



2024 LMC Legislative Preview

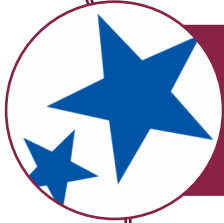
LMC Intergovernmental Relations Team (IGR)

February 6, 2024

Agenda



General Session Update



Issue Updates



LMC Resources on How to Stay Informed and Involved



Questions?

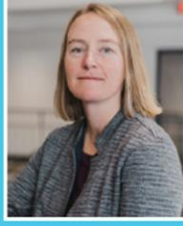
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- Pensions and Retirement
- Public Safety
- State Bonding
- Transportation
- Workers' Compensation

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- Building Codes
- Civil Liability
- Data Practices and Open Meeting Law
- Land Use and Zoning
- Pensions and Retirement

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- Cannabis Regulation
- Elections
- Employment and Human Resources
- Regulated Industries

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- Aid to Cities
- Local Government Aid (LGA)
- Local Sales Taxes
- Public Finances
- Taxes
- Tax Increment Financing (TIF)

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- Energy
- Environment
- Land Use and Annexation
- Local/Tribal Relations
- State Bonding
- Sustainable Development
- Wastewater, Drinking Water, and Stormwater

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- Broadband
- Cable/Franchising
- Economic Development
- Federal Relations and Advocacy
- Housing
- State Bonding
- Telecommunications, Information Technology, & Wireless Infrastructure

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- General
- Member Relations





Emergency Management
Pensions and Retirement
Public Safety
State Bonding
Transportation
Workers' Compensation

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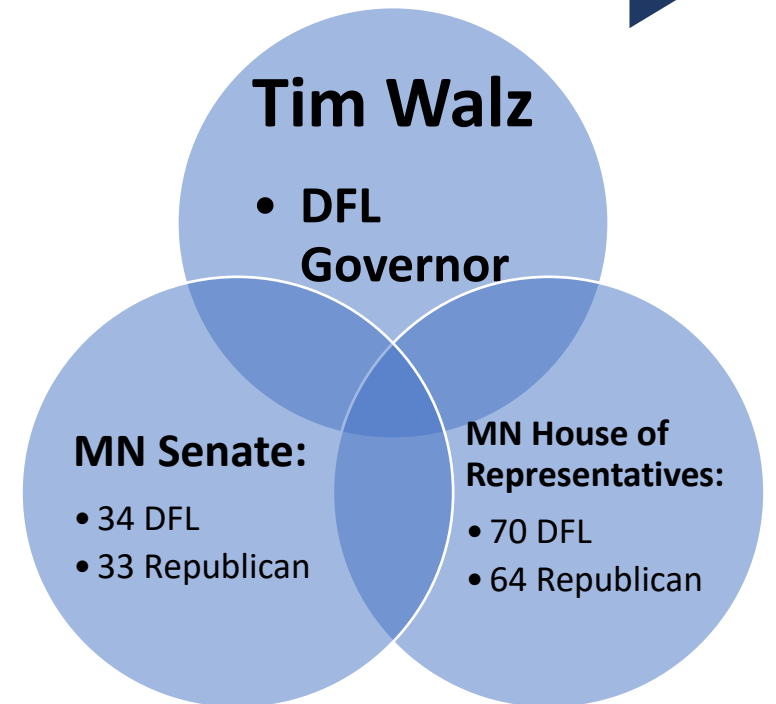
Recap of the 2023 legislative session

- Budget Surplus of \$17.5 billion
- Session began on January 3/ended on May 21
- Historic Investments



What to expect in 2024

- Session begins on Feb 12/ends on May 20
- \$240 million surplus
- “Structural imbalance”
- Bonding Bill:
 - \$830 million in GO Bonds / \$152 million asset preservation
- Policy focused
- Legislative breaks for observances:
 - Easter Recess: Mar 27 - Apr 2
 - Eid Recess: Apr 9 - Apr 11
 - Passover Recess: Apr 22 - Apr 24





