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With the passing of the second committee deadlines, the legislature's policy committees will more or less go dark for the remainder of 2021. After factoring in the Easter/Passover break, legislators are now looking at a six-week period for passing their policy bills off the floor, finalizing their budget proposals, and completing the conference committee process before the mandatory adjournment date of May 17. The next deadline is April 9 when all finance bills are to have cleared their respective committees.

The legislative majorities have now put their budget targets on the table, joining the governor who released his budget some time ago. There are always challenges in comparing the three sets of numbers: primarily due to different starting points, different committee configurations, and the fact that targets show net spending – where revenue increases can appear to reduce spending. What we can say with certainty is that the Senate GOP is proposing to spend less than either the House DFL or Governor Walz for the upcoming FY 2022-2023 biennium, and the Senate is committing to a budget that will not raise taxes.

This year's House Property Tax Division Report might best be described as "low key" – bumps to the income-tested homeowner and renter refund programs, a bunch of TIF and local option sales tax provisions, and a few small tax administration tweaks with little or no fiscal impact. All told, the FY 2022-2023 impact is \$30.8 million – nearly all of it from refund program expansions. We expect something equally restrained from the Senate's property tax subcommittee. With so much else in limbo, a drama-free tax aids and credits article is probably a good thing. House Tax Chair Marquart has said to expect a tax bill first week in April after the break, and we would expect the Senate to follow suit in the next week or two.

Despite the House's interest in bringing greater visibility and accountability to tax expenditures, there is no slowing down that train this year. If anything, the interest in "spending through the tax code" has increased as the DFL has come to appreciate the significant political advantages and benefits of designing anti-poverty / "working family" measures as tax provisions, which are much less likely to get republican blowback than direct appropriations. A significant share of the proposed DFL tax increases is needed to support this tax relief for others.

Depending on the volume of bill introductions and the number of committee hearings worth reporting on, we may publish one additional edition of Legislative Spotlight this session. Look for e-briefs from us as developments occur as well as our "side by side" of the House, Senate and Governor's tax bill.

BILL INTRODUCTIONS

We have made some changes in our organization and coverage of bill introductions. All bills will now come under the major headings of "Taxes" or "State & Local Govt" with the more specific description following in alphabetical order. We have expanded a few of the areas we cover in state and local government in order to follow proposals when they consider changes in the fiscal or governance structure of a policy area. With more minor and local bills, we will tend to gather them together as we did in Spotlight 21-04 with the local sales tax bills, rather than write each one up individually. We have discontinued covering elections for the time being as we pick up these additional areas. Please let us know if you have any thoughts on these changes at bdeboer@fiscalexcellence.org.

Tax bills are listed first by tax type in alphabetical order, followed by state and local government topics in alphabetical order. Within each topic, House bills (HF--for "House File") are listed first, then Senate bills (SF--for "Senate File"). The bills are in numerical order within each chamber. Each bill heading contains the chief author and his or her political party, city or township of residence, and the last four digits of his or her capital office phone number. Note that "I" designates members of the Senate's Independent caucus. All members' offices have a 651 area code and 296 exchange unless shown otherwise.

TAXES – Admin & General Policy

This first portion of tax bills consists of more comprehensive bills. Additional bills with more than one tax in them will be noted in their headings and also listed alphabetically.

Unless otherwise noted, effective dates for bills are as follows:

- *Corporate franchise and individual income taxes: Tax years beginning after December 31, 2020*
- *Property tax: Taxes levied in 2021, payable in 2022*
- *Sales tax: Sales and purchases made after June 30, 2021*

SF 2169 (Nelson, C., R, Rochester, 4848)

Changes effective date to December 31, 2017 on tax preparation provisions related to:

- enforcement, administrative orders, and penalties;
- payment of individual income fiduciary income, mining company, corporate franchise, and entertainment taxes;
- erroneous refunds;
- federal tax adjustments for partnerships; and
- reporting of changes and corrections.

