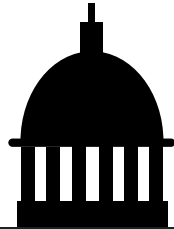


LEAGUE OF MINNESOTA CITIES



**2018**  
**Law**  
**Summaries**

**Final Legislative Action**

**MINNESOTA SESSION LAWS 2018**





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# Session 2018:

## Divided Government Reigns

The Minnesota Legislature reconvened on Feb. 20, 2018, to begin the second half of its 90th biennial session. The session was expected to be short and focused on just a handful of issues: federal tax conformity, making tweaks to the biennial budget, stabilizing the state's major public employee pension plans, and investing in public assets through passage of a bonding bill.

These expectations were tempered by the common knowledge that the Republican-led Legislature and DFL Gov. Mark Dayton have not enjoyed a warm working relationship. In the end, the session yielded a mix of successes and failures. The omnibus pensions bill and the omnibus bonding bill were signed into law, but negotiations on the omnibus supplemental budget and tax bills were not as fruitful. Both met their fates on the governor's desk, when he wielded his veto pen in the days following the May 21 adjournment of the Legislature.

### Stage was set for contentious session

Parting shots made at the end of the 2017 legislative session may have set the stage for the discord that loomed over the 2018 session. Although the Legislature and governor did ultimately reach agreements on budget, tax, and bonding bills in 2017, stalled negotiations meant a brief special session was required to complete several essential bills.

In a surprise maneuver during the special session, the Legislature passed a bill that bundled three previously independent measures: the omnibus pensions bill, ratification of state employee contracts, and a pre-emption on local employment regulations such as paid time off and local minimum wage requirements. The governor stated his strong objection to the local employment measure and said he never agreed to the package that reached his desk. He promptly vetoed the entire measure. In what appeared to be a retaliatory move, he also exercised his line-item veto power to strike the entire \$130 million House and Senate operating budget from the omnibus state government finance bill.

This veto of funding for the Legislature made for a testy interim. Both sides waged legal maneuvers and blamed the other for failed negotiations. Ultimately, the Minnesota Supreme Court upheld Gov. Dayton's line-item veto.

Using a combination of cutbacks and reserves, the Legislature's budget held up until the beginning of the 2018 session. In an act of self-preservation, the first bill the Legislature agreed upon and sent to the governor's desk in 2018—just two days into the session—was Chapter 100, a

bill to fund operations of the Minnesota Senate and House of Representatives. The bill, which was made retroactive to July 1, 2017, was signed by the governor on Feb. 26.

### Vetoes to cause headaches

The vetoes of the omnibus tax and budget bills came as no surprise to those following negotiations between the governor and legislative leaders. The governor had sternly and repeatedly warned legislators that he had serious reservations about both bills. Members of his cabinet consistently testified before committees that the governor would not sign the bills as drafted.

Given that the state's biennial budget was enacted in 2017, and that the February budget forecast anticipated a slight surplus, passage of the omnibus supplemental budget bill was not essential for the continued operation of state government. However, the 989-page package did contain a number of noncontroversial provisions that will have to be reintroduced and processed when a new Legislature and governor begin the 2019 session.

The veto of the omnibus tax bill could be more problematic. The focus of the bill was a series of personal income tax and corporate income tax conformity changes necessary in the wake of the 2017 federal tax reform legislation. Without an agreement on a package of tax conformity adjustments, the 2018 income tax filing season will almost certainly be more complicated for tax filers.

Legislators could initiate a package of conformity changes when the Legislature reconvenes next January, but making modifications to the Minnesota tax structure at that late date could be challenging for the Department of Revenue as well as tax accountants and tax filing software companies.

### Attacks on local decision-making continued unabated

Nearly 60 bills that would interfere with local decision-making were introduced in the 2017–2018 biennium, and many made significant progress in the legislative process. Some of the bills would have required reverse referendums for specific policy and/or fiscal decisions, while others would have withheld local government aid (LGA) to penalize cities for implementing various policies. There were also numerous bills that would have explicitly prohibited ordinances on issues ranging from plastic bags, to employment mandates, to special service districts.

The League organized a coordinated effort with affiliates to urge legislators and the governor to support local decision-making. In the end, 133 cities passed resolutions of

support for local control. With few exceptions, these bills did not become law, and those that did were greatly moderated.

### **How did cities fare?**

Although a few city provisions were included in the omnibus supplemental budget and tax bills, the vetoes will not have a major impact on city operations.

The pension bill signed into law was strongly supported by the League. It provides long-awaited stabilization policy and financial measures, including \$4.5 million for the Public Employees Retirement Association (PERA) Police & Fire (P&F) Plan to reduce the need for larger employer and employee contribution increases.

The bonding bill that was enacted contains appropriations for several programs the League supports. Some provisions that may be of interest to cities include:

- \$400 million in trunk highway bonds for the Corridors of Commerce program (over three years).
- \$6.7 million for the Local Roads Wetland Replacement Program.
- \$5 million for the Metropolitan Council's Inflow and Infiltration Grant Program.
- \$35 million for the Local Road Improvement Program.
- \$5 million for the Local Bridge Account.
- \$25 million for the Water Infrastructure Funding Program for drinking water projects.
- \$14 million for the state match for federal grants to state revolving loan programs for drinking water projects.
- \$10 million for public housing rehabilitation.
- \$50 million for housing infrastructure bonds.
- \$30 million for housing infrastructure bonds for persons with behavioral health needs.
- Many city-specific projects.

Another positive outcome includes passage of a League-supported bill that increases the competitive bidding process threshold from \$100,000 to \$175,000.

### **Will there be a special session?**

Gov. Dayton has repeatedly stated he does not intend to convene a special session to tackle unresolved issues. However, there is some speculation he will have a change of heart and call a so-called "lame duck" session to deal exclusively with federal tax conformity after the November general election. This would most likely come only if there is a signed agreement between the governor's office and legislative leaders pertaining to the length and scope of a special session.