Emergency Management
Pensions and Retirement
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Emergency Medical Services (EMS)

- Pressing issue statewide
- Long-term solutions needed
- League convening EMS Delivery and Sustainability Task Force
- Monitoring work of Legislative EMS Task Force
- Supporting bill to address urgent funding needs
- Working with other city groups



School Resource Officers (SRO's)

- Issue stems from legislation enacted in 2023 (omnibus education bill)
- Required two attorney general opinions
- League supports clarifying what authority school resource officers have to intervene when a law is broken in school setting
- Involved in meetings and negotiations
- Quick action possible, but not guaranteed



Public Safety Duty Disability

- Closely tracking implementation of 2023 law
- Reluctance to reopen due to litigation and relative lack of new information
- Aware of some emerging and ongoing problems
- Need permanent funding for provisions (likely a 2025 issue)





Aid to cities
Local government aid (LGA)
Public finance
Taxes
Tax increment financing (TIF)

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Local Government Aid

- 2023 omnibus tax bill enacted \$80 million increase in Local Government Aid and formula changes
- Last year's tax bill also included \$300 million in one time public safety aid, \$210 million went directly to cities
- House and Senate tax committees both interested in hearing from cities on Public Safety Aid and the impact it had across the state



Local Sales Taxes

- Two year moratorium on consideration of local sales taxes by the legislature in place through 2025
- Local tax advisory task force report released February 2nd
- Task force recommendations include limited general authority for certain types of projects, focus on regionality
- Both tax committees will hear the report and it will be a topic of discussion in a non-budget year



Sales Tax Exemption on Construction Materials

- In 2023 the Governor's budget recommendations and the House omnibus tax bill included the general exemption from sales tax on construction materials on a temporary basis
- The final bill did not include the exemption, instead opting to provide city specific exemptions instead
- Broad buy in around this issue, but limited funds make it difficult to get across the finish line





Broadband
Cable/Franchising
Economic Development
Federal Relations and Advocacy
Housing
State bonding
Telecommunications
Information technology,
Wireless Infrastructure

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Housing – Resources

- **Limited surplus means lowered expectations on general fund spending and a focus on capital investment resources for housing**
 - Housing Infrastructure Bonds (\$50M in Gov. Bonding rec.)
 - General Obligation Bonds for Public Housing (\$7.5M in Gov. Bonding rec.)
- **Addressing housing through tax policy**
 - Bills to broaden Tax Increment Financing (TIF) use for housing
 - Unobligated TIF transfer to Local Housing Trust Fund authority expansion
 - C/I property conversion to residential tools include tax credit, TIF, general fund program



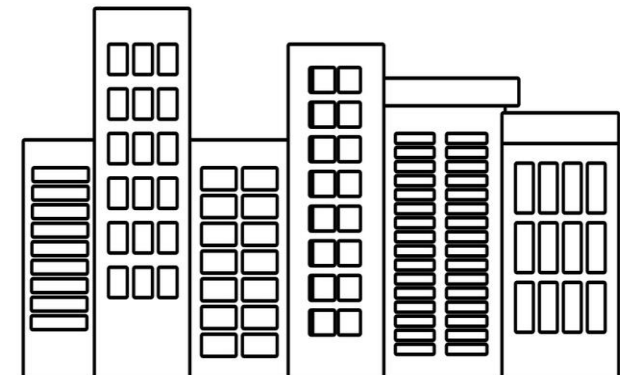
Housing - Policy

- **Coming off \$1B Housing Bill = laser focus on policy this session**
 - HF 685/SF 365 – Renewed conversation on prohibition on corporate/investor purchases of homes for single-family rental.
 - Source of Income Protection for renters
 - HF 1402/SF 1146 – Authorization for cities to impose impact fees
- **Zoning and Land Use Preemption**
 - Parking Over People Act - prohibits parking minimums for all development
 - Missing Middle Housing Legislation – increased density by-right
 - Continued discussions on material design standards, ADUs, minimum lot sizes etc.