Inserts "federal adjustments" as the term under existing "change or correction" statute and defines the relationship between estimated payments, pending IRS audits, and federal adjustment reports. Defines audited partnerships and partnership-level audits for federal adjustment reports, including definitions of relationships to six types of partners: 1.) corporate; 2.) direct; 3.) exempt; 4.) indirect; 5.) resident; or 6.) tiered. Defines pass-through entities and federal partnership representatives. Defines state partnership

representatives related to reporting and payment requirements of partnerships and tiered partners. Defines and specifies election of partnership or tiered partner for the purpose of payment. Specifies relationship between tiered partners and indirect partners.

SF 2002 (Mathews, R, Milaca, 8075)

Prohibits any county, city, town, or other taxing authority from increasing a present – or imposing a new – sales tax or income tax. Also prohibits any increase or imposition of an excise tax or fee on food manufacture, distribution, sale, or packaging. Does not apply to reasonable licensing of a trade, profession, or business.

TAXES – Corporate**HF 2228 (Howard, DFL, Richfield, 7158)**

Specifies that if a trade or business conducted wholly or partly in Minnesota is part of a unitary business, the worldwide reporting must be combined with a profit and loss statement prepared in the currency of the regularly maintained books of the foreign corporation, and that adjustments be made for P&L statements to conform to generally accepted accounting principles in the United States and to tax accounting standards required by the commissioner of revenue. Required income apportioned to Minnesota to be expressed in U.S. dollars.

There is a long, complicated history behind the push for worldwide combined reporting to address profit shifting to low tax countries. Two realities are in tension here: 1) global profit shifting does occur, and 2) implementing proposals like worldwide combined reporting to address this problem are fraught with extraordinary administrative complexities. The Organization for Economic Cooperation and Development considered and rejected mandatory worldwide combined filing and no other U.S. state, or for that matter country in the world, currently uses it.

TAXES – Corporate & Individual Income**HF 2260 (Becker-Finn, DFL, Roseville, 7153)****SF 2064 (Bigham, DFL, Cottage Grove, 7-8060)**

Provides a temporary income tax credit to brewers and liquor retailers/wholesalers for unsalable product and equipment purchases due to COVID-19 (Executive Order 20-74). The credit is refundable and is effective only for taxable years 2020 and 2021.

TAXES – Individual Income**HF 2229 (Howard, DFL, Richfield, 7158)**

Removes the itemized deduction for mortgage interest on a second home.

HF 2275 (Davids, R, Preston, 9278)**SF 2091 (Dornink, R, Hayfield, 5240)**

Allows an unlimited income tax subtraction for social security income.

The horizontal equity problems created by this proposal don't get enough attention. And what we have now is not double taxation. Congress tackled this issue in 1993 when Social Security's actuaries determined that exempting 15% of benefits from taxation would address this very problem. In fact, that 15% estimate errs on the side of being a generous exemption for the vast majority of SS recipients. See article on [page 3 in the January/February 2020 issue of Fiscal Focus](#) for a more detailed analysis.

HF 2307 (Garofalo, R, Farmington, 1069)

Allows a temporary subtraction for unemployment insurance benefits received in 2021 equal to the amount of the benefit up to \$10,200, except for a joint return where the subtraction is limited to \$10,200 in unemployment compensation received by each spouse. For individual taxpayers, adjusted gross income must be less than \$150,000.

SF 2265 (Rest, DFL, New Hope, 2889)

Extends the state income tax filing deadline to May 17, 2021.

SF 2266 (Nelson, C., R, Rochester, 4848)

Extends the state income tax filing deadline to May 17, 2021.

SF 2300 (Nelson, C., R, Rochester, 4848)

Allows a temporary subtraction for unemployment insurance benefits received in 2021 equal to the amount of the benefit up to \$10,200, except for a joint return where the subtraction is limited to \$10,200 in unemployment compensation received by each spouse. For individual taxpayers, adjusted gross income must be less than \$150,000.