### **New chapter coming soon**

When the Legislature convenes on Jan. 8, 2019, to begin the 91st biennium, all 134 House members will have been newly elected or re-elected. Minnesota will also have a new governor since Gov. Dayton is completing the final year of his second term and is not seeking re-election.

Seats in the Minnesota Senate will not be on the ballot until 2020, with one exception. State Sen. Michelle Fischbach (R-Paynesville) resigned her Senate seat and position as president of the Senate to assume the role of lieutenant governor. The move came in the wake of former Lt. Gov. Tina Smith being appointed to the U.S. Senate.

Her resignation, which came after the end of the 2018 legislative session and does not trigger a special election, leaves the Minnesota Senate with equal numbers of democrats and republicans, meaning there is currently no majority in the body. Republicans will need to keep the seat to retain the majority.

Whatever the election cycle brings, one thing that won't change is the League's advocacy on behalf of cities. The League's Intergovernmental Relations team will again have a presence at the Capitol, and will consistently look out for the best interests of cities.



# LMC 2018 Law Summaries

The League of Minnesota Cities (LMC) annually prepares this summary of new laws that impact city operations. This document is intended to highlight relevant new laws, but is not intended to be comprehensive legal advice. Each law summary includes a reference to the session chapter and bill numbers. The number of the bill that was approved by the Legislature and sent to the governor is denoted with an asterisk. The chapter number can be used to locate the actual text of new laws on the state Revisor of Statutes website: [www.revisor.leg.state.mn.us/laws](http://www.revisor.leg.state.mn.us/laws).

We have also attempted to provide effective dates for each new law; however, occasionally the legislation may not specify an effective date. If no effective date is provided, Minn. Stat. § 645.02 specifies that each act (except one making appropriations) enacted finally at any session of the Legislature takes effect on Aug. 1, unless a different date is specified in the act. An act making appropriations enacted finally at any session of the Legislature takes effect on July 1, unless a different date is specified in the act. Each act takes effect at 12:01 a.m. on the day it becomes effective, unless a different time is specified in the act.

Special laws affecting individual cities must generally be approved by the city. The law then becomes effective the day after the certificate of approval is filed with the secretary of state (as specified by Minn. Stat. § 645.021), unless a different date is specified in the act. When approval of such a special law is required by two or more local government units, the law becomes effective the day after the last of the required certificates is filed, unless a different date is specified in the act. If you have questions about a new law, an effective date, or the legislative process, contact a member of the LMC Intergovernmental Relations Department. Contact information for each staff member is provided here.

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The initials of League's Intergovernmental Relations (IGR) staff who work on legislative issues are printed following each summary. For more information, please refer to the list on the right for contact information. An asterisk (\*) next to a bill number denotes the version of the bill that was approved by the Legislature and sent to the governor.

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### Omnibus bonding bill

Chapter 214 (HF 4425\*/SF 4021) is the capital investment “bonding” bill. The governor signed the bill into law, using his line-item veto authority on one provision (see Bills Vetoed by Governor, Bonding bill). The total package of spending exceeds \$1.5 billion, with \$825 million from general obligation bonds and the transportation fund, \$63 million in user-financed bonds, \$41 million from the general fund, \$417 million in trunk highway bonds, and \$80 million in appropriation bonds among the funding sources used to reach that total. (*Note: More detailed summaries of some spending and policy provisions from this bill are covered in the Environment, Transportation, Housing, and Local Laws sections.*)

A notable new source of revenue used was the Environment and Natural Resources Trust Fund. Dedicated funds from state lottery proceeds go into that fund, and the interest generated is normally allocated to targeted projects through a year-long process of the Legislative-Citizen Commission on Minnesota Resources. That revenue stream can now be partially used to finance appropriation bonds, and that was done in this spending bill. The governor listed that change in practice as one that should not continue in the future, but did not veto the larger bill over its inclusion.

Spending of particular interest to cities includes:

- **Flood hazard mitigation.** \$20 million through the Department of Natural Resources for an existing list of qualified local projects.
- **Parks, trails, and recreation areas.** \$21.2 million in funding for a large number of specific trail, park, and recreation area projects of interest to adjacent cities, as well as some reclamation projects.
- **Capital assistance grants.** \$750,000 to Becker County for a large-item recycling processing facility.
- **Local Government Roads Wetland Replacement Program.** \$6.7 million for state to cover statutory obligation for wetland replacement from certain local road projects.
- **Local grants through Metropolitan Council.** \$15.9 million for inflow & infiltration, wastewater, and recreation projects.
- **Veterans affairs.** Funding for three veterans homes in Bemidji (\$12.4 million), Montevideo (\$9.4 million), and Preston (\$10.2 million).
- **Economic development programs and projects.** \$5 million for Greater Minnesota Business Development Public Infrastructure grants, \$3 million for Transportation Economic Development Infrastructure Program grants, \$2 million for Innovative Business Development Public Infrastructure grants.
- **Earmarked city-related economic development projects.** \$99 million for local projects; see Article 1, sec. 21, subs. 5-30. Also listed under *Economic Development*.

- **Housing.** \$10 million in general obligation bonds for public housing rehabilitation, \$30 million in housing infrastructure bonds for permanent housing for those with behavioral health needs, and \$50 million in non-profit housing infrastructure appropriation bonds.
- **State matches for federal water and wastewater infrastructure funding.** \$14 million in general obligation bonds and \$6 million in appropriation bonds to provide state matches for federal clean water and drinking water revolving loan funds.
- **Water Infrastructure Fund (WIF) grants.** \$25 million in general obligation bonds and \$14.652 million in appropriation bonds for grants for qualified water and wastewater facility projects.
- **Point Source Implementation Grants (PSIG).** \$38.348 million in appropriation bonds grants for qualified wastewater treatment projects.
- **Earmarked water and wastewater projects.** \$22.5 million in general obligation bonds for specific local water and wastewater projects.
- **Department of Natural Resources local projects.** \$2.3 million in appropriation bonds for local projects through the Department of Natural Resources.