Zoning Preemption – “Legalizing Affordable Housing Act”

HF 2235 (Elkins) includes some concerning provisions:

- Requiring housing proposal contemplated by a comprehensive plan in the future be accepted now, even if needed infrastructure isn't available to support it
- Capping land dedication and park dedication fees
- Requiring land dedication for streets to be no larger than 32 feet, while limiting ability to require adequate off-street parking
- **Provisions to be broken out into standalone bills:**
 - Requiring all cities to allow duplexes and accessory dwelling units (ADUs) in single-family zoned areas
 - Prohibition on material design standards
 - Limitations on Planned Unit Development use
 - Prohibition on minimum square footage and requirements for more than one garage stall in new single-family homes





Energy
Environment
Land Use and Annexation
Local/Tribal Relations
State Bonding
Sustainable Development
Water

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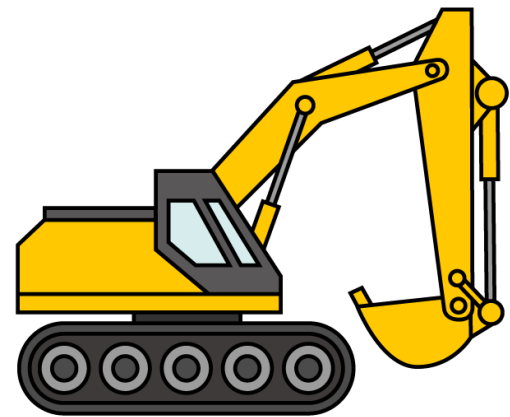
Environmental Policies

- PFAS – drinking water, municipal liability, biosolids, testing, funding.
- Nitrates – tax on ag fertilizer.
- Solid Waste - packaging, bottle bill, recycling
- Environmental Review



Bonding

- \$830 million debt capacity
- Governor's proposed capital budget - \$982.5 million
 - \$819.4 mill. GO bonds, rest user-financed, appropriation, trunk highway
- Final package could include additional general fund appropriations.





Cannabis Regulation
Elections
Employment and Human Resources
Regulated Industries

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Employment Issues

Earned Sick and Safe time implementation:

- Law went into effect on Jan. 1
- Challenges in applying new law to paid on-call/volunteer firefighters and ambulance personnel.
- Bill to exempt those positions from the law and clarification for elected officials and board/commission members.
- <https://www.lmc.org/resources/earned-sick-and-safe-time-law-what-cities-need-to-know/>

Potential Paid Family and Medical Leave revisions, other labor and employment proposals.



Adult-Use Cannabis

- Initial Office of Cannabis Management report to the Legislature indicated several proposed changes in the law.
- Reordering of the licensure process and creation of temporary licenses to advance social equity goals.
 - Local government zoning approval process would be moved towards the end of the process.
 - Quicker timeline for OCM to absorb Office of Medical Cannabis to aid in inspections and enforcement.
- OCM convening meetings with local governments to work on model ordinance requirement.





Building Codes
Civil Liability
Data Practices and Open
Meeting Law
Land Use and Zoning
Pensions and Retirement

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Open Meeting Law

- Public comment period
 - If held, incorporated into regular meeting
- Penalties for violation
 - Changes to fines and forfeiture provisions
- Closed meeting for attorney-client privilege
 - Recording requirement and statement to close meeting



Data Practices

- Legislative Commission on Data Practices interim meeting agenda items include:
 - Age-appropriate Design Code Act
 - Consumer Data Privacy Act
 - Reverse Location Search Warrants





General
Member Relations
Policy Committees

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Stay informed with the Cities Bulletin



Jan. 17, 2023 | Issue 2 [View as a Web Page](#)

[League Advocates for Legislation to Address Public Safety Duty Disabilities](#)
Members are encouraged to use the League's updated Public Safety PTSD Duty Disability Advocacy Toolkit to learn more about the issue and how to communicate key information to legislators.