Identical to HF 2307 (Garofalo).

SF 2316 (Abeler, R, Anoka, 3733)

Creates a refundable health insurance premium tax credit for taxpayers who have a modified adjusted gross income in excess of the income eligibility limit for the MinnesotaCare program and are not eligible for a premium tax credit due to household income in excess of 400% of the federal poverty line. The credit also applies if access to an employer-sponsored health plan through a spouse is deemed minimum essential coverage where the annual premium cost to the employee exceeds the required contribution percentage. Allows a credit equal to the annual premium cost of the applicable second lowest cost silver plan within the rating area minus 9.6% of the taxpayer's modified adjusted gross income in the taxable year.

SF 2318 (Rest, DFL, New Hope, 2889)

Conforms Minnesota with the federal CARES Act special rules for retirement funds.

SF 2319 (Rest, DFL, New Hope, 2889)

Allows a temporary working family tax credit alternative calculation for 2020. For tax year 2020, earned income means the greater of a taxpayer's earned income for tax year 2019 and tax year 2020.

TAXES – Production & Property**HF 2181 (Anderson, P., R, Starbuck, 4317)****SF 2209 (Howe, R, Rockville, 2084)**

Specifies that real property containing more than one solar energy generating system which are not combined for purposes of the solar energy production tax will be classified as commercial property.

TAXES – Property & Tobacco**SF 2301 (Nelson, C., R, Rochester, 4848)**

Includes an open value to change the state general property tax on commercial-industrial property. Includes electronic delivery devices in definition and taxation of tobacco products. Definitions include the components of the device and the substances used, but does not include batteries and chargers if sold separately. Increases the tax rate from 15.2 cents to 22.7 cents (or 227 mills) on each cigarette, and raises the tax on distributors from 95% to 97% of the wholesale sales price. Imposes a floor stocks tax on every person engaged in tobacco business as a distributor, retailer, subjobber, vendor, manufacturer, or manufacturer's representative. The tax is 63 mills per cigarette plus a weighted average retail price adjustment. The tax is based on stamped cigarettes and unaffixed stamps in the person's possession on July 1, 2021 (the bill's effective date). Credits \$15 million annually to a newly created tobacco use prevention and cessation special revenue fund.

Similar to HF 1721 (Schultz) / SF 1774 (Dziedzic) [see Spotlight 21-05]. The Schultz bill does not have the state general tax provision which we assume is to reduce the state general property tax as there have been bipartisan bills to do so previously introduced. This bill does not raise the tax on premium cigars from \$0.50 to \$5 per cigar as the Schultz bill does and it imposes the floor stocks tax at 63 mills rather than 75 mills. It also does not include the interest penalty on late payments. Seems like a possible vehicle bill with two disparate items that might have legs in final tax negotiations.

TAXES – Property (w/o Aids, Credits, Refunds, or TIF)**HF 2183 (Schomacker, R, Luverne, 5505)****SF 2176 (Weber, R, Luverne, 5650)**

Authorizes the city of Tracy to create a fire and ambulance special taxing district by city resolution. Any contiguous city or town may join the district with agreement of the towns and cities that are in the district at that time. Initially, the board must be made up of an elected member of each city or town. Specifies levy authority, use of levy proceeds, powers, and process for additions and withdrawals.

HF 2212 (Hornstein, DFL, Minneapolis, 9281)**SF 2071 (Dibble, DFL, Minneapolis, 4191)**

Provides for a temporary deferral of property taxes for assessment years 2021 and 2022 for any commercial operation that was

required to temporarily cease operations at any time during 2020 due to Executive Order #20-99, or any preceding executive order due to COVID-19. For taxes payable in 2022, an application must be filed by January 15, 2022, and for taxes payable in 2023, an application must be filed by December 1, 2022. The commissioner of revenue shall pay each county treasurer the total amount of net tax due for all properties receiving deferments. The total net tax shall be treated as a lien upon the property and will be collected as a special assessment beginning in 2032 (for taxes payable in 2022) and 2033 (for taxes payable in 2023).

