



City of Minneapolis **2010 Legislative Session Summary**

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Committee of the Whole
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Executive Summary: City of Minneapolis Legislative Session 2010

The 2009/2010 Minnesota Legislature adjourned sine die on Sunday May 16 at midnight. During the two year session, 3864 bills were introduced in the House while in the Senate, 3430 bills were introduced. During the one day special session two bills were introduced in each body. The legislature passed approximately 400 bills to the Governor. Many of the bills included numerous or all sections of individual bills. To date, approximately 47 bills have been either line item vetoed or vetoed by the Governor. In addition, the Governor unallotted appropriations including local government aid three times and proposed a supplemental budget during the 2011 session that reduced the budget by approximately \$900.0 million. The unallotment decision of the district court was upheld by the Minnesota Supreme Court. To provide a budget fix for the remainder of the current biennium the Governor and legislature agreed to a budget bill that also affirmed the unallotments but did not resolve the projected deficit for the next biennium.

Despite the budget crisis, court orders and unallotments, the 2010 legislature enacted several legislative proposals that will hopefully stimulate the economy; provide financial stability for public pensions; prevent additional reductions to property tax credits and aids and several policy bills in such areas as public health, public safety, transportation and human services. This report includes a summary of legislation that was included in the city's legislative agenda, or related to city policy. The following section provides a brief discussion of several signed laws that were either city priority issues or were supported by the City of Minneapolis or the League of Minnesota Cities and Metro Cities.

Major Legislation Impacting Minneapolis

Capital Bonding Bill: Enacted in March, the bill (Chapter 189) as sent to the Governor authorized \$999.66 million in bonds for projects located throughout the state. The Governor announced that the bill was too costly and line item vetoed \$300 million of projects. The signed bill included the City's top two projects - Northtown Railyards and the Emergency Operations Center. A third City project, Granary Road, was vetoed. In addition to the city sponsored projects the bill approved funding for Orchestra Hall and Peavey Plaza, Lowry Bridge, Victory Veteran's Memorial Drive and HCMC Hyperbaric Center. (See more detail of projects included in the bonding bill below.)

Pensions: Signed near the end of the session, the omnibus pensions bill (Chapter 359) includes: provisions related to individual pension matters; amendments to pension procedures; and financial sustainability measures for all state pension plans, the two local (St. Paul and Duluth) teacher plans and the Minneapolis Employee Retirement Fund (MERF). The MERF provisions authorize an administrative consolidation of the fund with the Minnesota Public Employees Retirement Association (PERA) that will lead to a merge of the two funds. To assist MERF with financial sustainability and to accomplish the merger, the state and local employers are increasing their financial contributions. Beginning in 2012, the state will contribute \$24.0 annually or \$15.0 million more than current appropriation levels while the local



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employers' contributions will range from \$27.0 million to \$34.0 million per year. The City of Minneapolis' annual contribution is expected to increase from approximately \$4.0 million to \$20.0 - \$23.0 million. The estimated increases are within the City's financial planning estimates. In addition MERF members will have the annual Cost of Living Adjustment (COLA) fixed at 1% as compared to a maximum of 3.5% under current law.

The pension bill also reduces the major state pension fund expenditures by approximately \$2.1 billion over the next five years. The reductions are achieved by reducing COLAs to 1% or granting no COLA for one or two years, increasing the employee and employer contribution by 1/4% of salary, and lengthening the vesting period. For example, the PERA vesting period is increased from 3 to 5 years.

Aids and Credits: At the end of March, the Governor signed a supplemental budget bill that reduced the budget deficit by approximately \$300.0 million. Among the reductions were approximately \$55.0 million in market value homestead credit (MVHC) and local government aid (LGA) cuts to cities. Minneapolis' reductions approved by the bill were \$10.8 million. These reductions, plus the \$22.0 million in unallotments approved by subsequent legislative action, reduced the city's 2010 aid and credits by \$32.0 million or approximately 1/3 of the expected total.

Jobs Bill: The jobs bill authorized two tax credits and several Tax Increment Financing (TIF) provisions that are intended to stimulate construction of projects stalled by the economy. The state historic tax credit mirrors the federal program and could provide incentives for the rehabilitation of historic buildings. The angel investment credit is intended to provide an incentive for investment in start firms located in Minnesota. The TIF provisions authorize temporary use of TIF for financing and other uses not commonly permitted under the TIF law.

Policy Bills: The city had a lead role in developing legislation in such policy areas as housing, public safety, public health, and transportation. A summary of the policy bills by issue area is included in the following sections.



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SELECTED OMNIBUS BILLS

Omnibus Bonding Bill Chapter 189 (HF2700): Several projects either sponsored by or important to the City of Minneapolis included in the omnibus bonding bill:

Section 15, Subdivision 2: Northtown Railyards Bridge - \$7 million. This was the City's number one bonding priority and the state funds will augment the local and federal funds already allocated to build this new \$28 million project.