*Effective dates of appropriations vary. (CJ/AF)*



### CIVIL AND CRIMINAL LAW

#### Statute of limitations in construction litigation

Chapter 116 (HF 2743\*/SF 2468) amends Minn. Stat. § 541.051, subd. 1, which is the statute of limitations related to claims brought for actions to recover damages related to construction on real property. The statute of limitations in these cases is generally two years after the action accrues, but no more than ten years after construction is completed. A cause of action in construction cases accrues: (1) in a case for damages related to bodily injury or wrongful death, from the time of the discovery of the injury, or (2) in an action related to damages to real property or personal property upon discovery of the injury, but not before the construction is completed, stopped, or when the construction project is abandoned (whichever occurs first). The statute of limitations for actions related to contribution or indemnity for improvements to real property is not affected. *Effective May 9, 2018, and applies to causes of actions accruing on or after this date. (IK)*

#### Interference with point-of-sale terminals, gas pump dispensers, and automated teller machines crime established

Chapter 123 (HF 817\*/SF 2582) establishes crimes for interfering or attempting to interfere with point-of-sale terminals, gas pump dispensers, and automated teller machines.

- **“Authorization” definition expanded.** Section 1 amends Minn. Stat. § 609.87, subd. 2a. It expands the definition of “authorization” to include access at limited times by certain employees of the Department of Commerce, meter inspectors, and others who have express permission to access a device at approved times.
- **“Electronic terminal” defined.** Section 2 adds a subdivision to Minn. Stat. § 609.87. It defines “electronic terminal” as an electronic device, other than a telephone operated by a consumer, through which an individual or company may initiate an electronic fund transfer. The term includes, but is not limited to, point-of-sale terminals, automated teller machines, cash dispensing machines, and gas pump dispensers.
- **“Access device” defined.** Section 3 adds a subdivision to Minn. Stat. § 609.87. It defines “access device” as a card that is used by an individual or company to initiate transactions and is: (1) a means of access to an individual’s or company’s account; (2) issued on a prepaid basis to the individual or company in a specific amount; or (3) used by the individual or company to access government benefits.
- **Crime established.** Section 4 amends Minn. Stat. § 609.891, subd. 1. It expands the crime of unauthorized computer access to include penetrating, or attempting to penetrate, an electronic terminal.
- **Felony offense created.** Section 5 amends Minn. Stat. § 609.891, subd. 2. It creates a felony offense for accessing, or attempting to access, an ATM, gas pump, or similar device without authorization by opening a panel or access door and attaching, or attempting to attach, a device to collect information from credit, debit, and similar cards.
- **Gross misdemeanor created.** Section 6 amends Minn. Stat. § 609.891, subd. 3. It creates a gross misdemeanor offense for accessing, or attempting to access, an ATM, gas pump, or similar device by opening, or attempting to open, a panel or access door without authorization in a manner that creates a risk to public health and safety.

*Effective Aug. 1, 2018. (AF)*

**Discharge from civil commitment provisions modified for persons committed as mentally ill and dangerous, sexually dangerous, or persons with a sexual psychopathic personality**

Chapter 194 (HF 3782/SF 3673\*) amends Minn. Stat. § 253B.18, subd. 15, and Minn. Stat. § 253D.31. It clarifies language in the civil commitment discharge provisions for persons committed as mentally ill and dangerous, sexually dangerous, or persons with a sexual psychopathic personality, and modifies certain requirements for discharge.

*Effective May 30, 2018 for any person committed as a sexually dangerous person with a sexual psychopathic personality, and any pending petition for a reduction in custody, unless, for such a pend-*

*ing petition, an order of the judicial appeal panel discharging the person from commitment has been issued. (AF)*



**DATA PRACTICES**

**Safe at Home program modifications**

Chapter 109 (HF 3551\*/SF 3198) amends the Safe at Home program in Minn. Stat. ch. 5B.

- **Program participant responsibility modifications.** Section 2 amends Minn. Stat. § 5B.03, and requires program participants to provide their date of birth and notify the Office of the Secretary of State of any change of legal name, address, or telephone number.
- **Use of certification.** Section 2 amends Minn. Stat. § 5B.03, subd. 3, and requires confidentiality under the program is limited to the Safe at Home program and must not be used as evidence or considered for any civil, criminal, or administrative proceeding related to the behavior or actions giving rise to the application for this program.
- **Designated address.** Section 2 amends Minn. Stat. § 5B.03, subd. 5, which only permits program participants to have one designated address. Section 3 amends Minn. Stat. § 5B.05, which requires that the designated address must be used for all mail correspondence, despite knowledge of a program participant’s physical location.
- **Classification of data.** Section 4 amends Minn. Stat. § 5B.07, subd. 1, and provides that except for a program participant’s name and designated address, all data collected, created, or maintained by the Office of the Secretary of State related to this program are private data on individuals as defined by Minn. Stat. § 13.02, subd. 12.

*Effective Aug. 1, 2018. (IK)*



**ECONOMIC DEVELOPMENT**

**Bonding for economic development programs and projects**

Chapter 214 (HF 4425\*/SF 4021) is the capital investment “bonding” bill. It included funding for a number of existing grant programs, as well as a wide range of local projects as earmarks through the Department of Employment and Economic Development:

- **Greater Minnesota Business Development Public Infrastructure Grants.** \$5 million.
- **Transportation Economic Development.** \$3 million.
- **Innovative Business Development Public Infrastructure Grants.** \$2 million.
- **Earmarked city-related projects:**
  - Austin Public TV: \$2.5 million
  - Brooklyn Park Second Harvest: \$18 million
  - Long Prairie CentraCare Health System: \$700,000

- Duluth steam plant: \$6.9 million
- Fergus Falls Regional Treatment Center redevelopment: \$3.5 million
- Litchfield Opera House: \$100,000
- Minneapolis Upper Harbor Terminal: \$15 million
- Minneapolis American Indian Center: \$5 million
- Perham redevelopment: \$6 million
- Rosemount Family Resource Center: \$450,000
- Silver Bay campground: \$1.765 million
- St. Paul Conway Recreation Center: \$4.5 million
- St. Paul Humanities Center: \$1 million
- St. Paul Minnesota Museum of American Art: \$2.5 million
- St. Paul RiverCentre parking demolition: \$5 million
- St. Paul Southeast Asian language job training facilities: \$5.5 million
- Wabasha National Eagle Center: \$8 million
- Waite Park quarry redevelopment: \$5 million

