



# Legislative Update

Week of April 26, 2021

## Calendar of Upcoming Legislative Activities (Week of May 3, 2021)

Conference Committees will meet continually throughout the week on short notice. The most up to date schedule can be found here: [Combined Calendar - Minnesota Legislature \(mn.gov\)](https://www.revisor.mn.gov/side_by_sides/)

**Monday,  
May 3**

Housing Finance & Policy Conference Committee – 9:00am

Side by side comparison report: [https://www.revisor.mn.gov/side\\_by\\_sides/2827911](https://www.revisor.mn.gov/side_by_sides/2827911)

Jobs & Economic Development Conference Committee – 9:00am

Side by side comparison reports: [https://www.revisor.mn.gov/side\\_by\\_sides/2827769](https://www.revisor.mn.gov/side_by_sides/2827769),  
[https://www.revisor.mn.gov/side\\_by\\_sides/2827767](https://www.revisor.mn.gov/side_by_sides/2827767),  
[https://www.revisor.mn.gov/side\\_by\\_sides/2827768](https://www.revisor.mn.gov/side_by_sides/2827768),  
[https://www.revisor.mn.gov/side\\_by\\_sides/2827766](https://www.revisor.mn.gov/side_by_sides/2827766)

State Government Finance & Elections Conference Committee – 9:00am

Side by side comparison reports: [https://www.revisor.mn.gov/side\\_by\\_sides/2828038](https://www.revisor.mn.gov/side_by_sides/2828038),  
[https://www.revisor.mn.gov/side\\_by\\_sides/2828039](https://www.revisor.mn.gov/side_by_sides/2828039),  
[https://www.revisor.mn.gov/side\\_by\\_sides/2828040](https://www.revisor.mn.gov/side_by_sides/2828040)

Public Safety & Judiciary Conference Committee – 9:00am

Commerce & Energy Conference Committee – 1:00pm

Side by side comparison reports: [https://www.revisor.mn.gov/side\\_by\\_sides/2828080](https://www.revisor.mn.gov/side_by_sides/2828080),  
[https://www.revisor.mn.gov/side\\_by\\_sides/2828078](https://www.revisor.mn.gov/side_by_sides/2828078),  
[https://www.revisor.mn.gov/side\\_by\\_sides/2828079](https://www.revisor.mn.gov/side_by_sides/2828079)

Environment & Natural Resources Conference Committee – 1:00pm

Side by side comparison reports: [https://www.revisor.mn.gov/side\\_by\\_sides/2827998](https://www.revisor.mn.gov/side_by_sides/2827998),  
[https://www.revisor.mn.gov/side\\_by\\_sides/2827996](https://www.revisor.mn.gov/side_by_sides/2827996),  
[https://www.revisor.mn.gov/side\\_by\\_sides/2827995](https://www.revisor.mn.gov/side_by_sides/2827995),  
[https://www.revisor.mn.gov/side\\_by\\_sides/2827994](https://www.revisor.mn.gov/side_by_sides/2827994)

Spreadsheet: [EnvHousing Budget 2021 Gov and Conference Compare.xlsx \(state.mn.us\)](https://www.revisor.mn.gov/side_by_sides/2827998)

Transportation Finance & Policy Conference Committee – 1:00pm

Side by side comparison report: [https://www.revisor.mn.gov/side\\_by\\_sides/2828131](https://www.revisor.mn.gov/side_by_sides/2828131)  
Spreadsheet: [TKIb3UWar0asHaPmMYkVRA.pdf \(state.mn.us\)](https://www.revisor.mn.gov/side_by_sides/2828131)

Senate video coverage is available here: <https://www.senate.mn/media>

House video coverage is available here: <https://www.house.leg.state.mn.us/htv/schedule.asp>

Note: This schedule includes meetings we are aware of *at this time*. It may not include all meetings of importance to the Council, and meeting schedules can change on short notice. The most up to date committee schedules can be found on the Minnesota Legislature website at [www.leg.state.mn.us](http://www.leg.state.mn.us).



## Key Dates for the 2021 Session

- March 12: **First deadline** - Committees must act favorably on bills in the house of origin
- March 19: **Second deadline** - Committees must act favorably on bills, or companions of bills, that met the first deadline in the other body
- **Easter Passover Break:** End of day Friday, March 26 through Monday, April 5
- April 9: **Third deadline** - Committees must act favorably on major appropriation and finance bills
- The legislature must adjourn by **May 17, 2021**

## Conference Committees to Begin Work on Omnibus Bills

The House and Senate have now passed all of their major omnibus bills and appointed conference committee members to negotiate policy and budget items. Conference committees will begin meeting next week to work through the differences in House and Senate proposals as they await budget targets for each major budget area.

Below is a summary of items in major omnibus bills that relate to the Council.

