



Request for City Council Committee Action from the Department of Intergovernmental Relations

Date: May 12, 2014

To: Chair Elizabeth Glidden and Vice Chair Alondra Cano
Referral to: Intergovernmental Relations

Subject: Federal, State and Local Update

Recommendation: Receive and File

Department Information

Prepared by: IGR Staff

Approved by: Gene Ranieri, IGR Director _____

Presenters in Committee: IGR Staff

Supporting Information

State Legislature:

The Legislature began the last week of the 2014 regular session on Monday, May 12, 2014. The legislature must adjourn no later than Monday, May 19. As of May 12, the second tax bill had been completed but not officially closed and the budget conference committee had not yet agreed to spending targets. Both the House and Senate bonding bills are ready to be taken up for debate and passage on the floor.

However it is expected that the House author will offer a delete-all amendment to their current version of the bonding bill. The amendment could be the product of discussions between the House and Senate chairs and leadership. It is possible that the amendment could also be accepted by the Senate and thus a conference committee may not be needed. The House bonding bill is tentatively scheduled for floor action on Tuesday.

The following table summarizes the three omnibus bills – taxes, budget and bonding - and other bills of interest to the city.

Summary of Legislation of Interest to the City as of May 12, 2014

Bill	Issue	Status
Taxes		
	Local Government Aid (LGA)	LGA increased by \$10.1 million in FY2016 and years thereafter. City increase is \$1.27 million in calendar year 2015.

	Renters Credit	One time increase of 5% in 2014
	Property Tax Refund	One time increase of 3% in 2015
	Commercial industrial exemption	Not included in bill
	Special services districts	Not included in bill
	Sales tax exemption	All local governments will receive a sales tax exemption on most items. The exemption will be phased in for non-city and county entities beginning in 2016 with all entities included by 2017.
Budget		
	SCORE	House appropriates \$7.5 million to SCORE from the General Fund. House has \$750,000 to SCORE from the environment fund. House has policy language; Senate has no policy changes.
	Pollinator Compensation	Bills contain similar language but the Senate requires registration with Minnesota Department of Agriculture to receive compensation.
	Spending Amount	Legislature agreed to \$293 million but Governor recommended \$263.0 million. Final amount not determined.
Capital Investment		
	Nicollet Mall	Both bonding bills have \$20.0 million for the project but House amendment is expected Tuesday.
	Soldiers and Pioneers	Senate has \$1.9 million: House has no appropriation for the project.
Liquor Omnibus		
		Bill passed both Chambers on May 9.
	American Swedish Museum	Provision will require city council approval.
	Minneapolis Institute of Art	Provision will require city council approval.
	All Star Game Extended	Hennepin County cities permitted to

	Hours	extend hours for the day before and the day of the game.
	Revocation process	Provision amended to permit revocation for other violations.
Cell Phones		
		Bill passed House and Senate and sent to Governor. Bill incorporates city's policy position.
Medical Marijuana		
		Both chambers passed bills with differing positions. The Governor would sign House version into law. If Senate does not concur with House, a conference committee would have to meet to work out differences.
Automatic License Plate Readers		
		Conference committee has met three times and has identified access to the data and how long the data can be held as key issues. Committee will begin reviewing the bills and amendments this week.
Transportation		
		Several one-time transportation projects and programs are included in the Senate "cash bill" or the House budget bill. Both bills are still being discussed. Issues include funding for winter damage repair (pot holes), use of lease vehicle tax proceeds, and transit funding.

Update to the listed items and others will be presented to the committee on Thursday.