*Effective May 31, 2018. (CJ)*



## EMPLOYMENT

### **Metropolitan Airports Commission (MAC) political subdivision compensation limit exemption provided**

Chapter 120 (HF 3395/SF 3525\*) amends Minn. Stat. § 473.606, subd. 5. It exempts the Metropolitan Airports Commission (MAC) from compensation limits for employees of political subdivisions provided in Minn. Stat. § 43A.17. The chapter allows the MAC to determine compensation. *Effective Aug. 1, 2018. (AF)*



## ENERGY

### **Residential energy improvement financing tool requirements**

Chapter 155 (HF 3688/SF 3245\*) creates substantial new requirements for the establishment of a Property Assessed Clean Energy (PACE) program for residential improvements. In the 2017 session, local authority to choose to move forward with such a program was suspended pending legislation to create regulations for the program. Extensive interim discussions were held to consider options. This new law was proposed by banks, real estate agents, an organization that currently does most of the residential energy improvement work on low-income residences using existing government programs, and Legal Aid. While solid consumer protections were a shared interest of all of the parties, local government associations and energy efficiency and renewable energy advocates ended up opposing this legislation. The League and others wanted the law to allow a functional residential PACE program to be created, which this change did not do.

While there were a number of issues of contention, a primary one ended up being that one set of interested parties wanted to remove the primacy for special assessments if they were used in a residential PACE program, which is done in section 32, subd. 28. That requirement eliminates financing options for vendors operating PACE programs and requires that it be handled differently than other special assessments in a tax forfeiture or foreclosure case.

Voluntary property assessments continue to be allowed for commercial PACE and, as usual, have primacy in forfeitures and foreclosures. For residential PACE, the only vendor that had expressed interest in building a PACE program with local governments in Minnesota has ended their business plan to operate in Minnesota due to the passage of this legislation. *Effective Aug. 1, 2018, with changes to Minn. Stat. ch. 429 found in sections 34, 35, and 36 effective May 20, 2018. (CJ)*



## ENVIRONMENT

### **Metro counties can build and operate sanitary and storm sewers**

Chapter 114 (HF 3210\*/SF 3055) allows counties in the seven-county metropolitan area to have the same authority over sanitary sewers and storm sewers as other counties in the state are granted. The change was requested by Scott County to deal with long-term water issues in township areas of their county. That authority does not extend to areas within a city or within a legislatively created sanitary sewer district. *Effective Aug. 1, 2018. (CJ)*

### **Temporary grain storage exempted from fugitive dust requirements**

Chapter 132 (HF 3441/SF 3182\*) exempts temporary grain storage facilities built to certain specifications from additional fugitive dust emission requirements by the Minnesota Pollution Control Agency. *Effective May 15, 2018. (CJ)*

### **Eligible sources of local match for recycling grants expanded**

Chapter 134 (HF 3153/SF 2921\*) changes the current requirement for a county match for local recycling program grants to allow other local government, tribal government, nonprofit, and private sector contributions to count towards the match requirement. It also prohibits grants made from being used for research or development of a product that would be protected by patent, copyright, or be considered a trade secret. *Effective Aug. 1, 2018. (CJ)*

### **Water investment protection added to statute**

Chapter 148 (HF 2802\*/SF 2807) makes it state law that if a city upgrades or builds a new wastewater treatment facility to meet current standards that exceed its previous per-



formance, that significant investment of resources would be considered adequate for 16 years. Previously, if the state updated an environmental standard, municipal wastewater facilities had to meet those new requirements relatively quickly, even if they just upgraded their facility.

The League-supported bill was necessary because a similar law passed in the 2017 session that instructed that changes be made to the Minnesota Pollution Control Agency's wastewater permit rules were not put in place by the Office of Administrative Hearings. This new bill is essentially the same as the law that was enacted last year, but it makes the change to state statute instead of to state rules. It also makes it explicit that the agency will still follow federal law regarding permit conditions and issuance.

One city facility was completed last year that would have qualified for the permit certainty had the rule been enacted as specified by the Legislature, so the enactment date was set to allow their inclusion in the program. *Effective retroactively from Aug. 1, 2017. (CJ)*

### **Process to consider organizing residential solid waste collection changed slightly**

Chapter 177 (HF 3095\*/SF 2697) makes several changes to the organized solid waste provisions in Minn. Stat. § 115A.94. Recently, garbage haulers compiled a number of issues they wanted to change with the existing law. After extensive interim discussions with the League, that list was pared down to a set of agreed-upon changes that would preserve city ability to consider and, if desired, enact ordinances to contractually arrange solid waste collection in a city.

Several changes of note were made, including the following:

- The committee formed if a city explores organizing their solid waste collection will now be called the "solid waste collection options committee."
- Keeping the existing solid waste collection system in a city must be one of the options considered.
- Impacts on customer choice and what portion of road wear can be attributed to garbage collection were added as issues that may be considered by the group.
- The current 60-day exclusive negotiating period with a city's existing haulers was changed to "at least 60 days" to clarify that a city can negotiate longer if it chooses.
- Prior to starting exclusive negotiations, current licensed collectors and city officials must meet to discuss a list of general solid waste issues to get facts on the table before negotiations commence.
- If a city organizes collection, the initial contract must be for seven years.
- Cities cannot require that haulers be liable for damages caused solely by another hauler in the city.