In Other News

[League Testifies on Adult-Use Cannabis at First Hearing](#)
A bill to legalize adult-use cannabis had its first hearing in the House Commerce Finance and Policy Committee

[Paid Family Leave Legislation a Top Priority for Lawmakers](#)
A bill introduced in both the House and Senate would provide a statewide paid family and medical leave insurance program.

[Bill to Restore Felon Voting Rights Passes House Elections Finance and Policy Committee](#)
The bill would restore the right to vote to individuals convicted of a felony upon completion of incarceration.

[Committees Discuss Legislature's Role in Maximizing Federal Resources in IIJA and IRA](#)
The League testified in several committees to convey the needs of Minnesota cities to ensure federal funds assist local government infrastructure and climate resiliency efforts.

[Juneteenth Bill Passes Senate State Government Committee](#)
The bill would establish Juneteenth as a state holiday in recognition of the date slavery was abolished.

Featured Events

[Elected Leaders Institute: Foundational Program](#)
Feb. 10-11 — Mankato
Feb. 24-25 — Plymouth
March 3-4 — Alexandria

[Elected Leaders Institute: Advanced Program](#)
Feb. 24-25 — Plymouth
March 3-4 — Alexandria

[Minnesota Association of City Attorneys 2023 Annual Conference](#)
Feb. 9-10 — Bloomington

[City Day on the Hill](#)
March 9 — St. Paul

[Safety and Loss Control Workshops](#)
March-April — 8 different locations

[Upcoming League Events](#)

[Online Learning](#)

[Non-League Events](#)

Quick Links

Local Taxes Advisory Task Force Hears Public Testimony



Focus on New Laws: Local Affordable Housing Aid and Statewide Affordable Housing Aid

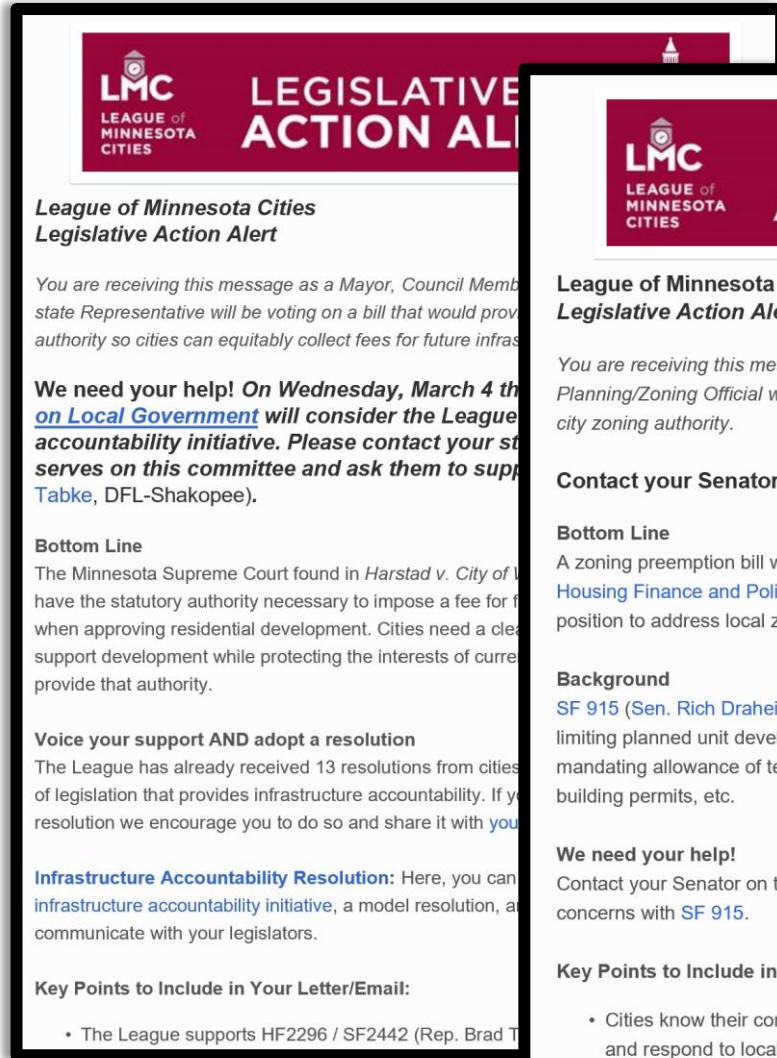


2023 Legislative Session Overview



<http://www.lmc.org/bulletin>

Take Action on Action Alerts!