Section 14, Subdivision 5: Emergency Operations Center (EOC) - \$750,000. This was the City's second priority and will provide funds necessary to build the apparatus bay attached to the new EOC to house State Specialized Response Teams and their equipment.

Section 21, Subdivision 11: Orchestra Hall/Peavey Plaza - \$16 million. This project was supported by the City who will be the public fiscal agent. Of the funding, \$2 million will be designated for Peavey Plaza which will be renovated as part a \$44 million project.

Section 15, Subdivision 2: Lowry Bridge - \$10 million. This funding to Hennepin County will allow for the rebuilding of phase II of the project which is the needed approach on the west bank side of the river to 2nd street North.

Section 16, Subdivision 4: Victory Veteran's Memorial Drive - \$2 million. Funding was provided to the Minneapolis Park and Recreation Board for grants to Victory Memorial and Sheridan Veterans Park.

Section 17, Subdivision 3: HCMC Hyperbaric Chamber – \$5 million. This grant is to Hennepin County to assist in the construction of a new hyperbaric chamber to replace the 45 year old facility located in downtown Minneapolis.

Section 16, Subdivision 3: Inflow and Infiltration (I & I) grants - \$3 million. These funds are to the Metropolitan Council for grants to local jurisdictions that have been identified as excess I & I contributors to the metropolitan waste water system.

Section 21, Subdivision 3: Innovative Business/Public Infrastructure grants - \$4 million. These are statewide competitive grants to local governmental units to acquire and prepare land to support for public infrastructure to locate eligible projects. Projects will include bioscience business development capital improvement projects in the state.



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Omnibus Environment, Energy and Natural Resources Policy and Finance Bill Chapter 36 (SF 3275):

Article 1: contains appropriations totaling just over \$58.9 million in fiscal year 2011 from the Outdoor Heritage Fund, as recommended by the Lessard-Sams Outdoor Heritage Council. This funding will be used for various water quality and clean-up efforts throughout the state and to establish an evaluation council to monitor and report on clean-up efforts.

Article 2, Sections 1 and 2: contain the extension of the Metropolitan Area Water Supply Advisory Committee and appropriate funds (\$500,000) to assist with their work.

Article 3, Section 7: allows the Minneapolis Park and Recreation Board to acquire "all or part of the entire property known as the Scherer Brothers Lumber Yard" for a metropolitan area regional park and that the Park Board may allocate future metropolitan parks funds to acquire the property.

Article 4, Section 55: appropriates \$4 million to the Commissioner of Natural Resources for the establishment of a groundwater monitoring network in the 11-county metropolitan area. It will monitor non-stressed systems to provide information on aquifer characteristics and natural water level trends. The funding will also be used to develop an automated data system to capture groundwater levels and water-use data to enhance the evaluation of water resource changes in stressed aquifers across the Metropolitan area.

Article 5, Section 3: establishes a program to provide rebates to qualified property owners for installation of solar photobiotic modules manufactured in Minnesota and provides for rebate eligibility criteria, rebate amounts and program funding through 2015.

Article 5, Section 12: allows Hennepin County to enter into a partnership with a limited liability company or be a shareholder in a corporation established for the purpose of constructing, acquiring, owning in whole or in part, or operation of a facility that generates electricity from wind or solar energy.

Article 5, Sections 13-15: updates existing statutes to expand the Minneapolis and St. Paul Residential Energy Conservation program to make "commercial and industrial" properties also eligible for loans for energy improvements.

Article 5, Section 19: requires that a high voltage transmission line longer than one mile with a capacity of 100 Kilovolts or more, located in a city of the first class, through a densely populated area [generally describing the proposed Hiawatha Power Line Project] be subject to the provisions in Minnesota statutes, section 216B.243 (requirements of the certificate of need).



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Article 5, Section 20: requires that a Neighborhood Energy Reduction report be done by an outside group to measure the amount of energy that could be saved through conservation, energy efficiency investments, distribution improvements, alternative energy storage measures and alternative local energy production.

The study was to be funded by \$90,000 from the Renewable Energy Development Account to the Commission of Commerce who would then transfer the funds on to the City of Minneapolis to hire the energy organization to conduct the study and convene the neighborhood working group. *This section was vetoed by the governor so no transfer of funds can occur and the City of Minneapolis is no longer mentioned in the legislation.*

Omnibus Transportation Policy Bill Chapter 351 (HF2807):

Section 2: amends language enacted in 2009 for road authorities to require transit authorities, after July 1, 2012, to provide business liaisons to help mitigate damage to business from associated rail transit project construction. Central Corridor is excluded from this section.

Section 13: requires bridge projects in the Trunk Highway Bridge Improvement Program to include bicycle and pedestrian accommodations if the bridge is in a city or if it links walkways, paths, trails, or bikeways. Exceptions can be made if an assessment shows no need for bicycle and pedestrian accommodations, or if there is a bicycle and pedestrian crossing within one-quarter mile of the bridge. Pedestrian facilities must meet federal accessibility requirements.