*Effective Jan. 1, 2019 and applies to new residential organized collection efforts by a city noticed to be considered under Minn. Stat. § 115A.94, subd. 2, on or after that date. (CJ)*

### **Water appropriation permit and planning impacts related to White Bear Lake delayed**

Chapter 181 (HF 4003\*/SF 3573) relates to the enforcement of water appropriation permit requirements placed on cities in a five-mile radius around White Bear Lake and to the Department of Natural Resources (DNR) authority to continue doing other water conservation work in that region. It prohibits the DNR from expending funds to take a wide range of enforcement actions until July 1, 2019 related to the 2017 court ruling related to White Bear Lake that placed numerous conditions on city permit holders, many of whom were not a party to the lawsuit. It also clarifies that other existing DNR authorities may still be used, such as their ability to require appropriation permits from smaller private wells in the region that currently do not need a permit. The ruling had prohibited the agency from issuing any new permits in the area.

Further, it adds that public water suppliers located in a metro area groundwater management area cannot be required to revise a water supply plan to include a transition to surface water, are able to use watering restrictions or alternative water conservation methods to respond to DNR notification that a lake level has fallen below court-ordered levels, and are not required to use per capita water use as a measure for water use reduction planning, goals, and implementation. *Effective June 1, 2018 until July 1, 2019. (CJ)*

### **System created to expend 3M settlement to address east metro water contamination issues**

Chapter 204 (HF 3660\*/SF 3202) authorizes the state to move forward with addressing water contamination issues in the eastern metropolitan area related to the \$850 million settlement reached with 3M. It lists the affected communities, identifies stakeholders required to be a party to ongoing planning and funding recommendations that includes those communities, and creates a system by which private wells may be tested by the state for perfluorochemical contamination. *The financial account necessary to handle the funds was created effective May 22, 2018. The remaining provisions are effective as of Aug. 1, 2018. (CJ)*

### **Annual outdoor heritage funds allocated**

Chapter 208 (HF 3423\*/SF 3167) is the annual appropriation of funds from the Lessard-Sams Outdoor Heritage account for a list of projects related to habitat for hunting and fishing. *Effective July 1, 2018. (CJ)*

### **Environmental provisions in the bonding bill**

Chapter 214 (HF 4425\*/SF 4021) is the capital investment "bonding" bill. A significant amount of the spending and policy language in the bill was related to environmental issues and projects. The bill also changed the law to allow appropriation bonds to be generated using the revenue from investment earnings by the Environment and

Natural Resources Trust Fund (ENRTF). That money had previously been dedicated to other purposes and has gone through an allocation process of the Legislative-Citizen Commission on Minnesota Resources (LCCMR). A total of \$98 million in appropriation bonds were authorized through that change.

Environmental spending provisions in the overall bill included:

- **Flood hazard mitigation grants.** \$20 million for an existing list of qualified local projects.
- **Parks, trails, and recreation areas.** Funding for a large number of specific trail, park, and recreation area projects of interest to adjacent cities, as well as some reclamation projects:
  - Bluffland State Trail: \$1.5 million
  - Chester Woods State Trail: \$2.5 million
  - Aitkin County ATV Trail: \$1.5 million
  - Glendalough State Park: \$750,000
  - Lake Vermillion-Soudan Underground Mine State Park: \$4 million
  - Mill Towns State Trail: \$500,000
  - Shooting Star State Trail: \$25,000
  - Babbitt Recreation Area: \$1.3 million
  - Cohasset-Tioga recreation area: \$1 million
  - Grand Marais Lake Superior access: \$2 million
  - Wagon Wheel Trail: \$2.5 million
  - Lake Zumbro sediment removal: \$640,000
  - St. Louis County Mesabi Trail: \$1.138 million
  - Stillwater St. Croix riverbank restoration: \$1.65 million
- **Capital Assistance grants.** \$750,000 to Becker County for a large-item recycling processing facility.
- **Local Road Wetland Replacement Program.** \$6.7 million for state to cover statutory obligation for wetland replacement from certain local road projects.
- **Inflow and infiltration grants.** \$5 million through the Metropolitan Council for metro area cities to comply with inflow and infiltration requirements.
- **Other grants through Metropolitan Council.** Funding for several local projects in the metro area:
  - Carver County—Lake Waconia: \$1.5 million
  - Loretto wastewater connection: \$400,000
  - New Hope swimming pool: \$2 million
  - St. Paul nature sanctuary visitor center: \$3 million
  - White Bear Lake trail and route: \$4 million
- **Public Facilities Authority:**
  - **State matches for federal water and wastewater infrastructure funding.** \$14 million in general obligation bonds and \$6 million in appropriation bonds to provide state matches for federal clean water and drinking water revolving loan funds.
  - **Water Infrastructure Fund (WIF) grants.** \$25 million in general obligation bonds and \$14.652 million in appropriation bonds for grants for qualified water and wastewater facility projects.
- **Point Source Implementation Grants (PSIG).** \$38.348 million in appropriation bonds grants for qualified wastewater treatment projects.
- **Specified projects:**
  - Arden Hills water: \$500,000
  - Albertville wastewater: \$2 million
  - Aurora/Hoyt Lakes/Biwabik/White Township water: \$2.5 million
  - Big Lake wastewater: \$1 million
  - Cold Spring water: \$4 million
  - Glencoe wastewater: \$3 million
  - Keewatin/Nashwauk/Lone Pine Township/Greenway Township wastewater: \$850,000
  - Oronoco wastewater: \$2.5 million
  - St. James storm sewer, etc.: \$3 million
  - Waldorf water, wastewater, stormwater, etc.: \$1.9 million
  - Windom wastewater: \$3 million
  - Winnebago water: \$1.1 million
- **Ely trailhead development and hospital access improvement.** \$1.3 million.