LMC
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CITIES

LEGISLATIVE ACTION ALERT

**League of Minnesota Cities
Legislative Action Alert**

You are receiving this message as a Mayor, Council Member, or state Representative will be voting on a bill that would preempt local authority so cities can equitably collect fees for future infrastructure.

We need your help! On Wednesday, March 4 the Senate on Local Government will consider the League of Minnesota Cities' infrastructure accountability initiative. Please contact your state Senator who serves on this committee and ask them to support the initiative (Sen. Tabke, DFL-Shakopee).

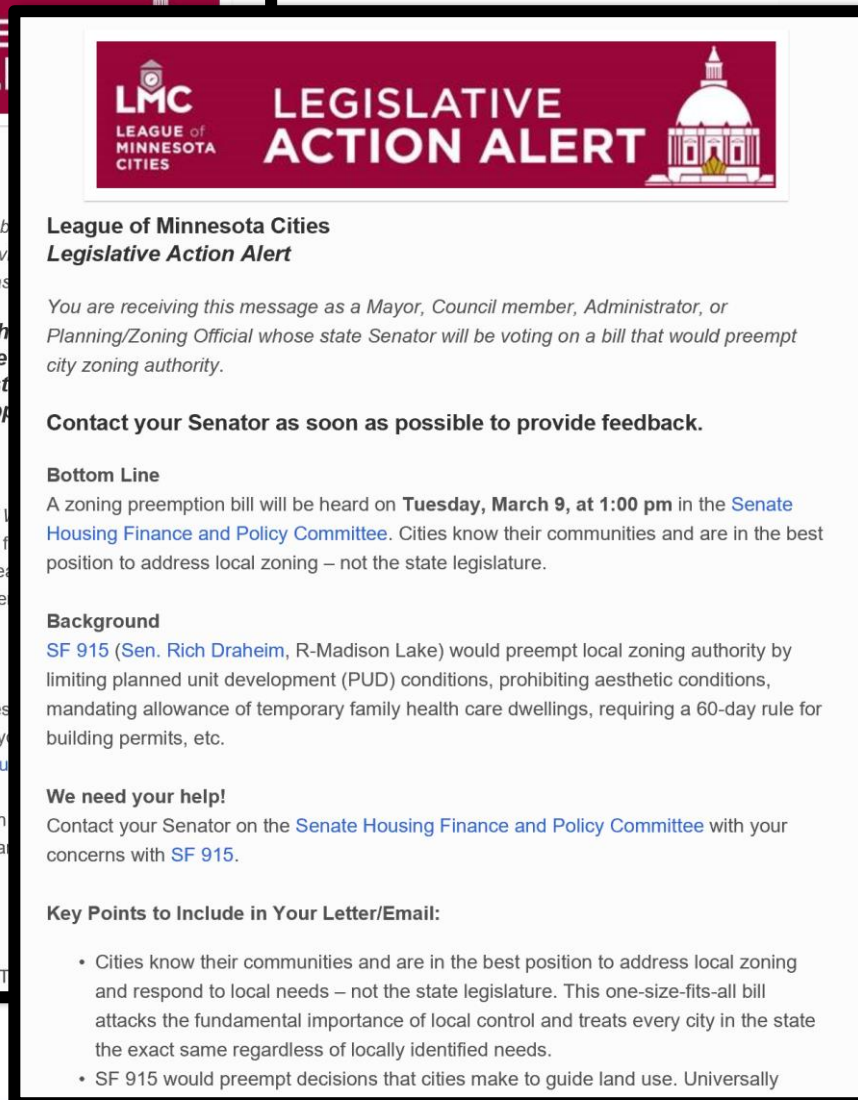
Bottom Line
The Minnesota Supreme Court found in *Harstad v. City of Woodbury* that cities do not have the statutory authority necessary to impose a fee for infrastructure when approving residential development. Cities need a clear legislative authority to support development while protecting the interests of current residents and provide that authority.