HF 2268 (Davids, R, Preston, 9278)**SF 2219 (Chamberlain, R, Lino Lakes, 1253)**

Allows homesteads in community land trusts to be classified by the state as if it were first tier 4d property (0.25%).

Similar to HF 2300 (Richardson) / SF 2002 (Dibble) – [see Spotlight 21-05], except this bill does not require annual certification by the land trust to the county assessor, nor does it tax the value over \$100,000 at 0.75% as 4d property (MHFA certified low-income property) is taxed – resulting in homesteaded land trusts with a class rate more beneficial than 4d property, which raises some questions. Certainly, this legislation could provide some benefit for increased home ownership at lower income levels, but in general, we support a more simplified approach to state class rates and would rather see this bill also modify 4d property to a single class rate and not create another complexity in the class rate system.

HF 2279 (Swedzinski, R, Ghent, 5374)

Extends the property value exempt under the state tax on commercial-industrial property from \$100,000 to \$250,000. This would reduce revenue to the state from \$737 million in current law to \$671.4 million annually for 2022 and thereafter.

In the [50-State Property Tax Comparison Study](#) that MCFE produces for the [Lincoln Institute of Land Policy](#), Minnesota ranks particularly high in property tax on commercial property and we are unique in the state tax we apply. Exempting lower values is one method to potentially help out smaller operations in this tax environment – except when those smaller businesses lease from business property exposed to the resulting shift.

SF 2232 (Munson, R, Lake Crystal, 4240)

Reduces the state general property tax on commercial-industrial and cabin properties from \$737 million to \$717 million by raising the exempt value from \$100,000 to \$150,000.

Identical to HF 2120 (Lislegard) [see Spotlight 21-05].

TAXES – Property: Aids, Credits, Refunds**HF 2390 (Kiel, R, Crookston, 5091)****SF 2303 (Johnson, M., R, East Grand Forks, 5782)**

Increases local government aid (LGA) by \$500,000 to a city that counted all housing units as pre-1940 housing in the 1990 federal

census. Sets LGA total for the state at \$564.9 million for FY 2022 and thereafter.

HF 2429 (Green, R, Fosston, 9918)

Increases state aid appropriations to Mahanomen county, city, and school district to compensate for the loss of property tax revenue related to the trust conversion application of the Shooting Star Casino. Overall aid is increased from \$1.2 million to \$1.8 million. The county increase is \$450,000, the city increase is \$50,000, and the school district increase is \$100,000 for FY 2022 and thereafter.

TAXES – Sales**HF 2242 (Gomez, DFL, Minneapolis, 7152)**

Provides a refundable sales tax credit for items used to repair, replace, clean, or otherwise recover from real and personal property damage and destruction during the peacetime emergency due to civil unrest from May 24, 2020 – June 16, 2020 (Executive Order 20-64). Materials include:

- 1.) building materials and supplies used or consumed in the construction, replacement, or repair of real property;
- 2.) capital equipment, including retail fixtures, office equipment, and restaurant equipment, with a cost of \$5,000 or more and a useful life beyond one year; and
- 3.) building cleaning and disinfecting services related to mitigating smoke damage and graffiti.

The exemption applies to buildings owned by a government e or:

- 1.) a commercial establishment with an annual gross income of \$30 million or less in calendar year 2019;
- 2.) a nonprofit organization; or
- 3.) a low-income housing development whether or not the development was occupied at the time of its damage or destruction.

The tax must be collected and then refunded provided that the applicant was an owner or occupant at the time of Executive Order 20-64. Applies to purchases made after May 25, 2020, and before December 1, 2022. Both the owner and occupants may apply for a refund, but only for the goods and services they paid for, or were contracted and paid for on their behalf.