The bonding bill also contained a significant number of new environmental policy provisions, in addition to those allowing appropriation bonds to be generated using the Environment and Natural Resources Trust Fund:

- **National Pollutant Discharge Elimination System (NPDES) process notification.** Article 2, sec. 7 requires the MPCA to provide NPDES permit applicants with a written explanation of the permit process and how to challenge agency decisions.
- **NPDES compliance schedules.** Article 2, sec. 8 instructs the MPCA, to the extent allowable under state and federal law, to allow compliance schedules for new water effluent standards that maximize repayment of existing debt and can exceed 20 years.
- **Administrative penalties.** Article 2, sec. 9 prevents the MPCA from issuing an administrative penalty order for 45 days after the operator is notified of the violation and the operator is given the previously mentioned summary of how to challenge agency decisions.
- **Lake Winona and the Alexandria Lakes Area Sanitary District (ALASD).** Article 3, sec. 8 provides several options for the ALASD to meet permit requirements related to pollutant loads on that lake. *Effective the day after the governing body of the Alexandria Lake Area Sanitary District and its chief clerical officer timely complete their compliance with Minn. Stat. § 645.021, subs. 2 and 3.*
- **LCCMR.** Article 3 requires that future work by the LCCMR consider matching up to \$10 million of funding for wastewater treatment for cities with populations under 5,000 if there is at least \$10 million of bonding allocated to that end. They must also consider using up to 5 percent of the corpus of the trust fund for revolving

ing loans for wastewater infrastructure for cities with less than 5,000 population. Article 4 contains the statutory changes to allow Environment and Natural Resources Trust Fund (ENRTF) revenues to be used to secure appropriation bonds.

- **Public Facilities Authority annual report.** Article 4, sec. 3 requires the Public Facilities Authority to submit an annual report estimating the grant needs under the WIF and PSIG programs and comparing several factors related to water rates for all listed communities.

*Provisions in Article 1 and 2 are effective May 31, 2018 unless otherwise noted. Provisions in Article 3 and 4 are effective July 1, 2018 unless otherwise noted. (CJ)*



## GENERAL GOVERNMENT

### Competitive bidding threshold increased

Chapter 107 (HF 3841\*/SF 3399) increases the threshold requiring a sealed bidding process from \$100,000 to \$175,000 in Minn. Stat. § 471.345. It also extends the range allowing direct negotiation. Currently, this range is from \$25,000 to \$100,000; the new law extends it to \$175,000. If a contract is estimated to be \$25,000 or less, the city has the choice of making the contract by obtaining at least two quotes or buying or selling the item on the open market; this threshold is unchanged. *Effective for contracts entered into on or after Aug. 1, 2018. (IK)*

### County competitive bidding increase for small business enterprises or veteran-owned small businesses

Chapter 146 (HF 3608/SF 3793\*) allows only counties to directly solicit for contracts up to \$250,000 with a business that is (1) certified as a small business enterprise by a county-designated small business certification program or (2) certified by the commissioner of administration as a small business that is majority-owned and operated by a veteran or a service-disabled veteran. *Effective Aug. 1, 2018. (IK)*

### Armory staffing concerns during rental uses addressed

Chapter 157 (HF 3212/SF 3000\*) allows the adjutant general of the Minnesota National Guard to order, with their consent, former and current personnel to temporary active service to fulfill staffing needs for armory rental under Minn. Stat. ch. 193. Other related legislation to exempt armories from local ordinances was not passed and can be found in the Did Not Become Law section. *Effective Aug. 1, 2018. (CJ)*



## HEALTH

### Isolation and quarantine provisions modified

Chapter 167 (HF 3448/SF 3102\*) modifies the definition of communicable disease for purposes of isolation and quarantine laws and prohibits an employer from discharging or discriminating against an employee who chooses to care for a minor, disabled adult family member, or vulnerable adult family member who is subject to isolation or quarantine.

- **“Communicable disease” definition modified.**

Section 1 amends Minn. Stat. § 144.419, subd. 1. For sections governing isolation and quarantine, it modifies the definition of communicable disease to mean a disease that can be transmitted person to person and for which isolation or quarantine is an effective control strategy. It lists examples of a communicable disease.

- **“Qualifying employee” definition modified.** Section 2 amends Minn. Stat. § 144.4196, subd. 1. For a section establishing employee protections for persons who have been isolated or quarantined, it expands the definition of qualifying employee to an employee responsible for caring for a person subject to isolation or quarantine. This has the effect of expanding the protections in the following section to employees responsible for caring for persons subject to isolation or quarantine.

- **Protections expanded.** Section 3 amends Minn. Stat. § 144.4196, subd. 2. It expands the employment protections provided to an employee caring for someone subject to isolation or quarantine. An employer cannot discharge or discriminate against an employee caring for a minor, disabled adult family member, or vulnerable adult family member who is subject to isolation or quarantine.

*Effective Aug. 1, 2018. (AF)*



## HOUSING

### Housing provisions in the bonding bill

Chapter 214 (HF 4425\*/SF 4021) is the capital investment “bonding” bill. In it the Minnesota Housing Finance Agency (MHFA) is authorized to issue \$10 million in general obligation bonds for public housing rehabilitation, \$30 million in housing infrastructure bonds for permanent housing for those with behavioral health needs, and \$50 million in housing infrastructure bonds for non-profit housing. *Effective May 31, 2018. (HC/IK)*

### Tax-exempt bonding changes for MHFA

Chapter 214 (HF 4425\*/SF 4021) is the capital investment “bonding” bill. It included provisions related to Minnesota Housing Finance Agency’s (MHFA) housing infrastructure bonds.