### Transportation

House conferees: Representatives Hornstein, Koegel, Frederick, Elkins, Petersburg

Senate conferees: Senators Newman, Jasinski, Howe, Osmek, Bigham

#### *House Transportation Bill – [HF1684](#)*

The House omnibus transportation bill provides new revenue for transportation, including indexing the gas tax for inflation, increasing the motor vehicle sales tax, and establishing a 0.5% transit sales tax in the transit taxing district. Related to the Council, the bill:

- Establishes a 0.5% sales tax in the metropolitan area transit taxing district for transit system operations, maintenance, development, and improvements.
  - House Fiscal Analysis shows this would generate \$376M in the FY2022-23 biennium and \$540M in the FY2024-25 biennium.
- Increases the rate for the motor vehicle sales tax (MVST), from 6.5 percent to 6.875 percent.
- Continues base level General Fund appropriations for Metro Mobility and transit operations
  - Base funding for Metro Mobility is \$56.416M in FY20220 and \$55.976M in FY2023; base funding for transit operations is \$32.654M each year.
- Appropriates \$250,000 for an analysis of transit service improvements for the Highway 55 corridor.
- Appropriates \$300,000 for a transportation management organization along Highway 494.
- Authorizes the Council to issue regional transit capital (RTC) bonds in the amounts of \$48.4M in 2021 and \$50M in 2022.

- Requires the Council to coordinate with the Minnesota Pollution Control Agency to identify areas with poor air quality, categorize bus fleet based on emissions, and deploy buses with lowest emissions on routes that serve areas with poor air quality.
- Requires the Council to develop a zero-emission transit vehicles transition plan with a goal of deploying zero-emission vehicles in 100% of the Council's transit fleet by 2040.
- Authorizes the Council to establish an administrative citation program for fare enforcement, and requires reporting to the legislature on transit safety and the administrative citation program.
- Establishes Metro Mobility as a forecasted program in the state budget.

The bill passed the House on April 17 by a 69-62 vote.

*Senate Transportation Bill – [SF1159](#)*

The Senate omnibus transportation bill reduces the Council's transportation funding and requires the Council to use federal relief funds in a specified priority order. The Senate bill:

- Reduces General Fund appropriations for Metro Mobility and transit operations to \$5,000 for each line item each year until FY2025.
- Requires MMB to include in the February and November forecasts a state obligation from the General Fund for the annual net costs to the Council for Metro Mobility, making Metro Mobility a forecasted program in the out biennium.
- Establishes a new distribution order for MnPASS revenue that would make transit improvements the last priority for an allocation of funds.
- Requires "host counties" to fund all planning, operating, and capital maintenance of guideways.
- Requires opt-out suburban transit providers to submit an annual report of operating expenses and reserves to be included in a combined financial report.
- Prohibits the use of funds from a local governmental unit to pay for costs of operations or maintenance for a busway for busways that begin revenue operations before January 1, 2023. This would apply to the Orange Line.
- Requires the Council to distribute federal COVID-19 funds to opt-out providers according to the federal urbanized area formula.
- Requires MnDOT and the Council to request approval from the Federal Transit Administration (FTA) to discontinue operations of the NorthStar commuter rail. If FTA approval is granted, there are provisions on how to terminate service, terminate agreements, sell or dispose of the real and personal property, and cancel an appropriation.

The bill passed the Senate on April 22 by a vote of 40-26.

**Legacy Fund**

House conferees: Representatives Lillie, Jordan, J. Xiong, Huot, Green

Senate conferees: Senators Ruud, Weber, Senjem, Lang, Hawj

*House Legacy Bill – [HF1079](#)*

The House Legacy bill continues the 40-40-20 split of the Parks & Trails Fund to the Council, Department of Natural Resources, and Greater Minnesota Parks and Trails.

From the Clean Water Fund, the House bill includes \$919,000 for the water supply sustainability program and \$625,000 for the water demand reduction program each year. In FY2023, the bill

appropriates \$2.5M for inflow & infiltration mitigation grants and \$2.5M for lead service line replacement grants.

The bill passed the House by a vote of 79-52 on March 16.

*Senate Legacy Bill [SF971](#)*

The Senate Legacy bill continues the 40-40-20 split of the Parks & Trails Fund to the Council, Department of Natural Resources, and Greater Minnesota Parks and Trails.

From the Clean Water Fund, the Senate bill includes \$919,000 for the water supply sustainability program and \$375,000 for the water demand reduction program each year.

The bill passed the Senate by a vote of 66-0 on April 20.