HF 2293 (Franson, R, Alexandria, 3201)

Exempts sales taxes for building materials and provides grants for disaster recovery related to a February 25, 2020 fire in the city of Alexandria. The exemption is realized through refunds on the qualified purchases from February 25, 2020 through December 31, 2020.

SF 2173 (Nelson, C., R, Rochester, 4848)

Provides a 10% sales tax exemption for construction materials purchased by contractors for projects by:

- School districts;
- Local governments;

- Hospitals and nursing homes owned and operated by local governments;
- Libraries;
- Nonprofit groups;
- Hospitals, outpatient surgery centers, and critical access dental providers;
- Nursing homes and boarding care homes; and
- Various kinds of public infrastructure work.

Identical to SF 216 (Rarick) / HF 768 (Swedzinski) with one big difference: in this bill the exemption is limited to 10%; in SF 216 the exemption is 100%.

HF 2411 (Lucero, R, Dayton, 1534)**SF 2282 (Kiffmeyer, R, Big Lake, 5655)**

Provides a sales tax exemption on building construction and reconstruction materials for a senior housing cooperative that:

- in general, limits membership to persons who are either age 55 or older or persons with a physical disability;
- is organized and operated primarily for the purpose of providing housing, where no part of the net earnings benefits any private shareholders; and
- was allowed a sales tax exemption prior to July 1, 2009.

SF 2229 (Rest, DFL, New Hope, 2889)

Specifies that a local government seeking local sales tax authority may not submit an amended resolution after January 31 of the year in which the jurisdiction is seeking a special law authorizing the tax, except to do the following:

- remove a project from the list of funded projects;
- reduce the amount that will be used for any project;
- reduce the total revenue raised for all projects before the tax expires;
- reduce the estimated length of time that the tax will be in effect if all proposed projects are funded; and
- increase the amount that will be used for any project, increase the total revenue raised for all projects before the tax expires, and increase the estimated length of time that the tax will be in effect if all proposed projects are funded.

The last point only applies if the political subdivision submits documentation that the amended resolution is based on new information not available at the time the original resolution was submitted.

Continuing efforts to get a handle on the constant sales tax requests coming from local governments.

STATE & LOCAL GOVT – Admin & General**HF 2204 (Mortensen, R, Shakopee, 8872)**

Repeals the governor's power to declare emergencies and replaces it with a two-thirds vote of each house of the legislature. If the

legislature is not in session, the governor may convene the legislature and request a declaration. If an emergency is declared, it terminates after 5 days unless the legislature again votes by a two-thirds majority in each body for an emergency of up to 30 days.

HF 2224 (Hausman, DFL, St. Paul, 3824)**SF 2234 (Duckworth, R, Lakeville, 7633)**

Creates a COVID-19 emergency assistance program through the Minnesota Housing Finance Agency (MHFA). Based on 80% area median income (as are community land trusts), the commissioner may use grantees of the family homeless prevention and assistance program; grantees of the COVID-19 housing assistance program; or a housing counseling agency approved by the U.S. Department of Housing and Urban Development (HUD) – that demonstrates knowledge of homeownership loss mitigation and foreclosure prevention – to administer funds. Allocates resources through entities that may include counties, cities, nonprofit organizations, tribes, or other entities the agency identifies. Specifies eligibility, application process, and notification of other relief. Outlines the structure for payment recipients and requirements for reporting (by March 1, 2023). Requires MMB commissioner to determine whether federal funds can replace state funds. Funds not committed or expended by December 31, 2022 shall cancel to the general fund.

The definition of community land trusts seems to be a bipartisan portal in 2021 as we have also seen it introduced on a bipartisan basis in tax legislation this year in the Davids/Chamberlain – Dibble/Richards bills to have land trusts classified as 4d property. This bill is bipartisan, with a chief author in the majority in each body, who are also chair and vice chair in housing finance. Including specific direction to MMB to evaluate federal vs. state funding may be the boilerplate that we all want right now in serious legislation as addressed in this [March 11, 2021 blogpost by Mark Haveman](#).