Voice your support AND adopt a resolution
The League has already received 13 resolutions from cities across the state of legislation that provides infrastructure accountability. If you have not adopted a resolution we encourage you to do so and share it with your neighbors.

Infrastructure Accountability Resolution: Here, you can find a model [infrastructure accountability initiative](#), a model resolution, and how to communicate with your legislators.

Key Points to Include in Your Letter/Email:

- The League supports HF2296 / SF2442 (Rep. Brad T...



LMC
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MINNESOTA
CITIES

LEGISLATIVE ACTION ALERT

**League of Minnesota Cities
Legislative Action Alert**

You are receiving this message as a Mayor, Council member, Administrator, or Planning/Zoning Official whose state Senator will be voting on a bill that would preempt local city zoning authority.

Contact your Senator as soon as possible to provide feedback.

Bottom Line
A zoning preemption bill will be heard on **Tuesday, March 9, at 1:00 pm** in the [Senate Housing Finance and Policy Committee](#). Cities know their communities and are in the best position to address local zoning – not the state legislature.

Background
[SF 915](#) (Sen. Rich Draheim, R-Madison Lake) would preempt local zoning authority by limiting planned unit development (PUD) conditions, prohibiting aesthetic conditions, mandating allowance of temporary family health care dwellings, requiring a 60-day rule for building permits, etc.

We need your help!
Contact your Senator on the [Senate Housing Finance and Policy Committee](#) with your concerns with [SF 915](#).

Key Points to Include in Your Letter/Email:

- Cities know their communities and are in the best position to address local zoning and respond to local needs – not the state legislature. This one-size-fits-all bill attacks the fundamental importance of local control and treats every city in the state the exact same regardless of locally identified needs.
- SF 915 would preempt decisions that cities make to guide land use. Universally



2024 Policy Committees

- **Sign up now!** Over 150 city officials from all over the state discuss issues impacting cities and shape the League's legislative platform.

- **When?**

- *July, August and September*

- **What?**

- **Service Delivery Committee**

- Elections Task Force

- **Local Economies Committee**

- Housing Task Force

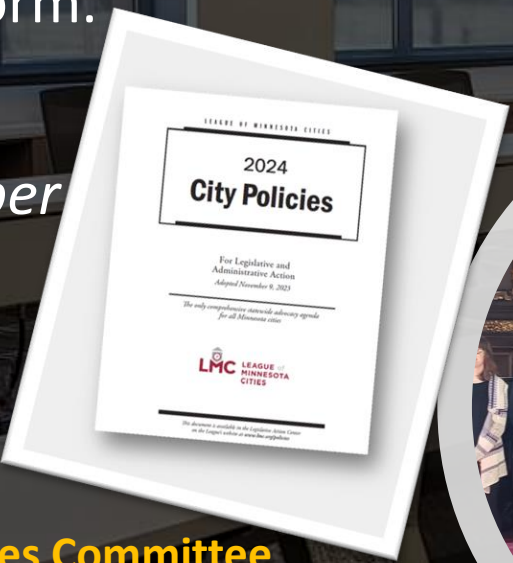
- **Human Resources & Data Practices Committee**

- Data Practices Task Force

- **Fiscal Futures Committee**

- **Interested? Talk to any LMC staff or email: advocacy@lmc.org**

➤ *Policy Committees will meet July 22-24, August 19-21 and September 16-18*





MARCH 7 – ST. PAUL

CITY DAY
ON THE HILL



Register today: lmc.org/cityday24



Questions?
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