$11,000,000 for information technology projects for the Department of Transportation
- \$68,750,000 for Trunk Highway 65
- \$30,000,000 for U.S. Highway 10
- \$4,200,000 for U.S. Highway 169 Interchange in Scott County

Notable transportation policy provisions:

- Creates a Metropolitan Governance Task Force to review the make-up of the Met Council and whether they should be elected rather than appointed by the Governor
- Creates a Transit Signal Priority System Planning workgroup to perform planning on transit signal priority systems and related transit advantage improvements on high-frequency and high-ridership bus routes in the metropolitan area
- Requires the Met Council to produce a Post-Covid Study on the impacts of Covid on transit ridership
- Requires the Commissioner of Public Safety to submit a report to the legislature on process and associated policies for issuance of a mailed citation to vehicle owners that a speed safety camera system detects is operated in violation of a speed limit.
- Establishes a Transit Rider Investment Program (TRIP) which will put transit officials on buses and trains as a means of fare enforcement and to monitor passenger activity

- Creates many new license plate options for Minnesotans to choose from including:
 - Lions Club International Plates
 - Minnesota Professional Sports Team Foundation Plates:
 - Minnesota Vikings
 - Minnesota Timberwolves
 - Minnesota Lynx
 - Minnesota Wild
 - Minnesota Twins
 - Minnesota United
 - Minnesota Blackout Plates
 - Minnesota Missing and Murdered Indigenous Relatives Plates
- Requires a Transportation Greenhouse Gas Emissions Impact Assessment and appropriation greenhouse gas mitigation practices for any capacity expansion project that is a major highway project and adds traffic capacity to the roads not to supplant the safety and well-being goals of a highway project
 - The bill also creates a working group to assist in the following items prior to the implementation of the requirement for the assessment and mitigation:
 - Developing the process for impact assessment
 - Developing an impact mitigation plan
 - Considering options related to funding mitigation activities
 - Considering options for alternative mitigation options
 - Members of the working group:
 - Commissioner of Transportation
 - Met Council Chair
 - Two members from the Department of Transportation Sustainable Transportation Advisory Council
 - Two members from the Minnesota County Engineers Association
 - Two members from the City Engineers Association
 - One representative from a Metropolitan Planning Organization or Regional Development Organization in Greater Minnesota
 - One Representative from Move Minnesota
 - Requiring two crew members on freight trains traveling in and through Minnesota

Bonding Bill

H.F. 669 Representative Lee / S.F. 676 Senator Pappas

Chapter 72

Every other year, lawmakers typically passed a capital investment bill – known as a bonding bill. However, they failed to get one across the finish line in 2021 and again in 2022 under divided control of the Legislature. Bonding bills require a 60% vote in the House and Senate to pass. The 2023 bill was the largest bonding bill in Minnesota history financing \$2.6 billion for projects across Minnesota including \$1.5 billion in General Obligation (GO) bonds and \$1.12 billion in cash funding. As part of a last-minute deal, both DFL and GOP lawmakers agreed to invest an additional \$300 million in emergency aid for nursing homes in crisis. That nursing home funding compromise passed separately in HF3342.

Agency funding totals in HF 669 include:

- \$381.1 million to the Public Facilities Authority for 47 water and wastewater projects across the state
- \$326.3 million to the Department of Transportation, including \$146 million from bond proceeds for local roads and bridge
- \$233.1 million to the Department of Natural Resources, including \$49.7 million for flood hazard mitigation programs
- \$108.6 million to the Metropolitan Council, including \$72 million for bus rapid transit projects
- \$90 million to the Department of Veterans Affairs, including \$77.8 million for upgrades at the Hasting Veterans Home Campus
- \$130 million to University of Minnesota, including \$92.6 million to renovate Fraser Hall into an undergraduate chemistry building and \$43.35 million in asset preservation
- \$134.7 million to Minnesota State - \$90 million for renovations and upgrades at 13 campuses and \$44.7 million for asset preservation

Cash Projects in HF 670 authorized \$850.7 million in General Fund spending for more than 190 projects, which include:

- \$1.82 million for the Sanneh Foundation
- \$550,000 for the Phyllis Wheatley Community Center in Carver County
- \$6 million for the Maple Grove Community Center
- \$800,000 for the Chankahda Trail in Plymouth
- \$8 million for Hope 4 Youth in Anoka County
- \$2.5 million for the Conway Recreation Center operated by the Sanneh Foundation
- \$48.6 million to Department of Public Safety (local fire or public safety centers)
- \$10 million for a regional training center in Hibbing
- \$6.4 million for a Lake Johanna fire station headquarters
- \$4.4 million for a fire station in Dilworth
- \$21.6 million to renovate facilities at the St. Peter Regional Treatment Center
- \$14.5 million for improvements to the wastewater treatment plant in Austin
- \$12.8 million to the Pope-Douglas Solid Waste board to switch to single-source recycling

- \$7 million to construct a freight rail car storage facility in Lakeville
- \$4 million to the Indian Health Board for a medical center in Minneapolis
- \$3 million to replace the ice plant and make other improvements to the sports arena and curling club in Chisolm
- \$2.2 million to the Ain Dah Yung Center in St. Paul for renovations of its emergency shelter

Omnibus Tax Bill

H.F. 1938 Representative Gomez / S.F. 1811 Senator Rest

Chapter 64

Lawmakers passed a sweeping \$3 billion tax relief bill along party lines that includes onetime rebates, a credit for low income families, income tested exemption from Minnesota's tax on Social Security benefits, and property tax relief and funding to cities for public safety improvements. The bill will raise \$1.034 billion over the biennium from business and high-income households.

Tax Relief Provisions include the following:

- Rebates
 - \$260 single filer up to \$75,000 income
 - \$520 joint filer up to \$150,000 income
- Child Tax Credit
 - \$260 per dependent (up to 3 children) for a maximum of \$1,300
 - \$1,750 per child to households making \$35,000 per year, phasing out at \$96,250
- Social Security Exemption – Exempts Minnesota's state tax on a couples earning up to \$100,000 (singles up to \$78,000)

Tax Increase Provisions include the following:

- Federal conformity to GILTI with 50% dividend reduction with no selection 250 deduction (\$437 million FY24-25)
- Reduced deductions for dividends received from domestic subsidiaries (\$125 million FY24-25)
- Modifications to phase out standard itemized deductions for high income earners by adding two new thresholds:
 - 10% of AGI over \$300,000
 - 20% AGI over \$1 million, up to max of 80% of total deductions
 - \$354 million FY24-25
- New 1% tax on all net investment income (interest, dividends, annuities, royalties, etc.) over \$1 million (\$128 million FY24-25)
- Decouple corporate net operating loss provision, limiting deductions to 70% (\$22.5 million FY24-25)

State Aid Provisions

- \$80 million for an annual increase to local government aid
- Updated formula factors for local government aid
- \$210 million in one-time public safety aid for cities, distributed on a per capita basis. Eligible uses include community violence prevention and intervention programs; community engagement; mental health crisis responses; victim services; training programs; first responder wellness; equipment related to fire, rescue, and emergency services; or to pay other personnel or equipment costs
- Establishment of a new transition aid for counties, cities, townships, and school districts that lose tax base when an electric generation plant is retired

- Creating an affordable housing aid for local governments located outside the metro that will not receive distributions from the quarter-cent metro area sales tax for housing. Qualifying cities with a population of at least 10,000 will receive a \$4.5 million annual distribution in fiscal years 2024-25 and \$2 million annual distribution in following years. Cities with populations under 10,000 will be eligible to apply for grants of at least \$25,000 from the Minnesota Housing Finance Agency (MHFA). This MHFA aid totals \$2.25 million annually for fiscal years 2024-25 and \$1 million annually in following years

Property Tax Provisions

- A permanent increase to the Homestead Credit refund to increase the refund for taxpayers that are currently eligible for it
- Converting the Renter's Credit from a property tax refund to an income tax credit, and changing the definition of income to the simpler adjusted gross income
- One-time increases to the Homestead Credit refund, Renter's Credit, and targeted property tax refund
- Increasing the homestead market value exclusion (HMVE) for homes valued up to \$517,000
- Lowering the property tax classification rate on 4d property from .75% of the first \$100,000 of value to .25%, causing a property tax shift onto other property. The bill also allows for a two-year transition aid for cities whose tax base is at least 2% 4d property
- Increasing the income limit for the senior citizens' property tax deferral from \$60,000 to \$96,000. The bill also reduces the minimum number of years the homeowner must own and occupy the property to qualify from 15 years to five years

Sales Tax Provisions

- Local Sales Tax
 - Edina
 - Bloomington
 - Chanhassen
 - Golden Valley
 - Woodbury
- Places a two-year moratorium on local sales tax authorizations going through the 2025 legislative session
- Creation of a task force to examine the use of local taxes as a funding mechanism for cities to fund capital projects and other improvement projects. The task force recommendations will be reported to the Legislature by Jan. 15, 2024