## INSURANCE/ WORKERS' COMPENSATION

- **Tax-exempt bonding priorities.** Article 3, sec. 1, amends Minn. Stat. § 462A.222, subd. 3 to change the tax-exempt bonding process to favor residential rental housing projects financed with tax-exempt bonds when awarding tax credits. For projects eligible for MHFA's qualified allocation plan, the agency must prioritize projects that have received tax-exempt bonds ahead of other projects to the extent possible; may not have selection criteria beyond what is in federal law; must exclude per-unit cost limitations, cost reasonableness, or other similar restrictions; and must not adopt or impose any additional rules, requirements, regulations, or restrictions other than those required in federal law regarding the allocation of credits. *Effective July 1, 2018.*
- **Developer challenge.** Article 3, sec. 1, provides a residential rental housing project developer who has received an allocation of tax-exempt bonds the ability to challenge MHFA's qualified allocation plan. *Effective July 1, 2018.*
- **New uses for housing infrastructure bonds.** Article 2, sec. 17, amends Minn. Stat. § 462A.37, subd. 2 to authorize MHFA to issue housing infrastructure bonds for new uses, which includes:
  - Affordable housing for seniors age 55 and older with annual incomes not greater than 50 percent of the metropolitan median income for persons in the metropolitan area or 50 percent of the statewide median for persons outside the metropolitan area. Eighty percent of units must be occupied by at least one senior per unit. Senior projects serving households at 30 percent of the metropolitan median must be a priority.
  - Manufactured home park improvements and infrastructure for low- and moderate-income manufactured homeowners. MHFA anticipates providing additional guidance on this new eligible use later in 2018.
  - These uses are in addition to current uses, which includes preservation of federally subsidized rental housing, permanent supportive housing for persons or families experiencing or at risk of homelessness, and land acquisition by community land trusts for single family homes for homeownership. *Effective May 31, 2018.*
- **Permanent supportive housing for people with behavioral health needs priority.** Article 2, sec. 18 creates a new provision, Minn. Stat. § 462A.37, subd. 2d, that provides MHFA with \$30 million in housing infrastructure bonds to prioritize permanent supportive housing for people with behavioral health needs. MHFA is assessing eligibility considerations for this type of project. *Effective May 31, 2018.*

(HC/IK)

### Workers' Compensation Advisory Council

Chapter 185 (HF 3873\*/SF 3420) is the annual set of recommendations forwarded by the Workers' Compensation Advisory Council to the Minnesota Legislature.

#### Article 1: Workers' Compensation General

- **Workers' Compensation Court of Appeals and compensation judge salaries.** Section 1 amends Minn. Stat. § 15A.083, subd. 7, to set the salaries of judges of the Workers' Compensation Court of Appeals at 105 percent of the salary for workers' compensation judges of the Office of Administrative Hearings and sets the chief judge of the Workers' Compensation Court of Appeals salary at 107 percent of the salary for workers' compensation judges of the Office of Administrative Hearings. *Effective June 1, 2018.*
- **Workers' Compensation Court of Appeals quorum.** Section 2 amends Minn. Stat. § 175A.05 to allow retired workers' compensation and administrative law judges to serve when the Workers' Compensation Court of Appeals, which decides cases under Minnesota's workers' compensation laws, has insufficient judges to make a quorum. *Effective June 1, 2018.*
- **Uses of reports.** Section 3 amends Minn. Stat. § 176.231, subd. 9, to specify who has access, with and without an authorization, to workers' compensation reports of injury filed with the commissioner of labor and industry. The Workers' Compensation Division of the Department of Labor and Industry may provide the worker identification number assigned under Minn. Stat. § 176.275, subd. 1, without a signed authorization to an:
  - Attorney who represents one of the persons described in Minn. Stat. § 176.231, subd. 9(b);
  - Attorney who represents an intervenor or potential intervenor under Minn. Stat. § 176.361;
  - Intervenor; or
  - Employee's assigned qualified rehabilitation consultant under Minn. Stat. § 176.102.*Effective June 1, 2018.*
- **Coordination of the Office of Administrative Hearings case management system and workers' compensation imaging system.** Section 4 adds a new section, Minn. Stat. § 176.2611, to coordinate the case management system and the workers' compensation imaging system pending completion of the current modernization program. This section provides that documents related to a workers' compensation dispute that require action by the Office of Administrative Hearings must be filed with the office as provided by the chief administrative law judge. This section also specifies the documents that must be filed with the commissioner



of labor and industry and also provides that documents filed with the Department of Labor and Industry under Minn. Stat. ch. 176 (Workers' Compensation) are private data on individuals and nonpublic data except that documents are available to: the Office of Administrative Hearings and the Department of Labor and Industry, the parties to the workers' compensation claim, intervenors in a dispute, attorneys to a party in a dispute, a person who has written authorization from a party to the workers' compensation claim, and as otherwise allowed by law. *Effective June 1, 2018.*

### **Article 2: Hospital Outpatient Fee Schedule**

Article 2 creates a new section of law, Minn. Stat. § 176.1364, that establishes a workers' compensation hospital outpatient fee schedule (HOFS) for payment of workers' compensation hospital outpatient surgical, emergency room, and clinic services, using Medicare's Outpatient Prospective Payment System (OPPS) as a framework. This section also requires the commissioner of labor and industry to conduct a study of the HOFS, and report to the Workers' Compensation Advisory Council by Jan. 15, 2021. The commissioner is also authorized to adopt or amend rules to implement this section. *Effective for hospital outpatient services provided on or after Oct. 1, 2018.*

### **Article 3: Outpatient Billing, Payment and Dispute Resolution**

Section 1 amends Minn. Stat. § 176.136, subd. 1b, and Section 2 creates a new section, Minn. Stat. § 176.1365, to establish billing, payment, and dispute resolution standards for the hospital outpatient fee schedule in Article 2 and ambulatory surgical center (ASC) payment amendments outlined in Article 4. *Effective for services provided on or after Oct. 1, 2018.*

### **Article 4: Ambulatory Surgical Centers**

Section 1 creates a new statute, Minn. Stat. 176.1363, that establishes payment provisions for workers' compensation treatment provided by ambulatory surgical centers (ASCs), requires the commissioner to study issues related to ASC use and authorizes the commissioner to adopt or amend rules. *Effective for procedures and services provided by an ASC on or after Oct. 1, 2018, except the rulemaking provision is effective May 21, 2018.*

### **Article 5: Workers' Compensation Benefits**

• **Post-traumatic stress disorder: occupational disease presumption.** Section 1 amends Minn. Stat. § 176.011, subd. 15, to create a presumption for a defined class of occupations, including licensed police officers; firefighters; paramedics; emergency medical technicians; licensed nurses employed to provide emergency medical services outside of a medical facility; public safety dispatchers; officers employed by the state or a political subdivision at a

corrections, detention, or secure treatment facility; sheriffs or full-time deputy sheriffs of any county; or members of the Minnesota State Patrol. If an employee who was on active duty in one of the listed occupations is diagnosed with post-traumatic stress disorder (PTSD), and has not been diagnosed with PTSD previously, then the PTSD is presumptively an occupational disease that is presumed to have been due to the nature of employment. The presumption can be rebutted by substantial factors brought by the employer and insurer. *Effective for employees with dates of injury on or after Jan. 1, 2019.*