Section 25: deals with the notice an impound lot operator must provide to the impounded vehicle owner. This section takes out the requirement that the lot operator include in the notice a statement that a person with a household income below a stated level is eligible to retrieve contents from an impounded vehicle. The next section removes the household income threshold from the conditions of owner eligibility to retrieve contents from an impounded vehicle.

Section 27: deletes the four-hour waiting period before a vehicle may be towed for expired tabs or multiple unpaid parking tickets.

Section 29: establishes the "Block the Box" provision making it a petty misdemeanor for driving into a signalized intersection and blocking subsequent movement of cross traffic. This violation does not constitute grounds for license suspension or revocation.

Section 30: establishes a violation for pedestrians who walk past a railroad arm that is down, or when a bell or other signal is warning of the presence of a train. A fine of \$100 is also established for this violation.



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Sections 38 and 39: amend the section of statute that directs the Department of Transportation to add to the department's mission the purpose of creating an integrated transportation system, including walking and bicycling facilities. This legislation also amends the goals for the state's transportation system to minimize fatalities and injuries, increase access, ensure economic well being and quality of life, enhance economic development, enhance the appeal of tourist destinations, provide transit services to all counties, promote accountability, ensure maintenance of the system, and increase walking, bicycling, and transit use as a percentage of all trips.

Section 41: requires the Commissioner of Transportation to convene regular meetings of the Disadvantaged Business Enterprise Program and Workforce Inclusion Collaborative to evaluate MnDOT's disadvantaged business enterprise program and recommend necessary program changes. A report must be submitted to the Legislature by February 1, 2011.

Section 51: creates the Minnesota Council on Transportation Access to improve coordination, availability, cost-effectiveness, and safety of transit services to the transit-dependent. The section establishes the duties and membership of the council and requires an annual report beginning in 2012. The council chairperson will be a liaison with legislative Transportation Committees and appropriate subcommittees to coordinate the council's meeting schedule and activities. Members of the council receive reimbursement of expenses. The section expires June 30, 2014.

Section 52: defines "complete streets" as the "the planning, scoping, design, implementation, operation, and maintenance of roads in order to reasonably address the safety and accessibility needs of users of all ages and abilities. Complete streets considers the needs of motorists, pedestrians, transit users and vehicles, bicyclists, and commercial and emergency vehicles moving along and across roads, intersections, and crossings in a manner that is sensitive to the local context and recognizes that the needs vary in urban, suburban, and rural settings."

The new legislation also requires the commissioner to implement a complete streets policy after consulting stakeholders and local governments and integrating context-sensitive design solutions, requires the commissioner to report on complete streets implementation in the agency's biennial budget submission, beginning in 2011.

The legislation also encourages local road authorities to adopt complete streets policies that reflect local context and goals. Local policies may exceed statutory complete streets principles and directs the Commissioner of Transportation, in evaluating a complete-streets-related variance request, to consider published standards of American Association of State Highway and Transportation Officials (AASHTO) and, in urban areas, the Institute of Transportation Engineers. The commissioner must provide written reasons for a denial of a variance request related to complete streets.

Section 72: requires the Commissioner of Transportation to submit the following complete streets reports to the chairs and ranking minority members of the legislative Transportation



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Committee; a summary of complete streets initiatives and plans, and identification of statutory barriers by January 15, 2011; a summary of complete streets collaboration, steps toward implementing complete streets, development of performance indicators, and needed statutory changes by January 15, 2012; and by January 15, 2014, an overview of complete streets implementation, results of state-aid standards flexibility, and recommended statutory changes.

Section 62: allows Metropolitan Council buses to use parkways adjacent to the City of Minneapolis for regular route transit service, subject to permission of a joint board consisting of two representatives of the Metropolitan Council, two representatives of the Park Board, a fifth member jointly selected by the other members, and a nonvoting member appointed by the council of the city in which the parkway is located.

Section 68: directs the Commissioner of Transportation to develop specifications or standards on the design of roundabouts, in consultation with specified groups. The specifications must consider suitability of roundabout designs for commercial motor vehicles. This section is effective the day following final enactment.

Section 70: requires the Metropolitan Council to consider designating two additional Northstar commuter rail stations in the cities of Ramsey and Coon Rapids.

PUBLIC FINANCE

Local Government Aid (LGA) Chapter 215: The supplemental budget bill included for calendar year 2010 approximately \$53.0 million in LGA and Homestead Market Value Credit (HMVC) reductions. The reductions are in addition to the unallotments announced prior to the session by the Governor.

The City's 2010 LGA amount as certified by the Commissioner of Revenue was \$90.3 million. The unallotment reduced it to approximately \$68.8 million and chapter 215 provisions resulted in the 2010 state aid to be (LGA and HMVC) to be \$58.0 million.

As part of the budget bill approved during the special session, cities did not lose additional aids and credits but the legislature approved all of the previously announced unallotments.

Levy Limits HF3729: The second tax bill includes a provision that places a limit on the minimum levy increase at zero. Under current law the levy limit could have been a negative percentage if there was deflation.