Other Provisions

- TIF
 - Bloomington
 - Plymouth
 - Shakopee
 - Woodbury

- Construction Materials Exemption
 - Chanhassen
 - Edina
 - Maple Grove
 - Woodbury
- An eight-year extension of the Historic Structure Rehabilitation Credit. It will also allow an exception for projects that would have qualified for the credit during the one fiscal year that the credit was not in place
- Numerous cities' individual bills that provided exceptions from tax increment financing rules for specific projects
- General tax increment financing law clarifications that were worked on with the Office of the State Auditor and the League of Minnesota Cities
- A \$40 million one-time increase to the workforce and affordable homeownership development account to support the existing Workforce and Affordable Homeownership Development Program

Estimated Public Safety Aid for MLC Cities

City	Total 2021 population	Share of eligible population	Aid amount
APPLE VALLEY	56,318	1.17%	\$ 2,464,493
BLOOMINGTON	90,974	1.90%	3,981,050
BURNSVILLE	64,627	1.35%	2,828,097
CHANHASSEN	25,936	0.54%	1,134,967
EAGAN	69,086	1.44%	3,023,224
EDEN VALLEY	1,026	0.02%	44,898
EDINA	53,572	1.12%	2,344,327
GOLDEN VALLEY	22,334	0.47%	977,343
INVER GROVE HEIGHTS	35,743	0.74%	1,564,124
LAKEVILLE	72,135	1.50%	3,156,649
MAPLE GROVE	70,247	1.46%	3,074,030
MINNETONKA	54,704	1.14%	2,393,864
PLYMOUTH	81,184	1.69%	3,552,636
PRIOR LAKE	27,832	0.58%	1,217,937
ROSEMOUNT	26,133	0.54%	1,143,588
SAVAGE	32,516	0.68%	1,422,910
SHAKOPEE	45,593	0.95%	1,995,163
SHOREVIEW	26,967	0.56%	1,180,084
WOODBURY	75,723	1.58%	3,313,661

Omnibus Environment, Natural Resources, Climate, and Energy Finance and Policy Bill

H.F. 2310 Representative Hansen, R. / S.F. 2438 Senator Hawj
[Chapter 60](#)

This bill featured a two-billion-dollar package to invest in initiatives to promote green energy and cut greenhouse gases while tackling conservation issues including restrictions on PFAS chemicals and bans on new deer farms to combat chronic wasting disease. This legislation is the third piece in a series of climate bills passed by legislators this year, the first being the 2040 clean energy bill and the second being the state competitiveness bill aimed at capturing federal funds for clean energy initiatives. The bill also funds a Minnesota Climate Innovation Finance Authority, also known as a “green bank” that would provide loans for green initiatives. The bill also creates a “green alley” to promote clean energy companies.

Another goal of the DFL majority for this session was environmental justice initiatives. The new cumulative impacts provisions will require the MN Pollution Control Agency to alter the process in issuing air permits to include past emissions in their considerations.

Finally, the bill makes investments into Minnesota’s natural resources and recreational infrastructure using a boat license fee increase and by making large-scale appropriations to pay for these priorities.

Notable investments of the bill include:

- \$30 million to place solar panels on schools and other public buildings
- \$1 million for lead tackle reduction
- \$16 million for electric vehicle rebates plus \$13 million for electric buses for schools
- \$13 million in grants and rebates to install electric heat pumps in homes
- \$6.5 million to install electric panels to allow homeowners to add electric stoves and other appliances
- \$20 million in funding for the Minnesota Climate Innovation Finance Authority (this is in addition to \$25 million in the Jobs Bill and the authorizing language moved to the Jobs bill)
- \$60 million for new fish hatcheries
- Boat license fee proceeds for recreational infrastructure and campgrounds
- \$2 million to develop a comprehensive plan to ensure the communities in the White Bear Lake area have access to sufficient and safe drinking water and
 - Working group to develop the plan includes Commissioner of Natural Resources, Commissioner of Health, PCA, Metropolitan Area Water Supply Advisory Committee, St. Paul Regional Water Services, Lake Elmo, Hugo, Mahtomedi, Stillwater, Lino Lakes, North St. Paul, Oakdale, Vadnais Heights, Shoreview, Woodbury, New Brighton, North Oaks, and White Bear Lake
 - The plan must include:
 - Evaluating methods for conserving and recharging groundwater in the area
 - Determining which existing groundwater supply wells would be most effective and efficient in ensuring future water sustainability

- Identifying a long-term plan for converting groundwater supply wells
- Identifying policy and funding recommendations for converting groundwater supply wells to surface water sources, recommendations for treating and reusing wastewater
- Identifying any policy and funding recommendations for local wastewater treatment and recharge
- Reporting back to the chairs and ranking members of the committees with jurisdiction over environment and natural resources finance and policy
- More than \$100 million for planning and implementation of local climate adaptation plans
- Significant new authority for the DNR to enforce administrative penalty orders related to water appropriations and to restrict where surface water levels are negatively impacted
- Numerous provisions related to PFAS compounds, including phased-in bans on many products, \$25 million for addressing PFAS in municipal drinking water, and new water quality standards and health risk limits for certain PFAS compounds
- \$8 million per year for the ReLeaf program to deal with emerald ash borer and other community forest issues
- \$2 million per year for the Lawns-to-Legumes program
- \$27 million to restore fund balances drained by the state in 2003 from the Metropolitan Landfill Contingency Action Trust, which assures that closed landfills in the metro area are managed properly by the state in perpetuity

Notable natural resources policy provisions include:

- Allowing the DNR to temporarily (until June 30, 2027) issue permits for the City of Lake Elmo to construct and operate a new municipal water supply well and amend existing water-use permits issued to the City of Lake Elmo to increase the authorized volume of water that may be appropriated under the permits to a level consistent with the amount anticipated to be needed each year – this provision has an effective date immediately following enactment
- Temporarily prohibits the DNR (until June 30, 2027) from reducing the total amount of groundwater use permitted under a White Bear Lake area water use permit issued or amended before January 1, 2023 unless necessary to address emergency preparedness or other public health and safety issues
- Establishing a Habitat-Friendly Utilities Program allowing the Board of Water and Soil Resources to provide financial and technical assistance to promote the successful establishment of native vegetation as part of utility projects, including solar, wind, pipelines, and electrical transmission corridors
- Establishes new Greenhouse Gas Emissions-Reduction Goals across all sectors producing greenhouses gas emissions by at least the following amounts compared with the level of emissions in 2005:
 - 15 percent by 2015
 - 30 percent by 2025
 - 50 percent by 2030
 - Net zero by 2050

Notable energy policy provisions include:

- Outlines a distributed solar energy standard that requires, by the end of 2030, the following proportions of a public utility's total retail electric sales in Minnesota to be generated from solar energy generating systems:
 - for a public utility with at least 200,000 retail electric customers in Minnesota, at least three percent
 - for a public utility with at least 100,000 but fewer than 200,000 retail electric customers in Minnesota, at least three percent
 - for a public utility with fewer than 100,000 retail electric customers in Minnesota, at least one percent
 - includes an exemption for sales to industrial customers to be subtracted from the utility's total retail electric sales for the purpose of calculating total retail electric sales in Minnesota
- Defining the “resilience” of the electric grid as the ability of the grid to prepare for, adapt to, or minimize the consequences of extreme weather or malicious physical or cyber-attacks.
- Increasing the threshold that requires a public utility to notify the PUC if they are selling, acquiring, leasing, or renting a plant from \$100,000 to \$1,000,000
- Establishing a Distributed Energy Resources System Upgrade Program to provide utilities funding to complete infrastructure investments necessary to enable electricity customers to interconnect distributed energy resources
- Establishing an Electric Grid Resilience Grant program in the Department of Commerce to provide financial assistance to projects that increase resilience of the grid, develop or improve carbon-free distributed energy resources in the state, and improve a utilities ability to add load growth resulting from strategic electrification and electrification of transportation
- Requiring public utilities to develop and operate a program to provide a grant to customers to reduce the cost to purchase and install an on-site energy storage system
- Establishes a new Electric Vehicle Rebate program to create rebates of \$2,500 for the purchase of a new electric vehicle and \$600 for the purchase of a used electric vehicle
- Creates a new public policy of the state to encourage each utility that serves Minnesota residents to focus on and improve the diversity of the utility’s workforce and suppliers
- Prohibits private entities from limiting the owner of a single-family home from installing or maintaining the use of a roof-mounted solar energy system
- A definition provided for ‘environmental justice.’ Areas containing census tracts meeting that definition will be prioritized for accessibility to many state grants, program focus, and other funding.
- Extensive new policy related to community solar gardens.