HF 2254 (Daudt, R, Crown, 5364)**SF 2273 (Rosen, R, Vernon Center, 5713)**

Requires federal funds received for COVID-19 to be spent by direct appropriation retroactive to March 1, 2020. Exempts [Seventh Special Session chapter 2, article 7](#) from the requirement. That 2020 law waives late license renewal penalties from the commissioner of agriculture for the food industry; refunds the Met Council wastewater permit fee to any brewer producing fewer than 20,000 barrels per year; and applies a credit from the council up to \$2,000 per brewer for strength charges incurred in 2020 under the environmental services microbrewery program. In addition, the commissioner of public safety waives the fees for caterer's permits and for sales after 1:00 a.m.

Seems like this could cause some thorny issues for the administration if passed and perhaps force some spending to be

paid out of the budget surplus instead of from COVID relief funds – whether federal law meant to offer flexibility or not. It might also force some legal determinations to be made of federal intent as related to the target of federal money. A sign of the nervousness about all the one-time money intermingling with the two-year budget cycle, a point MCFE Executive Director Mark Haveman was making in his [March 11, 2021 blogpost](#).

HF 2267 (Johnson, B., R, Cambridge, 4346)

Establishes a new state aid program to reimburse local governments for expenses incurred in public safety emergencies that exhaust available local resources, including mutual aid and when expenses are not covered by other federal and state disaster assistance programs. The State Aid for Emergencies (SAFE) account is established with a \$35 million appropriation in the state treasury. Includes definition of public safety event, criteria for aid, reimbursement rates and process, appeals process, and reporting and auditing requirements.

Very similar to HF 1409 (also authored by Johnson, B.). Adds a “reimbursement panel” to make binding decisions on reimbursement requests to the SAFE account. Panel is made up of the commissioner of public safety, two sheriffs, and two police chiefs who represent geographic and rural/urban diversity.

HF 2297 (Vang, DFL, Brooklyn Center, 3709)**SF 2081 (Champion, DFL, Minneapolis, 9246)**

Establishes the process for requesting racial equity fiscal notes from the Legislative Budget Office (LBO). A request must come from the chair and ranking minority of a standing committee, or from Senate Finance or House Ways and Means committees' chair and ranking minority member, for a note to be issued. Creates an advisory group to recommend contents and process for developing racial equity impact notes. The advisory group is made up of the commissioner of human rights, executive directors of: the LBO; each Minnesota ethnic council; the Indian Affairs Council; and the Minnesota Humanities Center, a representative of the Center for Economic Inclusion, and two public members from the Minnesota Business Partnership. Deadline for appointing the advisory group is August 1, 2021.

HF 2313 (Poston, R, Lake Shore, 4293)

Allows counties to collect costs of public assistance to non-citizens from local resettlement agencies, national voluntary agencies affiliated with the local agency, and sponsors that have agreed to help in reception and placement of the non-citizen.

HF 2399 (Noor); SF 2279 (Kiffmeyer, R, Big Lake, 5655)

Expands access to data and authority for the Legislative Budget Office to issue fiscal notes. Clarifies treatment of unofficial fiscal notes.

HF 2423 (Munson, R, Lake Crystal, 4240)

Proposes a constitutional amendment to establish a process for a county to secede from the Territory of Minnesota. Recognizes an

application as valid if approved by a vote of two-thirds of the county board, and ratified by a vote of two-thirds of the voters voting in the county at the next state general election. Submitted at the 2022 general election, approval would result in submission of an application to Congress.