**Environment & Natural Resources**

House conferees: Representatives Hansen, Wazlawik, Morrison, Fischer, Heintzeman

Senate conferees: Senators Ingebritsen, Ruud, Eichorn, Tomassoni, Westrom

*House Environment & Natural Resources Bill – [HF1076](#)*

The House Environment & Natural Resources bill appropriates \$2.54M from the General Fund and \$8.1M from Natural Resources Fund each year for regional parks operations & maintenance (O&M). This represents an increase of \$1.5M from the Natural Resources Fund over base level funding.

The bill also incorporates LCCMR recommendations for 2021 and 2022 funding from the Environment & Natural Resources Trust Fund, including \$1M and \$2.25M appropriations for regional park land acquisition.

The bill passed the House by a vote of 70-53 on April 22.

*Senate Environment & Natural Resources Bill – [SF959](#)*

The Senate Environment & Natural Resources bill appropriates \$1.79M from the General Fund and \$7.35M from Natural Resources Fund each year for regional parks operations & maintenance (O&M). This is the same amount, though a different mix of funding sources, as base level funding.

The bill also incorporates LCCMR recommendations for 2021 and 2022 funding from the Environment & Natural Resources Trust Fund, including \$1M and \$2.25M appropriations for regional park land acquisition.

The bill passed the Senate by a vote of 37-29 on April 19.

**State Government Finance**

House conferees: Representatives M. Nelson, T. Xiong, Masin, Greenman, Nash

Senate conferees: Senators Kiffmeyer, Lang, Koran, Howe, Carlson

*House State Government Bill – [HF1952](#)*

The House State Government bill includes a provision that would authorize towns and political subdivisions with statutory sewer ownership or operational responsibilities to establish an inflow and infiltration (I/I) prevention program and provide loans and grants to property owners to assist with financing the cost of abating I/I on their property. This is a Council initiative that is also a stand-alone bill currently on the General Register. [[HF1359](#) (Freiberg)]

The House State Government bill also includes a provision that amends deadlines in law that require the Council to provide certain population estimate reports to local governments in years following a decennial census. These requirements will be impacted by the delay in receiving census information.

The bill passed by the House by a vote of 68-62 on April 16.

### **Commerce & Energy**

House conferees: Representatives Stephenson, Long, Hollins, Acomb, O’Driscoll

Senate conferees: Senators Dahms, Senjem, Utke, Mathews, Frentz

The House Climate & Energy bill, now incorporated into the Commerce omnibus bill, includes a \$5M appropriation from the Renewable Development Account (RDA) to the Council to pay the incremental cost of procuring electric buses. Until the appropriation is expended, the Council would be required to purchase electric buses. The bill was taken up in the House on April 21 and passed by a vote of 70-64. There is no similar provision in the Senate bill.

### **Senate Transportation Committee**

The Senate Transportation Committee held an informational-only hearing today on two bills that would alter the current structure of the regional transit system.

[SF2375](#) (Pratt) moves the opt-out suburban transit providers from the Council to MnDOT. MnDOT’s office of greater Minnesota transit would assume administrative and oversight responsibility for the opt-out providers.

Chaska City Council Member Mike Huang and MVTA Executive Director Luther Wynder testified in support of the bill, stating that local control of transit service is critical, the suburban opt-out providers are not included enough in the Council’s transit activities, and there is a conflict of interest with Metro Transit being housed within the Council. MTS Director Nick Thompson testified to the complications of having state funds and federal funds being administered for the opt-out providers through MnDOT and the Council, linking Metro Mobility service to transit service, and ownership of bus fleet. MnDOT representatives testified to statutory limitations on their administrative resources and the differing nature of transit in the metro area compared to greater Minnesota.

[SF2199](#) (Bigam) proposes a substantial change to transportation planning and operations in the metropolitan region. The bill would establish a “Metropolitan Transportation Planning Board” with membership established in statute that would be responsible for planning and constructing transit facilities in the metropolitan area and be housed within MnDOT. These duties are currently carried out by the Council and the Transportation Advisory Board.

Representatives from MnDOT and the Council testified with concerns about this considerable shift in duties and responsibilities from the Council to a board within MnDOT. It was also noted that the bill would not comply with federal law regarding redesignation of an MPO and could jeopardize receipt of federal transportation funds and projects currently in development.

Chair Newman indicated that he does not have a position on either bill but wanted to allow for a discussion of the bills on an information basis. No action was taken by the committee.

Please feel free to contact the Government Affairs department with any questions or concerns:

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Most legislative information, including bill text, bill status, and statutes can be accessed via the Internet ([www.leg.state.mn.us](http://www.leg.state.mn.us)).

This report will be produced throughout the 2021 session and emailed to Council Members, senior management staff, and selected other staff involved with legislative issues and communication. Please remember things can change suddenly in the legislative process, rendering this report outdated before the next week's report is released. If information in this report is to be communicated externally, please verify its accuracy with a member of the Government Affairs staff.