Omnibus State and Local Government Appropriations and Policy Bill

H.F. 1830 Representative Klevorn / S.F. 1426 Senator Murphy

Chapter 62

The State and Local Government Omnibus Bill features a variety of changes that have broad effects across Minnesota. In addition to various changes to the way the government will operate and be funded, a change to make alterations to the state flag and seal will be decided following the work of a State Emblems Redesign Commission established by the bill. Overall, the price tag to fund state government operations landed at \$1.53 billion which is a \$410 million increase over base. The bill includes additional spending for the state's constitutional offices, more than 30 boards, agencies and councils, and the departments of Administration and Revenue.

There are also changes to operations at the Capitol itself, including a new session start date that would be 'the first Tuesday after the second Monday in January of each odd-numbered year'. The bill would also redefine a legislative day to be when either body 'gives any bill a third reading, adopts a rule of procedure or organization, elects a university regent, confirms a gubernatorial appointment, or votes to override a gubernatorial veto.' In current statute, a legislative day is described as 'a day when either house of the legislature is called to order.'

Notable State Government appropriations:

- \$27,000,000 for statewide cybersecurity enhancements
- \$6,000,000 for a state and local government cybersecurity improvement grant program
- \$40,000,000 to modernize targeting applications to improve user experience
- \$4,000,000 for Children's Cabinet information technology innovation
- \$33,000,000 for executive branch cloud transformation
- \$4,000,000 for state grant administration oversight
- \$5,000,000 to implement the Capitol Mall Design Framework

Notable State Government policy provisions:

- Authorize a limited medical exception to the Open Meeting Law, which will allow elected officials to fully participate in meetings via interactive technology from a nonpublic location up to three times in a year if a health care professional has advised them against being in a public place for medical reasons.
- Expand local government investment options available to AAA-credit rated cities to AA-rated cities.
- Authorize a "construction manager at risk" option for municipal contracts over \$175,000.
- Require cities to allow natural landscaping on any parcel.
- Provide cities an additional licensing tool to respond to hotels that significantly overburden public safety due to criminal activity.
- Repeal the compensation limit for employees of political subdivisions.
- Establish a commission to redesign the official state flag and official state seal.
- Set up a structure and provide funding for a program to provide cybersecurity grants to local governments. The Department of Information Technology Services would have

\$2.2 million in fiscal year (FY) 2024 and \$3.5 million in FY 2025 to provide grants to political subdivisions to support addressing cybersecurity risks and threats to information systems owned or operated by state, local, or tribal governments.

- Create a legislative task force on aging to review and develop state resources for an aging demographic, and to identify and prioritize necessary support for an aging population through statewide and local endeavors for people to remain in their communities.
- Establish an Infrastructure and Resilience Advisory Task Force to evaluate issues related to coordination; sustainability; resiliency; and federal funding on state, local, and private infrastructure in the state. Task force membership will include a member appointed by the League of Minnesota Cities.
- Establish an environmental standards procurement task force and establish requirements for certain materials and products used in the construction of buildings funded in whole or in part with state bond proceeds.
- Change the effective date of the law passed earlier in session to make Juneteenth a state holiday from Aug. 1, 2023, to the day after enactment. This would make the new holiday effective on June 19 of this year.
- Expand special service district authority to create new special service districts under the existing petitioning process to include both commercial and industrial properties as well as qualified multifamily and mixed-use properties that can now be subject to the charges imposed for increased services in a district.

Omnibus Judiciary and Public Safety Appropriations Bill

S.F. 2909 Senator Latz / H.F. 2890 Representative Moller

Chapter 52

The final Public Safety and Judiciary Omnibus Bill this year reflects years of pent-up demand to pass key policy measures and make use of historic surplus funds. The five hundred- and twenty-two-page bill was reconciled a full ten days before adjournment date and passed the House and Senate on party line votes. Below are summaries of the key financial and policy items included in the final bill.

Office of Justice Programs

• Youth Services and Grants	\$250,000/\$250,000
• Dual Status Youth Programs	\$1m/\$1m
• Youth Restorative Justice Program	\$4m/\$4m
• Youth Intervention Grants	\$3.525m/\$3.525m
• Juvenile Restorative Justice Office	\$500,000/\$500,000
• Ramsey County Juvenile Placement	\$5m
• Prosecutor Training Grants	\$100,00/\$100,000
• Federal Victims of Crime Act	\$11m/\$11m
• Domestic/Sexual Violence Housing	\$1.5m/\$1.5m
• Missing/Murdered Indigenous Bd	\$1.248m/\$1.248m
• Community Crime Prevention Grants	\$750,000/\$750,000
• Resources for Crime Victims	\$1m/\$1m
• Minnesota Heals	\$500,000/\$500,000
• First Responder Mental Health	\$75,000/\$75,000
• State Paid Sex Assault Exams Costs	\$3.967m/\$3.967m
• Ramsey County Violence Prevention	\$5m
• Pre-Trial Release Study	\$250,000/\$250,000
• Crime Victim Services Funding	\$5m/\$5m
• Pathways to Policing	\$400,000/\$400,000
• Intensive Police Officer Education	\$5m

Public Safety

• Use of Force Investigations Unit	\$4.4m/\$4.4m
• Violent Crime Reduction Strategy	\$9.3m/\$9.3m
• Community Crime and Violence Prevention	\$70m
• Crisis Response	\$10m
• VCRS – Investigative Partnerships	\$6m
• Human Trafficking Response TF	\$1.8m/\$1.8m
• FBI Compliance, IT, Cybersecurity	\$10.5m/\$2.7m
• Decrease Evidence Turnaround	\$4.5m/\$3.5m
• Clean Slate/Expungement	\$3.6m/\$190,000
• Radio System Equipment Grants	\$2m/\$2m
• Soft Body Armor Expansion	\$1m/\$1m

Policy Items of Interest:

- Creates a new carjacking crime and new reporting requirement on carjacking
- Authorizes new statutory structure for organized retail theft
- Clarifies the crime of surreptitious intrusion
- Provides for a felony offense for reporting fictitious emergency resulting in serious injury
- Updates ignition interlock program statutes to eliminate vendor preference referrals
- Authorizing language for the Office of Restorative Practices
- Changes the No-knock search warrants to require:
 - Definition of no-knock search warrant means entering a premise without first loudly and understandably announcing the officer's presence and waiting an objectively reasonable amount of time thereafter for the occupant to comply, based on a totality of the circumstances
 - Restricts a court from issuing or approving a no-knock warrant unless the judge determines that applicant has articulated specific, objective facts that establish probable cause for belief that:
 - the search cannot be executed while the premise is unoccupied, and
 - the occupant/s on premise present an imminent threat of death or great bodily harm to the officers executing the warrant or others
- Body Cam data in deaths because of use of force by a police officer must allow viewing within 5 days by deceased individual's next of kin, legal representative or other parent of the deceased individual's child, absent compelling reason that would impact/interfere with the investigation, or 14 days for others
- Clarifies the Use of Force statute by statutorily removing the words "by the law enforcement officer" which was determined unconstitutional by the court
- Prohibits peace officers from joining/supporting/advocating for or maintain a membership in hate or extremists' groups, criminal gangs
- Does away with Life without the possibility of Parole for Juveniles sentenced as adults

Catalytic Converter Theft Penalties

H.F. 30 Representative Richardson / S.F 5 Senator Marty

View the bill summary [here](#).

[Chapter 15](#)

In 2013, the legislature required scrap metal dealers to maintain video surveillance, record certain information about individuals who sold scrap metal, including copper plumbing and catalytic converters, and prohibited cash payments.

This year the legislature added requirements for scrap metal dealers to follow a protocol when purchasing catalytic converters such as recording any catalytic converter with an identifying number that connects it to the vehicle from which it was taken and keeping purchased converters on site for at least seven days. The law establishes criminal penalties for unauthorized possession or purchase of a catalytic converter, and the new law provides for the summary forfeiture of illegal catalytic converters, and other conforming changes. It appropriates \$298,000 in FY2024 and FY 2025 from the general fund to the Commissioner of Public Safety to perform auditing and registration requirements imposed under the bill.

Duty Disability

H.F. 1234 Representative Her / S.F. 1959 Senator Frenz

View the bill summary here: [House](#)

[Chapter 48](#)

The bill aimed to address troubling financial trends around access to public safety duty disability determinations related to post-traumatic stress disorder. The final agreement requires up to 32 weeks treatment for a psychological condition before applying for duty disability benefits from the Minnesota State Retirement System (MSRS) or the Public Employees Retirement Association (PERA). This bill also provides resources and training related to mental health to first responders. It was passed by the House and Senate on bipartisan votes.

The bill provides \$104 million to fund treatment programs for police officers, firefighters, and other public safety professionals diagnosed with PTSD.