STATE & LOCAL GOVT – Education

HF 2357 (Youakim, DFL, Hopkins, 9889)

Allows charter school eligibility for special education aid if the school issues an annual plan with its authorizer regarding third-party billing procedures. The special education tuition adjustment aid is equal to the difference between the charter school's unreimbursed costs without a rate cap and the district's unreimbursed costs with the rate cap, times the adjustment factor for that year. For FY 2021-2022, the adjustment factor is 100%; FY 2023 – 75%; FY 2024 – 50%; FY 2025 and thereafter – 25%. Increases the cross-subsidy aid factor for special education, starting at 2.6% in FY 2020, and increasing to: 6.43% in FY 2021; 9.33% in FY 2022; 12.11% in FY 2023; and increasing by 3% per year after that up to 30%. Allows school districts to annually levy for fees charged by an intermediate school district or other school cooperative unit providing direct special education services to students. Allows cooperatives to assess its member districts for facilities costs. Allows a cooperative providing special education to levy for its proportional share of facility costs assessed by the cooperative unit. Makes special education changes under alternative attendance programs. Provides alternative for unreimbursed tuition reimbursement amounts for a charter school and defines statewide district cap rates for:

- regular school year;
- extended school year;
- special education transportation; and
- one-to-one paraprofessional services.

For each capped rate, the unreimbursed cap rate is limited to 200% for FY 2023, 175% for FY 2024; 150% for FY 2025; and 125% for FY 2026 and later.

STATE & LOCAL GOVT – Health & Human Services

HF 2394 (Baldon, DFL, Rochester, 9249)

SF 2014 (Marty, DFL, Roseville, 5645)

Creates the Primary Care Case Management (PCCM) program to authorize direct state payments for medical assistance and MinnesotaCare to health care providers to reduce health care costs and improve quality. In counties that choose to use a county-based purchasing (CBP) system, the commissioner shall permit them to form a new CBP or participate in an existing CBP. If allowable under contract requirements, payments shall be made to individual providers and clinics for services rather than hospital systems or networks of providers. At the CBP's election, the commissioner shall provide payment to the CBP either through

pass-through of costs or according to a per capita payment structure. The commissioner shall not renew state contracts with managed care plans and providers shall bill the state or the CBP directly for the services they provide. Specifies funding relationships.

STATE & LOCAL GOVT – Pension & Labor

HF 1107 (Murphy, M., DFL, Hermantown, 2676)

SF 2252 (Howe, R, Rockville, 2084)

Revises the allocation of fire state aid for Public Employees Retirement Association (PERA) statewide volunteer firefighter plan. Requires submission of an aid allocation plan on March 1 of each year that specifies the percentage of the fire state aid, dollar amount, or formula for determining amount of fire state aid that will be transmitted as the reimbursement amount along with specific procedures and timing for aid allocation plans and withdrawals.

STATE & LOCAL GOVT – Resources, Waste, Energy

HF 257 (Wazlawik, DFL, White Bear Twp, 3018)

SF 2267 (Housley, R, St. Mary's Point, 4351)

Prohibits limits on residential solar energy systems by owners of single-family dwellings through covenants or any instruments affecting the transfer, sale, or interest in the property by homeowner or community associations. Associations are allowed to require the use of licensed contractors and that roof-mounted systems not extend above the peak of a pitched roof or beyond the edge of the roof. In addition, the owner or installer of a solar energy system must indemnify or reimburse the association or its members for loss or damage caused by the installation, maintenance, use, repair, or removal of a solar energy system. Allows other reasonable restrictions, provided they do not decrease the projected generation of energy by more than 20% or increase its cost by more than 20% for a solar water heater, or \$2,000 for a solar photovoltaic system.

HF 2216 (Long, DFL, Minneapolis, 5375)

SF 2132 (Senjem, R, Rochester, 3903)

Establishes a loan program for municipal utilities paying unusually high natural gas prices in February 2021 and low-income heating assistance for residential households receiving federal heating assistance under LIHEAP. Establishes a 2021 polar vortex loan account for municipal utilities in a special revenue fund to alleviate cash flow problems for “immediate delivery” natural gas purchases for distribution to retail customers. Applications must be filed with the commissioner of commerce for zero-interest loans up to five years in length. The loan cannot exceed a calculation of incremental cost and volume above the average in February 2021. The low-income household assistance is provided in the form of bill credits to defray a portion of the elevated costs as calculated by the utility and presented to the Public Utilities Commission. Provides appropriations for loans,

and administration to the Department of Commerce, the PUC, cooperative associations, and municipal utilities for administrative costs. Requires that any federal funds received by the state for the natural gas spike, or funds awarded to the state as part of a legal settlement for price gouging or malfeasance, must be deposited in the general fund to offset administrative expenses.