Fiscal Disparities Study HF3729: By February 1, 2012 the Commissioner of Revenue is required to complete a study of the fiscal disparities program. The study is to analyze the following:

- how the benefits of economic growth are shared throughout the region, especially with regard to growth resulting from state or regional decisions;
- the program's impact on the variability of tax rates throughout the region;



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- the program's impact on the distribution of homestead property tax burdens within the region; and
- the relationship between the impacts of the program and overburden on jurisdictions containing properties that provide regional benefits.

The study is also to include a description of other property tax aids, and local development programs that interact with the fiscal disparities program. The study will be funded with a \$100,000 appropriation from the fiscal disparity program.

Property Tax Reform, Accountability, Value and Efficiency Article 2, HF3729: establishes a Council on Local Results and Innovation. The 11-member Council will be responsible for establishing a standard set of performance measures and minimum standards for comprehensive performance measurement systems for use by cities and counties on a voluntary basis. If a local government participates in the system it will be exempt from levy limits and receive 14 cents per capita up to \$25,000 annually to offset costs of the system. The council will include the state auditor who will convene the first meeting. The League of Minnesota Cities and Association of Minnesota Counties will each have one appointment. The House and Senate will each appoint four members who are not legislators. The council is required to report its first set of standards to the tax committees by February 15, 2011. The participating governments will be subject to reporting and implementation schedules. The council sunsets on January 20, 2020.

Property Tax System Benchmarks and Critical Indicators Article 2 of HF3729: incorporates the work of the Working Group on State Property Tax Benchmarks, Critical Indicators and Principles for Legislators when evaluating property tax proposals. The working group's principles include transparency, simplicity, efficiency, stability, predictability, accountability, and competitiveness and responsiveness to economic conditions. The legislation also establishes a property tax working group to investigate ways to simplify the property tax system, to reexamine the property tax calendar and to determine the cost /benefit of the various property tax components. The working group will include legislators, homeowners, local government representatives and one person appointed by the state's major farm organizations. The working group must report its recommendations to the tax committees by February 1, 2012.

Hennepin County Capital Improvement Definition HF3729: amends the Hennepin County capital improvements law to allow the county to include light rail transit and related improvements in the definition of capital improvements eligible for capital bonding. General law was also similarly amended.

Metropolitan Council Transit; Debt Authorization HF3729: authorizes the Metropolitan Council to issue \$34.6 million for transit capital improvements.

Transportation Infrastructure Loans Chapter 216: authorizes the Public Finance Authority (PFA) to make loans to cities for transportation infrastructure projects as defined in the PFA



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statute. The bonds would be revenue bonds and would be repaid by city revenues such as TIF or special taxes. The bonds could be Build America Bonds.

Use Deeds: This legislation updates and restructures the land classification provisions for tax forfeited land and modifies the current process to allow county boards the option to elect to use a second process to classify and reclassify tax forfeited lands. It also tightens up the definition of “authorized public use” for the state and local government for purposes of obtaining conditional use deeds on properties and still allows for a reduced price for certain property (i.e., to correct for blight, to develop affordable housing, sliver parcels, to manage drainage and storm water, to create and preserve wetlands, etc.). It provides for a reverter clause that expires after 30 years, but not before 2015 to allow for any possible compliance reviews of older deeds. After 15 years of compliance, the use deed can be exchanged with county approval for a quit claim deed. The changes include an application fee of \$250, with \$150 refunded if the application is denied and removes obsolete language and archaic provisions that have been in statute since 1941. The changes allow for the agreement and process between Hennepin County and the City of Minneapolis to continue.

2011 Outlook: The next Governor and legislature will need to resolve a budget deficit that could range from \$3.0 billion to \$6.0 billion. While the 2010 legislature addressed part of the long term deficit by making some of the reduction permanent, many of the structural budget issues are not resolved.

PENSIONS

Minneapolis Employee Retirement Fund (MERF) Chapter 359: The omnibus pension bill includes provisions that authorize the consolidation of MERF into the Public Employees Retirement Association (PERA). The legislation establishes a consolidation account within PERA. As a result of the account MERF will cease to be an individual entity and will be fully merged into PERA once the account is determined to be 80% funded. The legislation also authorizes a \$15.0 million annual appropriation beginning in 2013. In 2011 and 2012 the state would contribute \$13.5 million each year. The current state appropriation of \$9 million will continue so that in 2013 and subsequent years, the total state annual appropriation will be \$24 million. Local employers (City, County, School District, Metropolitan Council and Metropolitan Airports Commission) will increase annual contributions. Currently the local employers contribute \$4.0 million. Under Chapter 359 the local employers’ contribution, including the current contribution, will range from \$27.0 million to \$34.0 million. MERF retirees, like all public employee retirees, will receive a reduced cost of living adjustment (COLA). The legislation will reduce the MERF COLA to 1% until the fund is 90% funded.