Notable Provisions in the bill include:

- Require treatment for a mental injury before an employee can file for a related duty disability through the PERA
- Keep injured employees on payroll while they are receiving treatment for a mental injury
- Provide state financial support for employers to continue pay benefits for injured employees while they are off duty for treatment
- Fully reimburse employers for the cost of a continued health insurance benefit for disabled employees or dependents of those killed in the line of duty *if* the employer has implemented mental injury prevention measures such as peer support
- Require learning objectives and preservice training that prepares peace officers and firefighters for the stressful and traumatic events that are common to their jobs and teach officers methods to process and cope with stress and trauma
- Adjust the vesting schedule in PERA so members would be fully vested after 10 years as opposed to the current 20-year requirement
- Clarify the reapplication process for PERA disability recipients to require reapplication each year for the first five years and every three years thereafter
- Increase duty total and permanent disability benefits to 99% of the member's average high-five salary
- Modify the current offsets against disability benefits for reemployment earnings by:
 - Capturing a portion of re-earnings to make employee contributions to PERA for employees with less than 20 years of service.
 - Reducing one dollar for every two dollars that the disability benefit plus reemployment earnings exceed 100% of pay and \$1 for every \$1 when the sum exceeds 125% for an active member in a comparable position
- Eliminate the workers compensation offsets against disability benefits

Omnibus Pension Finance Bill

H.F. 3100 Representative Her / S.F. 3162 Senator Frentz

[Chapter 45](#)

For the first time in many sessions the Legislature provided a target for the Pension Commission. The \$600 million target, all one-time funding, includes \$489.5 million in fiscal year 2024 to the state pension plans and \$100 million associated with HF1234, a duty disability bill moving separately. Additionally, \$5 million is provided to PERA Statewide Volunteer Firefighter Plan to start an incentive program for volunteer firefighter relief associations to join the statewide plan. The Governor signed the bill May 18.

Other notable provisions include:

- Reducing the rate of actuarial assumption for investment return from 7.5% to 7% for all state pension plans
- Providing \$293,032 in financial assistance as one-time state aid to the Judges Plan to account for the assumed rate of return change
- Including a one-time COLA to all members of the statewide pension plan at 1% in effect on January 1, 2024, except for MSRS General, Unclassified, Legislators, Corrections and Judges plans will be at 1.5%
- Reducing employee contributions to the Minnesota State Retirement System General and Unclassified plans from 6% of pay to 5.5% of pay during the 2024-25 biennium
- Reducing from five to three the years of service required for full vesting for members of the MSRS and PERA general plans to put them on the same vesting schedule as the teacher plans
- Revising the expiration date for supplemental employer contributions to the MSRS Correctional Plan and the State Patrol Plan and the annual state aid of \$6 million to the Judges Plan, essentially extending each for three years;
- Revising COLA and PERA correctional plans to restore the 2.5% cap if the funded status improves
- Increasing the employee contribution rate by 1% beginning July 1, 2025, for St. Paul Teachers Retirement Fund Association members to help fund a new benefit that kicks in July 1, 2023, that would allow a member at least age 62 with 30 or more years of service to receive an unreduced retirement annuity

Omnibus Pension Policy Bill

H.F. 2950 Representative Her / S.F. 3016 Senator Frentz

Chapter 47

This policy bill is the compilation of fifteen bills and substantive amendments considered by the Legislative Commission on Pensions and Retirement this session. The changes are primarily technical improvements recommended by the fund directors at the Minnesota State Retirement System (MSRS), Public Employee Retirement Association (PERA) and the Teachers Retirement Association (TRA).

Notable provisions include:

- Extending the minimum time for purchasing service credit for periods of military leave to three years for all public employee pension plans in 2021 and 2022
- Establishing an expanded right for judges to purchase service credit for a period of military leave consistent with changes made for other plans in 2022
 - Extending the period during which a judge may purchase service credit for a period of military service under the federally protected leave provisions in current law from 1 year to 3 years after a period of military service
 - Permitting judges to purchase service credit for periods of military leave when the judge has missed the deadline for purchasing service credit under the less expensive federally protected leave provisions
- Allowing a person to be classified as a dependent child in all cases until age 23
- Increasing the threshold for requiring relief associations to file audited financial statements from \$500,000 to \$750,000 in assets or liabilities in any prior year
- Altering the monetary threshold required for a governmental subdivision employee to participate in PERA-administered pension
- Permitting local appointed government officials to participate in the PERA Defined Contribution Plan
- Allowing employees in the State Patrol Plan to apply to begin their annuity no more than 60 days, rather than 90, in advance of the employee's annuity starting date
- Increasing the limit on employer contributions to supplemental plans that are in addition to the primary pension plans provided to public employees for two construction trade unions;
- Allowing two Metropolitan Airports Commission employees to transfer service credit for several months of service in 2005 from the PERA General Plan to the PERA Police and Fire Plan upon payment of the missed employee contributions plus interest
- Allowing former members of the St. Paul Teachers Retirement Fund Association who receive a retirement annuity to change it to a joint and survivor annuity and designate a same-sex spouse as the survivor if the retiree could not to do so when same-sex marriage was not recognized under state law
- Authorizing four Fond Du Lac Tribal and Community College employees and a Minnesota State employee to transfer from the Minnesota State Higher Education Individual Retirement Account Plan the Teachers Retirement Association Additionally, a working group would be established to recommend legislation to eliminate the need for special legislation in similar cases

Paid Family Medical Leave

H.F. 2 Representative Richardson / S.F. 2 Senator Mann

Chapter 59

This bill creates a program that will provide a number of weeks of partial wage replacement for family and medical leave funded through a payroll tax applied to all employers. The program will be administered by the Department of Employment and Economic Development (DEED). The benefits and premium cost will be effective January 1, 2026. The State of Minnesota will initially fund the program with \$668 million to start this initiative.

The program authorizes up to 20 weeks of leave for the combined benefits, for a maximum of 12 weeks for either benefit (8 weeks for the remaining benefit or some other combination not to exceed 12 weeks for one benefit or 20 weeks benefit).

Employers that provide their own paid family and medical leave plan could apply to DEED for approval if the plan meets the same rights, protections, and benefits provided to employees in the bill.

The program will be funded through a payroll tax of .7%. The maximum wage subject to a premium in a calendar year is equal to the maximum earnings subject to social security tax. For reference, the wage cap is \$160,700 for 2023.

If an employer is only participating in the medical benefits program with an approved private plan for family benefits the rate would drop to .4%. If the employer is providing family benefits with an approved private plan, the rate would be .3%.

The premium rate adjustments will be made annually depending on program expenditures in the prior year. The annual premium rate cannot exceed 1.2%.

The program defines family as including the following:

- A spouse or domestic partner
- A child, including biological, adopted, foster, stepchild, a child to whom the applicant serves as a legal guardian
 - A sibling
- A parent or spouse's parent
- A grandchild
- A grandparent or spouse's grandparent
- A son-in-law or daughter-in-law

The employers will be required to submit a quarterly wage detail report electronically, including for each employee (name, total wages, hours worked, etc.). Wage reporting will be due starting July 1, 2024. The new law requires all employers to pay a yearly premium on employee taxable wages, paid quarterly into the insurance account and calculated based on the wage detail report.

The bill will allow employers to deduct up to 50% of the premiums paid by the employer from the employee's wages. The payroll tax is set to begin January 1, 2026.

Legalizing Adult Use Cannabis

H.F. 100 Representative Stephenson / S.F. 73 Senator Port

[Chapter 63](#)

After a long journey the adult use cannabis bill finally managed to make it across the finish line. The bill will make Minnesota the 23 state to enact measures to regulate cannabis for adult non-medical use. In addition to allowing adults over the age of 21 to produce, possess, and consume cannabis, the bill also notably allows expungements of records of those with misdemeanor marijuana conviction and allows those with felony marijuana-related convictions to apply for expungement to a state created board. Other notable provisions of this bill include:

- Establishes a seed to sale regulatory framework comprised of 15 different licenses, ranging from growing and manufacturing to various types of retail locations. The new “Office of Cannabis Management” will issue licenses and be responsible for oversight of the industry
- The possession limit for flowered cannabis will be two ounces in public and two pounds at home
- The sales tax rate for marijuana will be 10% (80% to general fund and 20% to local government cannabis account)
- Creating more than a dozen types of licenses for growing, selling, transporting and testing cannabis
- Establishes an Office of Cannabis Management to regulate cannabis and take enforcement actions
- creating grants to assist individuals entering the legal cannabis market
- Allowing local governments have powers to block cannabis stores from opening near schools and other special locations. They may also choose to enforce a cap on the number of cannabis sellers allowed to do business in their city: one cannabis provider per 12,500 residents
- Medical cannabis providers will not be expected to change their current operations in any significant way, and they may be in both the medical and recreational marijuana businesses simultaneously
- Local governments may place a capacity on the number of medical cannabis stores in their city: one per congressional district
- Selling cannabis will remain illegal in school zones, park zones, and drug treatment facilities
- Funding to support treatment courts including \$3,000,000 in the first biennium and \$2,500,000 in each year thereafter

Prince Rogers Nelson Memorial Highway

H.F. 717 Representative Rehm / S.F. 279 Senator Coleman

View the bill summary [here](#).