HF 2368 (Fischer, DFL, Maplewood, 5363)

Recreates the Legislative Water Commission to be staffed by the Legislative Coordinating Commission and review reports and recommendations of the EQB, BWSR, PCA, DNR, and Met Council. Data or information compiled by the Legislative Water Commission must be shared with the Legislative-Citizen Commission on Minnesota Resources, the Clean Water Council, and standing and interim committees of the legislature upon request. Requires the Environmental Quality Board (EQB) to coordinate the development and maintenance of a statewide plan to address threats to drinking water and submit a plan to the legislature each year. Requires the Board of Water and Soil Resources (BWSR) to establish a soil and water conservation district grant program distributed as follows:

- 1.) one-third as a base grant to each soil and water conservation district;
- 2.) one-third as an aid to districts with low market value of taxable property relative to the state; and
- 3.) one-third as competitive grants based on district performance and the merits of a project's environmental outcomes.

Establishes base grant amount for the BWSR grant program at \$4.5 million in FY 2022 ramping up to \$18 million in FY 2025 and thereafter. Includes additional one-time appropriations of \$9 million in FY 2022 and \$6 million in FY 2023. Creates the Advisory Council on Water Supply Systems and Wastewater Treatment Facilities to advise the Pollution Control Agency (PCA) regarding various water supply and governance issues. The advisory council is composed of 11 voting members, of whom:

- one member must be from the Department of Health, Division of Environmental Health;
- one member must be from the Pollution Control Agency;
- three members must be certified water supply system operators, appointed by the commissioner of health;
- three members must be certified wastewater treatment facility operators, appointed by the PCA commissioner;
- one member must be from an organization representing municipalities;
- two must be public members who are not associated with water supply systems or wastewater treatment facilities.

Include several other appropriations for drinking water infrastructure and water quality best practices evaluation.

STATE & LOCAL GOVT – Transportation**HF 2234 (Boe, R, Chaska, 5066)**

Requires installation of electric vehicle charging stations at county government centers. Appropriates \$4.1 million in FY 2022 from the state's renewable development account.

The renewable development account was established in 1994 legislation for dry cask storage of nuclear waste at Prairie Island.

SF 2199 (Bigham, DFL, Cottage Grove, 7-8060)

Creates the Metropolitan Transportation Planning Board as part of the Department of Transportation, and eliminates transportation and transit planning and construction from the Met Council. The new board is assigned all long-range comprehensive planning required by federal law and is made up of the commissioners of transportation and pollution control, one member of the Met Council, one member of the Metropolitan Airports Commission, one person to represent non-motorized transportation, one person to represent the freight industry, two persons to represent public transit, 10 elected officials from metro cities (including one each from Minneapolis and St. Paul), seven county commissioners (one from each county), and eight citizens appointed by the board.

This is comprehensive legislation that specifies the shift of transit operations and construction from Met Council to the new board.

HF 2365 (Agbaje, DFL, Minneapolis, 8659)

Requires the commissioner of transportation to evaluate and choose a bus-rapid transit (BRT) route for the Highway 252/I-94 project as selected in the corridors of commerce program in 2018. Open appropriation in FY 2022 for Met Council to complete planning and redesign. May be defined as separate or one continuous route. Requires stations at Dowling and Lowry in north Minneapolis at I-94, and requires stops at the U. of M. and Snelling and I-94 in St. Paul. The commissioner analysis must include service for Brooklyn Park, Brooklyn Center, and north Minneapolis. Requires all expenditures to cease on the Highway 252/I-94 project until analysis, planning, and redesign is complete.