Public Employees Retirement Association (PERA): The pension bill includes provisions that are intended to provide the state pension funds with financial stability. Among the measures are COLA reductions, increased employer and employee contributions, and longer times to be fully enrolled in the funds. The COLA will be 1% annually until the fund is 90% funded and the employer and employee contribution will increase by ¼ % of payroll. It is



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estimated that the city's increase will approximate \$650,000. The vesting or enrollment period has been changed from 3 to 5 years.

Defined Benefit/Defined Contribution Study: The pension bill includes a study to assess the feasibility of converting the state pension funds from a defined benefit to defined contribution plan. The study is due during the 2011 session.

ECONOMIC DEVELOPMENT

Historic Tax credits Chapter 216: The omnibus jobs bill approved a state historic tax credit program. The state program generally mirrors the federal program. However, unlike the federal program, an applicant can opt for a grant that would be 90% of the credit amount. The annual appropriation for the program is \$5.0 million from fiscal year 2011 through 2016.

Angel Investment Credits Chapter 216: authorized an angel investment credit. To be eligible for the credit a small business must be certified by the Minnesota Department of Employment and Economic Development. A certified small business must be engaged in a variety of businesses such as manufacturing, technology and research and development. The business' headquarters and 51% of its employees must be located in Minnesota. The business can not have more than 25 employees or have received more than \$2.0 million in private equity investment. The investment credit would be a 25%, refundable credit for investment in the business. The program has been appropriated \$2.5 million in credits for tax year 2010 and \$5.0 million for tax years 2011 through 2015. The 2013 amount is decreased by \$100,000 to fund the program evaluation.

Tax Increment Financing (TIF) General Law Provisions Chapter 216: amended several provisions of the general TIF law to permit cities to stimulate the start of projects that could be under construction by July 1, 2011. The legislation permits, prior to June 30, 2012, the establishment of a compact development district. The district can be operative for up to 25 years and can use increments only for administrative expenses, land acquisition, demolition and site preparation costs, and the installation of public improvements excluding auto related improvements such as roads and parking facilities.

A compact development district must have 70% of the district's parcels covered by buildings or similar structures occupying 15% of their square footage. The planned redevelopment must increase the square footage of the buildings by three times.

An economic development district that was certified between June 30, 2009 and June 30, 2011 may use increment for any type of project provided that the city finds that: (1) the project will create new jobs in the state and the project otherwise would not have begun before July 1, 2011, without the assistance; and (2) construction of the project begins no later than July 1, 2011.



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If there is any unobligated TIF from a district the city may use the tax increment for construction of new or substantial rehabilitation of existing buildings provided it meets the two findings noted above. The legislation allows the city to make equity investments in the development if it is needed to obtain financing. A public hearing is necessary prior to the approval of the expending unobligated increments. The authority to use unobligated increments sunsets on December 31, 2012 and does not extend to allow for the payment of debt service on bonds beyond that date.

Tax Increment Financing (TIF) Special Laws: The jobs bill approved TIF provisions in Brooklyn Park, St. Paul, Oakdale, North Mankato, Cohasset, East Grand Forks, and Minneapolis. The Minneapolis provision amends the homelessness TIF to permit for the reimbursement of costs at any time after the effective date of local approval even if the costs are incurred prior to the establishment of the district or the completion of a development agreement.

Minnesota Science and Technology Authority Chapter 347: The omnibus Economic Development Authority bill authorizes the establishment of the authority. Five state commissioners – DEED, Management and Budget, Revenue, Commerce and Agriculture – and the state chief information officer are board members. The initial executive director will be the current director of the Office of Science and Technology. The authority is empowered to coordinate efforts to obtain federal funding for research and development projects that benefit small and medium size firms; promote contractual relationships between Minnesota businesses that receive federal grants and prime subcontractors; work with higher education institutions and nonprofit entities to promote collaborative efforts to respond to federal opportunities; develop a framework to establish sole-source relationships with federal agencies; provide grants and other forms of funding; coordinate workshops and assistance with higher education institutions; and develop a comprehensive science and technology economic development strategy. The legislation also provides for an 18-member advisory commission.

Workforce Services Report and Recommendations: By January 15, 2011 the executive committee of the governor's Workforce Development Council shall submit a report to the legislative committees having jurisdiction over workforce issues on the performance and outcomes of the workforce centers. The report must contain recommendations for an ongoing process to identify local gaps in workforce services and ways to fill the gaps. A draft of guiding principles must be submitted for review and feedback to the legislature by August 12, 2010.

Department of Employment and Economic Development (DEED) Block Grant Report: The DEED commissioner is directed to study and report to the legislature issues on the use of block grant funding to be administered by the Workforce Development Division and the Business and Community Development Division. The report must include recommendations for eligible uses of the block grant funding, criteria to award grants, request for proposal procedures, funding priorities including target populations and services to be provided and the inclusion of all pass-through grants administered by DEED including those receiving direct state appropriations. The recommendations must also include proposals related to grant



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oversight, evaluation and administration of the block grant. There is no specific date for the submission of the report.