[Chapter 35](#)

The bill dedicates a portion of Minnesota Highway 5 to Minnesota's favorite son Prince Rogers Nelson. Prince was known for his many musical hits including Purple Rain, Kiss, and When Doves Cry. Now, the stretch of road in the Minneapolis suburbs of Chanhassen and Eden Prairie will be named in his honor as the Prince Rogers Nelson Memorial Highway. The legislation stipulates the sign must be purple and installed in the summer of 2023.

MLC Legislation of Interest that was Vetoed

Uber/Lyft Company Driver Protections

H.F. 2369 Representative Hassan / S.F. 2319 Senator Fateh

[The bill was vetoed by Governor Walz](#)

H.F. 2369, as authored by Representative Hodan Hassan and Senator Omar Fateh, would have set minimum payment levels for drivers and required that more of the amount collected in fees for a late pickup or cancellation be directed toward drivers. It would also have required clearer rules about why a driver could be deactivated, notice in writing if a driver was up for deactivation and give that driver a chance to appeal before removing them from the app. After Uber threatened to stop operating outside of the Twin Cities area and to only offer premium services in the Metro Area, Governor Walz vetoed the bill, his first since taking office in 2019.

Governor Tim Walz issued his first veto of his tenure on May 25, vetoing the bill that would have established protections for transportation company drivers, including those for Uber and Lyft. In vetoing the bill, Governor Walz stated that the bill, if signed into law, would have made “Minnesota one of the most expensive states in the country for rideshare, potentially putting [Minnesota] on par with the cost of rides in New York City and Seattle”. Walz also wrote in his veto statement his concern for a lack of Minnesota-specific data regarding riders, drivers, and rideshare companies, and that the bill would have dramatically raised the prices of rideshare services, negatively impacting “low-income Minnesotans, those in the disability community who depend on rideshares for independence, people who use rideshare for medical transportation or to get to work, Minnesotans without cars, and Minnesotans who simply need a safe ride home at night”. The Governor also highlighted concerns from disability advocates, anti-violence organizations, and organizations representing seniors, childcare centers, and local governments.

Governor Walz issued [Executive Order 23-07](#), which establishes the Governor’s Committee on the Compensation, Wellbeing, and Fair Treatment of Transportation Network Drivers.

The Executive Order:

- Orders the Commissioner of Labor and Industry to commission and oversee a study to obtain and analyze data and information related to the working conditions of transportation network company “TNC” drivers in Minnesota and how potential changes may impact access and cost for riders
- Establishes the Governor’s Committee on the Compensation, Wellbeing and Fair Treatment of Transportation Network Company Drivers (“Committee”)
 - The Committee’s objectives are to:
 - a. Provide a forum to engage, collect, and analyze data and information related to working conditions of TNC drivers
 - b. Draft recommendations related to compensation and fair treatment of TNC drivers that achieve the following goals:
 - i. Ensure TNC drivers receive fair compensation
 - ii. Ensure TNCs have established procedures for the deactivation of TNC drivers that provide due process

- iii. Limit impact on fares for riders, especially riders in the disability community and low-income communities who rely on these services
 - iv. Ensure continued operation of TNCs in the state of Minnesota
 - c. By January 1, 2024, provide recommendations for state policy and legislative changes
- o The members of the Committee are:
 - a. The Commissioners of the following agencies or their designees:
 - i. Department of Commerce
 - ii. Department of Labor and Industry
 - b. One member of the Minnesota House of Representatives, appointed by the Speaker of the House
 - c. One member of the Minnesota Senate, appointed by the Majority Leader of the Senate
 - d. The Attorney General or his designee
 - e. Ten additional members appointed by the Governor:
 - i. Three members representing TNC drivers
 - ii. Two members representing TNCs
 - iii. Two members of the general public
 - iv. One member representing Minnesota cities
 - v. One member representing a labor union
 - vi. One member from a group that provides services to or advocates on behalf of disabled individuals
- o The Commissioners of Labor and Industry and Commerce, or their designees, will serve as the Committee's Co-Chairs.
- o The duties of the Committee are as follows:
 - a. Meet at least once per month and more often as necessary.
 - b. Identify and engage stakeholders who can inform discussion of strategies and plans necessary to achieve the Committee's objectives.
 - c. Review the results of the study commissioned pursuant to paragraph 1.
 - d. By January 1, 2024, submit a written report to the Governor that sets forth the Committee's recommendations that relate to compensation and fair treatment of TNC drivers.
 - e. Communicate recommendations with interested stakeholders.
- o The following individuals will provide assistance and resources to the Committee as needed:
 - a. Chief Equity Officer
 - b. Commissioner of Employment and Economic Development
 - c. Commissioner of Transportation

Executive Order 23-07 will become effective June 14, 2023, and will remain in effect until the order is rescinded or through June 1, 2024.

All Bills That Passed

- Protect Reproductive Options Act (PRO Act)
- Driver's License for All
- Juneteenth
- Clean Energy by 2040
- State Forecast Required to Include the Rate of Inflation
- Restore the Vote
- Competency Attainment and Appropriation
- Catalytic Converter Theft Penalties
- Minnesota Indian Family Protection Act (MIFPA)
- Free School Lunches for All
- Veteran's Restorative Justice Act (VRJA)
- Minnesota Competitiveness Fund
- Democracy for the People Act
- Omnibus Higher Education Finance and Policy Bill
- Omnibus Economic Development Policy Bill
- Prince Rogers Nelson Memorial Highway
- Omnibus Housing Finance and Policy Bill
- Omnibus Early Childhood Finance Bill
- Omnibus Commerce Finance Bill
- Nurse and Patient Safety Act
- Omnibus Education Finance Bill
- Omnibus Judiciary and Public Safety Appropriations Bill
- Omnibus Jobs, Economic Development, Labor, and Industry Appropriations Bill
- Duty Disability
- Omnibus Agriculture, Broadband and Rural Development Appropriations and Policy Bill
- Paid Family Medical Leave
- Omnibus Pension Finance Bill
- Omnibus Pension Policy Bill
- Omnibus Health and Human Services Appropriations Bill
- Omnibus Human Services Finance and Policy Bill
- Data Reporting and Attorney General Oversight of Healthcare Sales, Mergers, and Acquisitions Bill
- Omnibus State and Local Government Appropriations and Policy Bill
- Omnibus Transportation Finance and Policy Bill
- Omnibus Environment, Natural Resources, Climate, and Energy Finance and Policy Bill
- Omnibus Taxes Bill
- Adult Use Cannabis
- Omnibus Legacy Finance and Policy Bill
- Bonding Bill

Appendix



February 21, 2023

Senator Erin Murphy
3211 Minnesota Senate Building
Saint Paul, MN 55155

RE: Support for SF 1086 (Cwodzinski) - Political subdivision compensation limit repealed

Dear Senator Murphy,

On behalf of the Municipal Legislative Commission (MLC), a coalition of 19 suburban communities, I write in support of SF 1086 which repeals the salary cap for local units of government.

The MLC strongly believes locally elected officials are in the best position to determine the needs of their communities, and as such, supports policies that empower these officials to do so. One such decision is the ability for local officials to determine compensation of city employees. Currently, Minnesota law limits salaries of city employees to 110% of the governor's salary, without a waiver from the state. The law was put into place in 1997, repealed in 1980, and reinstated in 1983.

This artificial salary cap puts cities at a disadvantage when attracting and retaining talented high level individuals to help lead their cities. Minnesota cities face significant challenges competing nationally, as we are the only state in the country that has a local government salary cap.

Further, the salary cap law has also not been applied in a uniform way – exemptions have been granted for school districts, hospitals, clinics and HMOs owned by political subdivisions, and most recently, the Metropolitan Airports Commission.

We would like to thank Senator Cwodzinski for his leadership in addressing this issue and offering a solution to equip localities with an additional tool necessary to attract and retain the best talent. The MLC looks forward to working with the bill author and supporting this legislation as it moves forward.

Sincerely,



James Hovland
Chair, MLC
Mayor, City of Edina



February 14, 2023

Rep. Ginny Klevorn
581 State Office Building
Saint Paul, MN 55155

RE: Support for HF 1213 (Acomb) - Political subdivision compensation limit repealed

Dear Rep. Klevorn,

On behalf of the Municipal Legislative Commission (MLC), a coalition of 19 suburban communities, I write in support of HF 1213 which repeals the salary cap for local units of government.

The MLC strongly believes locally elected officials are in the best position to determine the needs of their communities, and as such, supports policies that empower these officials to do so. One such decision is the ability for local officials to determine compensation of city employees. Currently, Minnesota law limits salaries of city employees to 110% of the governor's salary, without a waiver from the state. The law was put into place in 1997, repealed in 1980, and reinstated in 1983.

This artificial salary cap puts cities at a disadvantage when attracting and retaining talented high level individuals to help lead their cities. Minnesota cities face significant challenges competing nationally, as we are the only state in the country that has a local government salary cap.

Further, the salary cap law has also not been applied in a uniform way – exemptions have been granted for school districts, hospitals, clinics and HMOs owned by political subdivisions, and most recently, the Metropolitan Airports Commission.

Thank you for your leadership in addressing this issue and offering a solution to equip localities with an additional tool necessary to attract and retain the best talent. The MLC looks forward to working with you to move this legislation forward.

Sincerely,

James Hovland
Chair, MLC
Mayor, City of Edina



March 6, 2023

To: Chair Howard, Vice Chair Agbaje and members of the House Housing Finance and Policy Committee

Re: Opposition to *Legalize Affordable Housing Act* [HF 2235](#)

On behalf of the members of the Municipal Legislative Commission (MLC), we write asking for you to oppose **HF2235**.

This “Legalize Affordable Housing Act” is foundationally, a zoning preemption bill without any policy that ensures deeper affordability. Local zoning is an important planning tool that benefits communities economically and socially, improves health and wellness, and helps preserve and improve our environment. Each community has its own unique characteristics and locally identified housing needs that impact how development occurs. Whether it is topography, soils, forests, lakes, we are all unique and we know best how to facilitate efficient and cost-effective development.

While “legalize affordable housing” exists in the title of the bill, this is not only misleading as affordable housing is legal, HF2235 offers no assurance the cost of a new home will be reduced or affordable housing more readily available. Instead, it preempts city zoning and land use authority absent a demonstrated reduction or guaranty that the preemption provisions in the bill would translate to a reduced sales price, devoid of market dynamics, from a for-profit builder. This bill would require all cities to “up-zone” existing single family zoned areas to allow for duplexes regardless of the underlying infrastructure’s capacity to handle the increased density. It restricts cities use of a *Planned Unit Development* (PUD) as a tool in providing the flexibility that is needed to address the unique characteristics, challenges and complexities that abound with new developments. This bill would also cap what cities can collect for new parks that are only needed *but for* the new residents and growth in the community from development.

The bill contains provisions that would serve to both prescribe narrow public street width(s) while also limiting adequate off-street parking for new homes. The implications of these provisions are clear, there will be an increased demand for on-street parking on a narrower road section. These provisions might fully meet the new housing needs for a community in Arizona or Florida. Unfortunately, Minnesota cities must address the realities of balancing snow storage, on-street vehicle storage, *and*, at the same time, provide multi-modal opportunities in the public-right-of-way while assuring public safety mobility in the harshest of Minnesota winters.

Special interest groups may claim **HF2235** alone would enhance new home affordability and result in the construction of more affordable starter homes. Given the market realities of supply

and demand and forces outside city control, it is a misleading narrative. If it were true, objective data would exist to show that market forces could be thwarted and that the proposed changes would result in builders shifting to smaller more modest developments and an automatic reduction in the sales price of a new home. As the data do not exist, the provisions of **HF2235** are asking us, legislators, cities and taxpayers to trade-off the elimination of longstanding local decision-making authority in exchange for an unrealized *hope* or *possibility* of enhancing affordability.

Our MLC cities are committed to growth and affordable development and appreciate the relationship we have with our builders. We ask that you work with the stakeholders involved to develop comprehensive statewide policy and resources that incentivizes change at the local level and provides for community-specific solutions to housing challenges rather than the heavy-handed approach in HF 2235. HF 2235 removes the ability of cities to respond to locally identified needs and we respectfully ask that you oppose **HF2235**.

We would look forward to the opportunity of speaking directly with you on the importance of opposing this bill in person or providing testimony should this bill receive a hearing.

Sincerely,



James Hovland
Chair, MLC
Mayor, City of Edina

cc: Mike Maguire, Mayor of Eagan
Kirt Briggs, Mayor of Prior Lake
Anne Burt, Mayor of Woodbury
Matt Lehman, Mayor of Shakopee
Clint Hooppaw, Mayor of Apple Valley
Ron Case, Mayor of Eden Prairie
Janet Williams, Mayor of Savage
Jeff Weisensel, Mayor of Rosemount
Tim Busse, Mayor of Bloomington
Jeffrey Wosje, Mayor of Plymouth
Luke Hellier, Mayor of Lakeville
Shep Harris, Mayor of Golden Valley
Mark Steffenson, Mayor of Maple Grove
Elizabeth Kautz, Mayor of Burnsville
Brenda Dietrich, Mayor of Inver Grove Heights
Sue Denkinger, Mayor of Shoreview
Elise Ryan, Mayor of Chanhassen
Brad Wiersum, Mayor of Minnetonka



March 8, 2023

Chair Kelly Moller

Members of the House Public Safety Finance and Policy Committee

RE: Support for HF 1234 (Her) - Peace officer and firefighter disability provisions modified, report required, and money appropriated

Dear Chair Moller and Members of the House Public Safety Finance and Policy Committee,

We are writing to express our support for HF 1234, a bill related to public safety posttraumatic stress disorder (PTSD) duty disabilities. We support HF 1234 because it would help curb current trends by implementing policies and funding to increase mental injury prevention and treatment initiatives so first responders will stay healthy on the job and so those who become injured can recover from mental injuries and potentially return to work.

Public safety employees face situations in the line of duty that put them at risk for mental injuries. In recent years, Minnesota has seen troubling trends around public safety duty disabilities related to PTSD. Fortunately, according to experts, the risk of a mental injury can be lowered by implementing preventive measures, such as robust wellness programs, normalizing conversations about mental health and providing access to tools like peer support. Medical experts, including the Mayo Clinic, agree most people diagnosed with PTSD can be successfully treated if they receive timely and appropriate professional help.

When an employee becomes eligible for a Public Employees Retirement Association-Police and Fire (PERA-P&F) duty disability, the employee also becomes eligible for continued health insurance under Minn. Stat. § 299A.465. The statute, known as the Public Safety Officer Benefit (PSOB), provides that the employer at the time of injury is responsible for the continued payment of the employer's contribution for coverage of the officer or firefighter — and in some cases, the employee's dependents — until the employee reaches age 65.

When the PSOB law was enacted, the state was fully reimbursing employers for the cost of complying with the continued health insurance mandate. In the early 2000s, the Legislature stopped fully funding the reimbursement account and passed an amendment to the statute that said employers would only be reimbursed on a prorated basis. As of the end of fiscal year 2021, the state was only reimbursing \$1.367 million of the \$10.691 million requested by employers.

The members of our organizations believe there is a role for the state in helping employers and employees address the trends and costs pertaining to PTSD duty disability claims.

HF 1234 contains provisions intended to help prevent mental injuries and funds treatment for first responders who suffer from mental injuries. The bill requires treatment for injured employees before a duty disability can be granted by PERA and provides state funding to keep employees on payroll while they are being treated. The bill also provides full state funding for the mandate that requires employers to continue health insurance benefits for employees who are approved for a PERA duty disability. The full reimbursement to cities contained in HF 1234 is a critical element in securing the support of cities across the state.

We respectfully request your support for this important legislation.

Sincerely,

Anne Finn
Intergovernmental Relations Director
League of Minnesota Cities

Bradley Peterson
Executive Director
Coalition of Greater Minnesota Cities

Patricia Nauman
Executive Director
Metro Cities

James Hovland
Mayor of Edina
Chair, Municipal Legislative Commission

Cap O'Rourke
Executive Director
Minnesota Association of Small Cities



March 9, 2023

Dear Chair Hornstein,

The *Municipal Legislative Commission (MLC)* is a coalition of 19 cities, many, among the fastest growing in the state of Minnesota! This rapid growth brings both opportunity and challenge. Each new home build brings incremental costs to existing infrastructure. Every new home adds increased demand on parks, water, sewer and roads with 10 vehicle trips/day added to collector road infrastructure. It is for that reason that *MLC* requests your support for statutory authorization of Street Impact Fees as outlined in HF1402. It is through this legislation that the incremental costs of growth will be on the for-profit developers and not fall to existing taxpayers.

In growing areas, it is critical that new development pay for itself. The absence of a fee is not the absence of a cost; it is a transfer of cost to another.

Absent legislative action to remedy this situation, cities will find themselves in one of three difficult positions:

1. Standing firm on a position of *premature development* where we must await infrastructure build-out before welcoming new neighbors;
2. Allow growth to come and burden **existing residents with a degradation of capacity and safety on a road network sized for a smaller community;**
3. Transfer the uncovered cost of growth to existing taxpayers.

The time to address this omission in statute is upon us. HF1402 addresses the missing infrastructure piece for roads that will align with provisions for parks, water, sewer, and storm water. I am hopeful that you as members of the Transportation Finance and Policy Subcommittee will support this bill with passage.

Please do not hesitate to reach out to me, or any of our MLC Cities to offer additional perspective on HF1402.

Sincerely,

A handwritten signature in black ink, appearing to read "James Hovland", with a horizontal line underneath.