PUBLIC SAFETY

Omnibus Domestic Abuse Bill Chapter 299:

Section 1: specifies that a program that provides shelter or support services to victims of domestic abuse or a sexual attack and whose employees or volunteers are not under the direct supervision of a government entity is not a political subdivision of a government entity is not a political subdivision for purposes of the Data Practices Act. A program would continue to comply with separate privacy requirements that currently govern their operations.

Section 3: adds a definition of "no contact orders" for purposes of the criminal justice data communications network. The definition includes no contact orders issued for adults and juveniles as a condition of pretrial release or probation for domestic abuse cases against and under the domestic abuse no contact order law. A no contact order in the network must be accompanied by a photo of the offender.

Sections 4-5: allows the court to include provisions in an order for protection: (1) directing for the care, possession, or control of a pet or companion animal; and (2) prohibiting the respondent from physically abusing or injuring any pet, without legal justification, as an indirect means of intentionally threatening the safety of the victim. The bill applies these provisions to ex parte and permanent orders.

Section 6: creates a new crime of tampering with a witness in the third degree. The new provision is similar to the tampering with a witness in the second degree crime but does not require the showing of a coercive act. Instead, it requires a showing that the defendant's actions were intentional and by means of intimidation. The penalty for violation is a misdemeanor.

Section 8: amends the criminal code's "harassment/stalking" crime in a variety of ways, including replacing references to "harassment" with "stalking." It also eliminates the express element of intent by striking the term "intentional" and clarifies that there need not be a special relationship between the actor and the victim. It adds to the list of crimes that can lead to a charge of pattern of stalking conduct.

Section 8: adds text messaging to the stalking offense of making repeated phone calls to a victim. Modifies the offense of monitoring someone via "any available" technology.

Sections 9-10: increases the maximum cash bail allowed at ten times the amount of the maximum criminal fine for nonfelony domestic assaults and violations of domestic abuse orders for protection and no contact orders. For misdemeanors and gross misdemeanors, the cap would now be \$10,000 and \$30,000, respectively.



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Section 12: permits the chief judge of a district to convene an advisory group consisting of representatives from law enforcement, prosecutors, defense attorneys, corrections, court administrators, judges, and battered women's organizations to develop standards for the use of electronic monitoring devices and GPS to protect victims of domestic abuse and for evaluating the effectiveness of the program. The judge may then conduct a pilot project to implement the standards and require a judicial district that conducts a pilot project to report results to the Legislature. The amendments expire January 15, 2014.

Section 13: recodifies and amends the criminal domestic abuse no contact order law, which is currently in the civil Domestic Abuse Act (chapter 518B). Adds language that provides that a domestic abuse no contact order is independent of any condition of pretrial release or probation. It also provides that an order may be made in juvenile delinquency as well as adult criminal cases. Specifies when the order may be made. In the probationary setting, allows an order for crimes arising from the same set of circumstances as those crimes specifically listed in the law.

Multijurisdictional Gang and Drug Task Force Oversight Chapter 383: The bill creates new structure and oversight procedures for violent crimes and gang activity. It establishes a new Violent Crimes Coordinating Council tasked with developing an overall strategy to ameliorate the harmful effects to the public of gang and drug crime, including the designing of standards and criteria to govern the use of criminal databases and tools for data collection and increased oversight. The Council shall include representatives from the community and law enforcement, including the Chiefs of the Minneapolis and St. Paul Police Departments. The Commissioner of Public Safety is granted increased authority and responsibilities regarding the oversight of multijurisdictional law enforcement task forces. A new Statewide Coordinator is created to oversee all multijurisdictional gang and drug enforcement activities. The Department shall conduct an audit of its internal gang database every three years and purge old or inaccurate data. A work group is established through the BCA to make recommendations on proposed legislative changes for criminal investigative databases.

Forfeiture Chapter 391: New procedures are established for the administration, reporting and disposition of forfeited and seized properties. Key points:

Section 6: allows more forfeiture cases to be heard in conciliation court (\$15,000 or less).

Sections 6 and 14: places a cap on the value of property that may be forfeited administratively.

Section 7: requires that law enforcement must provide receipts upon seizure of property.

Sections 9-10: provides for certain seized property to be returned to its owner pending the forfeiture determination.

Section 11: requires the POST Board and Minnesota County Attorneys Association to develop statewide model policies for best practices in forfeiture.



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Section 12: increases some of the thresholds relating to controlled substance forfeiture cases [conveyance devices (cars, boats, etc.) from \$25 to \$75 and real property from \$1,000 to \$2,000].

Sections 13-15: implements timelines for forfeiture notice and hearings.

Section 16: prohibits sales of forfeited property to employees of law enforcement agencies or their family members and requires that sales be conducted in a commercially reasonable manner.

Section 17: requires a prosecutor to certify administrative forfeitures.

Section 18: expands forfeiture reporting.

DWI/Interlock Program Chapter 366: The bill makes several changes to existing DWI law, and makes the pilot ignition interlock program permanent, while making changes to it.