James Hovland
Mayor, City of Edina
Chair, Municipal Legislative Commission

cc: League of Minnesota Cities, MLC Cities



LEAGUE of
MINNESOTA
CITIES



March 10, 2023

Dear Chair Murphy and Members of the State and Local Government Committee:

The League of Minnesota Cities, the Association of Metropolitan Municipalities (Metro Cities) and the Municipal Legislative Commission (MLC) appreciate the opportunity to comment on SF 73 (Port).

Our organizations, representing cities across the state, have specific concerns with SF 73 as it relates to role of local governments and their responsibility to implement and enforce laws enacted by the State.

Cities are well poised to be partners with the State in ensuring that the adult-use cannabis industry is brought to local communities responsibly and with a robust regulatory framework. After the Legislature passed a bill to authorize the sale of certain THC products with very minimal oversight, many cities stepped up to put reasonable regulations in place. However, SF 73 currently places cities on the sidelines in the regulation of cannabis and cannabinoid products and fails to provide cities with the authority and resources needed to respond to the unique challenges this industry will bring to local communities. Local licensing and regulation are vital to manage the implementation and enforcement of state laws and for the provision of public safety. Cities should maintain the authority to license cannabinoid products and any future adult-use cannabis retailers.

Additionally, the current proposal does not require that a cannabis business comply with local zoning and land use laws as a condition of their state-issued license nor does it allow local jurisdictions to limit the number of retailers, as they can for liquor and tobacco. While local governments request that cities can opt-out from authorizing the retail sale of the products as other states allow, at a minimum, it is imperative that those businesses comply with local zoning and land use ordinances and that cities can place reasonable limits on the number of adult-use cannabis retailers in their jurisdictions.

Finally, Cities should have reasonable taxing authority or revenue sharing with the State in recognition that cities will experience increased costs related to the challenges associated with legalized adult-use cannabis. If the current proposal were to pass, Minnesota would be the only state with legalized adult-use cannabis that does not provide funding to local governments to deal with the costs that the adult-use cannabis market will bring. To adequately respond to issues with retailers, illicit market activity, and increased incidents of driving under the influence, local governments must be equipped with resources.

An adult-use cannabis market in Minnesota cannot be properly regulated or successful without a strong partnership between the state and local units of government. Without providing local governments with resources and reasonable local control to manage these new challenges, this proposal is not setting our communities up for success in ensuring a safe and responsible ushering-in of the adult-use cannabis industry.

We appreciate Senator Port's ongoing willingness to discuss these concerns and look forward to continuing to work together to ensure a successful partnership between the State and local governments for this new industry.

Thank you for your consideration of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "James Hovland". The signature is fluid and cursive, with a prominent peak at the beginning and a long, sweeping tail that extends to the right.

James Hovland
Mayor, City of Edina
Chair, Municipal Legislative Commission



March 22, 2023

Members of the Minnesota Senate Housing Finance and Policy Committee:

On behalf of the Municipal Legislative Commission (MLC), an organization representing 19 suburban cities in the metropolitan area, we would like to express our support for SF 1093.

The MLC strongly supports the following provisions of SF 1093:

- Investments in Housing Infrastructure Bonds (HIB)
- Housing Cost Reduction Incentive Program
- Investments in the Challenge Program
- Appropriations to Naturally Occurring Affordable Housing (NOAH)
- Local Housing Trust Fund Grants
- Pilot Program for Housing Infrastructure Grants

Our Association strongly supports significant state investments to address the multitude of housing needs facing our residents. We believe that robust state investments will bolster local efforts to increase the preservation of existing affordable housing while simultaneously supporting new developments. The MLC also supports providing financing programs such as down payment assistance to first-generation home buyers to ensure all Minnesotans have access to housing.

The MLC would like to thank committee members and Senator Port for her leadership in the housing area and her willingness to support what will be significant life changing investments for the people of Minnesota.

Sincerely,

A handwritten signature in black ink, appearing to read "James Hovland", with a stylized flourish at the end.

James Hovland
Mayor, City of Edina
Chair, Municipal Legislative Commission



March 23, 2023

Re: City support for the Comprehensive Housing Spectrum Act (SF 1093)

Dear Members of the Senate Housing and Homelessness Prevention Committee:

The League of Minnesota Cities, Coalition of Greater Minnesota Cities, Minnesota Association of Small Cities, Metro Cities, and Municipal Legislative Commission appreciate the opportunity to provide joint comments on our support for SF 1093, the Comprehensive Housing Spectrum Act. Our cities continue to innovate and provide support with limited resources to preserve and develop a mix of housing stock that meets the unique needs of their communities. Nonetheless a strong state-local partnership is crucial if we are to address the state's housing challenges in a comprehensive way.

We strongly believe that robust state resources and policies that bolster local efforts and are proven solutions that support and increase preservation and new development are necessary to address statewide goals while remaining sensitive to unique locally identified housing needs. The Comprehensive Housing Spectrum Act seeks to provide resources and policies that will help built-out cities focused on preservation of existing naturally occurring affordable housing and redevelopment as well as cities focused on attracting new development in communities with extensive greenfield development opportunities. This legislation will help cities by the three largest cost drivers of housing: land, labor, and lumber. SF 1093 as amended by the A1 amendment takes a comprehensive approach grounded in four key principles that we believe must be included in order to effectively address housing challenges across the state:

Address the full spectrum of housing from preservation of existing units on up to new market rate construction:

- SF 1093 includes \$50 million in FY 2024 for grants and loans to qualified owners of Naturally Occurring Affordable Housing that will support the most cost-effective way to provide housing opportunities affordable to many city residents by preserving the homes we have. With market forces continuing to provide opportunity for investor acquisition of single- and multi-family properties that eliminate ownership opportunities and displace residents, now is the time to invest in preservation.
- The bill also includes proven state resources that support the construction, acquisition, and preservation of housing stock throughout the spectrum including \$400 million in Housing Infrastructure Bonds, additional resources for the Economic Development and Challenge Fund Grant Program, \$100 million in General Obligation bonds for public housing rehabilitation, and \$10 million for Local Housing Trust Fund state matching grants.

Support local innovation that cities are deploying to address needs and promote development:

- Many cities are pulling every local lever they can to attract development including providing all water and sewer infrastructure needed to support buildable lots as a way to attract development. The bill provides resources to assist cities with the cost of providing infrastructure

necessary for workforce housing, which is particularly challenging for cities in Greater Minnesota seeking to attract development

Provide incentives to cities that allow for local efforts that meet diverse local needs:

- Cities continue to innovate and provide local resources and advance policy that supports affordable development and preservation. The bill seeks the state's support in these efforts by providing assistance via a housing cost reduction incentive program that reimburses cities that provide incentives for developers who build affordable single- and multi-family units.

Provide community-specific solutions throughout Minnesota that are sensitive to the different housing needs across cities and regions:

- The market forces and local needs impact cities differently across Minnesota. While other housing policy proposals focus only on one aspect of the housing spectrum and the market forces impacting a specific region, SF 1093 provides resources and tools that seek to specifically address regionally-specific housing challenges. In addition to resources that are flexible and deployed across the state, the bill includes policy provisions that allow a city to take a more active role in development when the market fails to bring development opportunities needed to support growing local economies.

Thank you for the opportunity to provide comments on SF 1093, the Comprehensive Housing Spectrum Act. We look forward to continuing working with the legislature to address housing challenges impacting our cities.

Sincerely,

Daniel Lightfoot
League of Minnesota Cities

Elizabeth Wefel
Coalition of Greater Minnesota Cities

Patricia Nauman
Metro Cities

Ania McDonnell
Metro Cities

Cap O'Rourke
Minnesota Association of Small Cities

Tom Poul
Municipal Legislative Commission



March 29, 2023

Members of the Minnesota House Transportation Finance & Policy Committee

Re: HF2887 (Omnibus Transportation Bill)

On behalf of the Municipal Legislative Commission (MLC), an organization representing 19 suburban cities in the metropolitan area, we would like to express our support for the Corridors of Commerce Program Provisions contained within HF2887.

The goal of the Corridors of Commerce program is to focus additional transportation investments in state highway projects that directly and indirectly foster economic growth for the State through the provisioning of construction jobs, enabling of goods to be transported through a commerce-friendly network of corridors, and providing additional mobility to its citizens. Overall, this program has been very successful in doing this.

Our Association strongly supports significant state investments to address the multitude of transportation needs facing our residents. We believe that robust state investments will bolster economic growth, encourage vibrant communities and alignment with our shared vision for Minnesota.

The MLC would like to thank the committee members and Chair Hornstein for their leadership on transportation issues, for what will become significant infrastructure investments serving the people of Minnesota.

Sincerely,

A handwritten signature in black ink, appearing to read "James Hovland", is written over a horizontal line.