Section 3: increases revocation period following **refusal** to submit to a test (implied consent violation) for repeat offenders. New range is from 2 years to 6 years, depending on the number of prior offenses (current is mandatory 1 year). Makes no changes to revocation periods for first-time offenders.

Section 4: increases revocation for implied consent test **failure** for repeat offenders. Increases the revocation period for first-time offenders with a blood alcohol concentration of twice the legal limit (.16) or higher. The new revocation periods range from 1 year to 6 years. Makes no changes to the revocation periods for first-time offenders with alcohol concentrations under twice the legal limit.

Section 5: increases the revocation periods following a DWI **conviction** for repeat offenders. New revocation periods range from 2 years to not less than 6 years. Makes no changes to revocation periods for first-time offenders.

Section 7: requires a minimum revocation period of 1 year for a violator with an alcohol concentration of twice the legal limit (.16) or more if the violator has no prior DWIs within the past 10 years. Current law provides for this when BAC is 0.20 or higher.

Section 14: makes permanent the ignition interlock program. Allows for conditional license reinstatement for offenders who are successfully enrolled the ignition interlock program. Offenders with multiple prior violations must also enroll in chemical dependency treatment or rehabilitation programs.

Predatory Offender Registration Chapter 251: This law prohibits predatory offenders from listing homeless shelters that provide temporary living accommodations as either their primary or secondary address. This change will prevent homeless predatory offenders from avoiding the strict registration requirements that the law places on predatory offenders who lack a



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primary or secondary address. The bill also clarifies that a person's duty to register is reactivated when the person returns to the state after having lived outside of the state, assuming the person's registration period was not expired. Finally, the law now requires that offenders provide written notice in person to local law enforcement when s/he moves into a jurisdiction.

Animal Fighting Chapter 292: Possessing any device or substance with the intent to use or permit the use of the device or substance to enhance an animal's ability to fight is now chargeable as a gross misdemeanor. This is a change that the City of Minneapolis' Animal Care and Control Department has supported.

Prostitution Data Collection and Reporting (HF3018/SF2652): This bill received significant bipartisan support, and passed the House Public Safety and Oversight Committee. It did not receive a Senate hearing, and will be pursued again during the next legislative session. The bill restructures the misdemeanor and gross misdemeanor prostitution statute to facilitate improved data collection and reporting. The bill will improve the State and local governments' ability to comply with new provisions in the federal Wilberforce Trafficking Victims Protection and Reauthorization Act of 2008, which requires more detailed reporting of prostitution and human trafficking data.

PUBLIC HEALTH

Prenatal Health Care and Mandatory Reporting Chapter 348: This bill was initiated by the Minneapolis Department of Health and Family Support in response to focus groups and input from women in the community about their experiences with prenatal health care. Fear of Minnesota's mandatory reporting law for prenatal substance use was identified as a key barrier to women's seeking of early prenatal care and their ability to have open, honest communication with their health care providers. This legislation creates an exemption to the mandatory reporting of alcohol and marijuana for health care and social service providers engaged in women's prenatal care. Such providers may, but are no longer required, to report pregnant women's alcohol or marijuana usage to the local welfare agency. Instead, providers and patients may maintain their confidential relationship, while addressing all of her health needs, including the nutrition, stress management, hypertension, diabetes, tobacco usage, and substance use.

Statewide Health Improvement Program (SHIP): The Statewide Health Improvement Program (SHIP) is a statewide grant program, modeled after the Steps to a Healthier Minneapolis program, that seeks to reduce chronic disease by supporting local community initiatives to help lower the number of Minnesotans who use tobacco or who are obese or overweight. Enacted by the legislature in 2008, SHIP was appropriated \$47 million over 2 years to be granted to 86 counties and 8 tribal governments.

As a grantee, the City of Minneapolis has utilized this funding to support urban agriculture, assist Headstart providers in developing policies and practices related to food and physical



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activity, establish health screening and referral programs, partner with worksites to use incentives to encourage active commuting, and many other activities. This program was not reduced in the 2010 session.

HOUSING AND FORECLOSURES

Problem Properties, Reverse Mortgage and Redemption Rights Chapter 375:

The bill reduces the time period during which an owner of a building or holder of a sheriff's certificate must secure property to 6 days down from 14 days. It also allows cities to petition the court to award them the costs and disbursements associated with initiating the shortening of the redemption period to 5-weeks. The bill also makes significant improvements to the notices sent to homeowners facing foreclosure, informing them of their rights to redemption and explaining how the costs to redeem following a sheriff's sale may actually be lower than the amount owned on the property. It also tightens regulations and improves consumer education regarding reverse mortgages.

Eminent Domain (HF1537/SF1659): This bill passed the Senate floor, and passed the House Civil Justice Committee. It was not heard on the House floor. The bill expands the definition of "public use" in eminent domain law to provide that taking possession of abandoned property in an area of a city having a disproportionate number of vacant residential buildings or mortgage foreclosures, and for which taxes have not been paid for at least one year prior, in order to lessen the harmful effects of foreclosures constitutes a "public use" or "public purpose."

Notice of Utility Disconnect in Rental Properties Chapter 219: This law requires a municipality, utility company, or other company that supplies home heating oil, propane, natural gas, electricity or water to a building to provide notice to the residents of the building if it issues a final notice to disconnect services because the landlord has failed to pay. It also requires the notice to be posted in or on the building. Relocates language that authorizes a tenant or group of tenants to pay to have service continued or reconnected.

Landlord-Tenant Chapter 315: This bill makes several changes to landlord-tenant law, most notably: increases protections for tenants by requiring receipts for rent paid with cash, clarifies that a tenant is entitled to attorney's fees if the tenant prevails in an action, improves the notice to tenants to vacate following the expiration of the redemption period, and for property that is subject to a contract-for-deed. The bill also improves tenants' rights regarding fees collected for a rental application.

REGULATORY SERVICES

Building Codes Chapter 308 (SF2759): In 2008 the Minnesota Supreme Court issued a decision in the case of the City of Morris v. Sax that prohibited cities from having any property maintenance code that exceeded the State Building Code at the time at which the building was constructed. This created a significant problem for cities like Minneapolis and St. Paul, which



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have significant supplies of older housing stock that pre-date the creation of the State Building Code. For these buildings, there could be no minimum standards at all.

This legislation clarifies that cities are not prohibited from enacting or enforcing ordinances requiring existing components or systems of any structure to be maintained in a safe and sanitary condition or in good repair, but not exceeding the standards under which the structure was built, reconstructed or altered, or the component or system was installed, unless specific retroactive provisions for existing buildings have been adopted as part of the State Building Code.

Omnibus Liquor Bill Chapter 255 (SF2808): Section 2 authorizes the City of Minneapolis, upon located approval by the City Council to issue an on-sale intoxicating liquor license to the Museum of Russian Art located at 5500 Stevens Avenue South. Authorized the appropriate license authority (City of Minneapolis) upon local approval by the City Council to issue an on sale intoxicating liquor licenses to the Minneapolis Campus of St. Thomas University that includes “any reasonable license conditions or restrictions imposed by the licensing authority.” It also clarified the issuance of the license authority granted in 2009 to the City of Minneapolis for 2124 Como Avenue Southeast by adding specification that the license was for “on-sale” purposes only.

OTHER LEGISLATION OF INTEREST

Food Carts Chapter 294: permits local governments that have a delegation agreement with the Minnesota Department of Health to issue a license for a mobile food cart for either 21 days or for more than 21 days. The legislation is state wide.

Stadium: A bill to authorize the construction of a football stadium was introduced late in the session. The bill as originally introduced provided for a regional car rental, sports memorabilia and lodging taxes to support a stadium whose location was not specified. If the stadium was to be built in Minneapolis, local taxes now used to support the convention center would be redirected once the convention center bonds were paid (2020) to pay for the new stadium. The bill failed to pass in a House committee and in the Senate the bill was amended to authorize personal seats licenses as a means to pay for a portion of the stadium. The Senate bill passed one committee and was referred to the Finance Committee where it was not heard.

Bicycling Chapter 232 (HF 2612): establishes an “affirmative defense” for bicyclist who enter or cross an intersections against a red light and to do so only after the “bicycle has been brought to a complete stop” and “the signal shows red for an unreasonable time” or “the signal is apparently malfunctioning or, if vehicle-activated, has not detected the bicycle;” and “no other vehicle or person is approaching on the street or is near enough to pose a hazard.” The new law also specifies that this defense applies only to a charge of going through a red light, and does not apply in any other civil or criminal action. The legislature created a similar affirmative defense for motorcyclists in 2002.



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Sewer Access Charge (SAC) Chapter 212: authorizes the Met Council to temporarily use regular sewer fees to pay a portion of debt service costs for new sewer capacity typically paid by SACs when the SAC fund cannot cover these costs. With development in decline, SAC receipts have sharply dropped and therefore do not cover debt service costs. The law requires a study and public hearing, before the Council could act. It also requires a minimum six percent increase in the SAC rate, in the interest of maintaining some equity between the two funds. The bill also includes a sunset and the ability to revert back to the previous rate structure once SAC reserves reach a certain threshold.

Contaminated Soil Clean-Up Chapter 347 Section 34: allocates \$300,000 for a grant to the Minneapolis Park and Recreation Board for clean up of contaminated soils related to the construction of the East Phillips Cultural and Community Center. This is a one time appropriation and is available until expended.

Voluntary Energy Improvements Financing for Local Governments Chapter 216: allows local governments to establish programs to finance energy improvements to enable owners of qualifying real property to pay for cost-effective energy improvements. This legislation is also referred to as PACE – Property Assessed Clean Energy. Special assessments could be used by municipalities as a financing mechanism for improvements that would include renovation or retrofitting of a building resulting in improved energy efficiency and ultimately, in a net reduction of energy consumption.