James Hovland
Mayor, City of Edina
Chair, Municipal Legislative Commission



May 2, 2023

To: Senator Port, Representative Howard, and the members of the 2023 Housing Conference Committee

RE: HF2335 Housing Provisions

Dear Conference Committee Members,

On behalf of the nineteen suburban cities comprising the Municipal Legislative Commission (MLC), we want to thank you for your work on the Omnibus Housing Bill. One of MLC's primary initiatives is housing and home ownership, from supporting affordable homeownership, to preserving existing affordable homes, all while striving to preserve local autonomy and community characteristics. We hope to continue the crucial partnership between local governments and the State in addressing housing issues and as you deliberate provisions within the bill, we ask that you consider MLC's positions on the following items:

MLC Supports Homeownership Investments:

- Community Stabilization grants for Naturally Occurring Affordable Housing
- Economic Development and Housing Challenge Program
- Local Housing Trust Fund Investments
- First-Generation Homeownership Grants
- Homeownership Investment Fund
- Homeownership Education Counseling and Training
- Housing Infrastructure Bonds

MLC appreciates the efforts made to support homeownership and our communities are committed to creating affordable housing options for all Minnesotans. We look forward to a continued partnership to accomplish this common goal.

Respectfully,

A handwritten signature in black ink, appearing to read "Jim Hovland", written over a horizontal line.

Jim Hovland
Chair, MLC
Mayor, City of Edina

On behalf of MLC Member Cities: Apple Valley, Bloomington, Burnsville, Chanhassen, Eagan, Eden Prairie, Edina, Golden Valley, Inver Grove Heights, Lakeville, Maple Grove, Minnetonka, Plymouth, Prior Lake, Rosemount, Savage, Shakopee, Shoreview, and Woodbury



May 2, 2023

To: Senator Dibble, Representative Hornstein, and the members of the 2023 Transportation Conference Committee

RE: HF 2887 Transportation Provisions

Dear Conference Committee Members:

On behalf of the nineteen suburban cities comprising the Municipal Legislative Commission (MLC), we want to thank you for your work on the Omnibus Transportation Bill. One of MLC's primary initiatives is transportation and infrastructure.

MLC cities combined are among the biggest job producing areas in the state with over half a million employees (530,660) Along with those jobs comes added congestion and demand on transit and roads in MLC Cities. MLC supports increased, regionally balanced investment in transportation and infrastructure to maintain and grow a robust transportation network.

As you deliberate provisions to include in your conference committee report, we ask that you consider MLC's positions on the following items:

- Increased investments in Corridors of Commerce
- Increased investments in Transportation Economic Development (TED)
- Increased Investments in the Municipal State-Aid Streets Fund
- Proposed adjustments to the allocation model for the Auto-Parts Sales Tax, emphasizing County State-Aid Highways, Municipal State-Aid Street Fund, and the Large-Cities Assistance Account (MSAS)
- Fully fund the required state matching dollars to leverage federal grant opportunities available in the Infrastructure Investment and Jobs Act (IIJA)

We hope to continue the crucial partnership between local governments and the State in addressing transportation issues to promote a robust, regionally balanced allocation model that includes significant investments in suburban communities.

Respectfully,

A handwritten signature in black ink, appearing to read "Jim Hovland", with a stylized flourish at the end.

Jim Hovland
Chair, MLC
Mayor, City of Edina

On behalf of MLC Member Cities: Apple Valley, Bloomington, Burnsville, Chanhassen, Eagan, Eden Prairie, Edina, Golden Valley, Inver Grove Heights, Lakeville, Maple Grove, Minnetonka, Plymouth, Prior Lake, Rosemount, Savage, Shakopee, Shoreview, and Woodbury



May 4, 2022

To: Senator Rest, Representative Gomez, and members of the 2023 Taxes Conference Committee

RE: [HF 1938 \(Gomez\)](#)/[SF 1811 \(Rest\)](#) Omnibus Tax Provisions

Dear Conference Committee Members,

On behalf of the nineteen suburban cities comprising the Municipal Legislative Commission (MLC), we want to thank you for your work on the Omnibus Tax Bill [HF 1938 \(Gomez\)](#)/[SF 1811 \(Rest\)](#)

One of MLC's primary initiatives is to promote stable and predictable tax policies while supporting local control. We hope to continue this crucial partnership between local governments and the State. As you deliberate provisions within the bill, we ask that you consider MLC's thoughtfully developed positions on the following items:

Direct Property Tax Relief through the Homestead Refund and Renters' Credit: MLC supports providing direct property tax relief to homeowners and renters. MLC Cities do not receive LGA so direct property tax relief helps reduce the tax burden on seniors, renters and low-income Minnesotans living in our cities. Both the House and Senate include some enhancements to property tax relief programs. We urge the Conference Committee to include significant property tax relief in the final agreement such as:

- Increase Homestead and Renters Credits for all claimants and reduce copay percentages
- Homestead Market Value Exclusion – Increase value thresholds and maximum exclusion amount
- Targeting Property Tax Refund – Increase additional targeting refunds for homeowners who experience large year after year property tax increases
- Renters Credit – Convert renters' credit into a refundable income tax credit
- MLC does not take a position on the level of funding to the LGA program, however, would ask the committee to look closely at whether including an annual inflation adjustment is of sound fiscal policy.

Tax Increment Financing: MLC supports updating and modifying the current Tax Increment Financing statute, including:

- Clarifying rules on use of administrative expenses
- Clarifying rules on pooling and decertification; and
- Granting special authorization legislation for Shakopee, Woodbury, Plymouth, Bloomington, and Savage

Local Option Sales Tax: MLC supports the cities' ability to impose a local option sales tax if they so choose.

Public Safety Aid: MLC supports the establishment of a program to distribute \$300 million of one-time public safety aid to local units of government

Construction Sales Tax Exemption: Along with cities, counties, school districts, non-profits, municipal utilities, labor and contractors, MLC supports a permanent general law change to simplify the process by which local governments and nonprofits receive the sales tax exemption on construction material purchases. If a permanent solution is not possible this session, the MLC would support the House provision authorizing a temporary sales tax exemption.

Again, we thank you for your continual service and commitment to your constituents and all Minnesotans. We look forward to working with you as a final tax agreement is assembled.

Respectfully,



Jim Hovland,
Chair, MLC
Mayor, City of Edina

On behalf of MLC Member Cities:

Apple Valley	Maple Grove
Bloomington	Minnetonka
Burnsville	Plymouth
Chanhassen	Prior Lake
Eagan	Rosemount
Eden Prairie	Savage
Edina	Shakopee
Golden Valley	Shoreview
Inver Grove Heights	Woodbury
Lakeville	



May 6, 2023

Dear Chairs Port and Stephenson and Members of the Omnibus Cannabis Conference Committee:

Our organizations, representing cities across the state, appreciate the opportunity to comment on provisions included in HF 100.

Local Land Use and Zoning Authority

We support provisions in the Senate language (Art. 1 R36 lines 37.7-37.11) that articulate the ability of local governments to exercise land use and zoning authorities to adopt reasonable restrictions on the time, place, and manner of the operation of cannabis businesses which includes, but is not limited to, standards for noise, odor, hours of operation, and location.

We further support the Senate's inclusion of a land use compatibility statement as a requirement for cannabis license applicants to ensure local zoning compliance for proposed cannabis businesses. (Art. 1 R39 line 39.19, Art. 1 R45-R46 lines 43.21-43.34)

Licensing

While neither the House nor Senate bill includes the ability for cities to "opt out" of cannabis retail establishments within their jurisdiction, our organizations support the population-based limits on cannabis retailers contained in the Senate bill (Art. 1 R37-R38 lines 38.10-38.24). These limits are especially important for small cities bordering states where adult-use cannabis is not legal.

We support provisions in both bills requiring local registration for cannabis businesses, which will help cities effectively ensure compliance (Art. 1 R52-R54). It is vital that local governments retain the ability to suspend retail registrations for businesses that pose an immediate threat to public health or safety.

Finally, we support the provision in the House bill to create an expedited, 24-hour response time from the Office of Cannabis Management if a local unit government notifies the office that a cannabis business poses an immediate threat to the health or safety of the public (Art. 1 R37 lines 38.27-28.32).

Revenue Sharing

We support language in the Senate bill establishing a local government cannabis aid account that provides cities and counties a portion of the revenue from the gross receipts sales tax on cannabis products (Art. 2 lines 157.22-157.27 and Art. 2 § 26). We appreciate the revenue sharing provisions in the Senate bill and their recognition of local government costs and impacts that will result from adult-use cannabis legalization in Minnesota.

An adult-use cannabis market cannot be properly regulated or successful without a strong partnership between the state and local units of government. Our organizations urge the conference committee to include the provisions highlighted above in the conference committee report for HF 100.

Thank you for your consideration of this letter.

Sincerely,

Alex Hassel, League of Minnesota Cities
Mike Lund, Metro Cities
Bradley Peterson, Coalition of Greater MN Cities
Jacob Kolander, Minnesota Association of Small Cities
James Hovland, Municipal Legislative Commission