- **Temporary partial disability.** Section 2 amends Minn. Stat. § 176.101, subd. 2, to provide that the maximum number of weeks that an employee is entitled to temporary partial workers' compensation benefits is increased from 225 to 275 weeks. *Effective for employees with dates of injury on or after Oct. 1, 2018.*
  - **Permanent partial disability.** Section 3 amends Minn. Stat. § 176.101, subd. 2a, to increase the statutory schedule of amounts used in calculating permanent partial disability benefits. *Effective for employees with dates of injury on or after Oct. 1, 2018.*
  - **Permanent total disability.** Section 4 amends Minn. Stat. § 176.101, subd. 4, to delete the retirement presumption at age 67 and instead provides that permanent total disability benefits cease at age 72. Permanent total disability benefits currently cease at 67 because the employee is presumed retired from the labor market. This section provides an exception for employees who are injured after age 67, for which permanent total disability benefits will cease after five years. *Effective for employees with dates of injury on or after Oct. 1, 2018.*
  - **Retraining; compensation.** Section 5 amends Minn. Stat. § 176.102, subd. 11, to provide a conforming change to reflect the change in temporary partial disability statute (section 2 above) from 225 weeks of temporary partial disability benefits being changed to 275 weeks. *Effective for employees with dates of injury on or after Oct. 1, 2018.*
  - **Treatment standards for medical services.** Section 6 amends Minn. Stat. § 176.83, subd. 5, to direct the commissioner of labor and industry to promulgate rules governing the treatment of PTSD using expedited rulemaking authority. This section requires the treatment parameters to be developed in consultation with the Medical Services Review Board (MSRB) and directs the commissioner and the MSRB to consider the guidance found in the American Psychological Association's (APA) most recently adopted Clinical Practice Guideline for the Treatment of PTSD in Adults. This section also directs the commissioner to review and update the rules governing treatment of PTSD, using the expedited rulemaking process, each time the APA adopts a significant change to their clinical practice guideline. *Effective June 1, 2018.*
- (GC)



## LAND USE

### Fencing, barrier, and sign requirements around closed mines changed for cities

Chapter 154 (HF 3089\*/SF 2741) deals with fencing, barrier, and signage requirements for property with a closed or abandoned mine if the site is being used for recreational or economic development purposes. In particular, if the property is owned, leased, or administrated by a municipality, there are exemptions to some of the fencing and barrier requirements and new signage requirements, both of which are specified in new language added to Minn. Stat. § 180.03, subd. 4. Also, those changed requirements are linked to Minn. Stat. § 180.10, which provides for criminal penalties for anyone, including workers, employees, or members of the public that cause the requirements to not be met. *Effective Aug. 1, 2018. (CJ)*



## LIQUOR

### Omnibus liquor bill

Chapter 202 (HF 3972\*/SF 3621) is the omnibus liquor bill. Sections 1 and 2 amend Minn. Stat. §§ 340A.33–340A.34 to allow establishments that brew beer and wine onsite to provide tastings of alcoholic beverages produced at the store without obtaining a license. *Effective May 30, 2018.*

Sections 3–7 are local liquor licensing provisions:

- **Minneapolis business.** Section 3 authorizes the city of Minneapolis to issue an on-sale intoxicating liquor license to a business located at 3753 Nicollet Avenue South.
- **Minneapolis restaurant.** Section 4 authorizes the city of Minneapolis to issue an on-sale intoxicating liquor license to a restaurant located at 4959 Penn Avenue South.
- **Minneapolis restaurant.** Section 5 authorizes the city of Minneapolis to issue an on-sale intoxicating liquor license to a restaurant located at 5400 Penn Avenue South.
- **Akeley Township liquor store.** Section 6 authorized the Hubbard County Board to issue an off-sale intoxicating liquor license to an exclusive liquor store located in Akeley Township.
- **North Mankato’s Caswell Regional Sporting Complex.** Section 7 authorizes the city of North Mankato to issue an on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license for the city-owned facilities known as or operated by the Caswell Regional Sporting Complex.

*Sections 3-7 are effective upon approval by the city councils in each jurisdiction and in compliance with Minn. Stat. § 645.021. (AL)*



## LOCAL LAWS

### Officer Bill Matthews Memorial Highway designated

Chapter 108 (HF 2739/SF 2484\*) adds a subdivision to Minn. Stat. § 161.14. It designates a segment of U.S. Highway 12 within the city limits of Wayzata as “Officer Bill Mathews Memorial Highway.” *Effective Aug. 1, 2018. (AF)*

### Ramsey Soil and Water Conservation District eliminated

Chapter 169 (HF 3819\*/SF 3411) is special legislation that discontinues the Ramsey Soil and Water Conservation District and transfers its duties and authorities to the Ramsey County Board of Commissioners as of July 1, 2018. *Effective the day after the governing body of Ramsey County and its chief clerical officer timely complete their compliance with Minn. Stat. § 645.021, subs. 2 and 3. (CJ)*

### St. Paul’s McCarrons treatment plant design-build authorization

Chapter 189 (HF 3838/SF 3297\*) authorizes the city of St. Paul or the St. Paul Board of Water Commissioners to solicit and award a design-build or construction manager at risk contract for “McCarron’s Treatment Process Improvements” on a best-value selection process. At least three proposals must be considered in awarding a design-build contract. *Effective May 21, 2018. (IK)*

### Veterans homes funded

Chapter 214 (HF 4425\*/SF 4021) is the capital investment “bonding” bill. The bill provides funding for three veterans homes in Bemidji (\$12.4 million), Montevideo (\$9.4 million), and Preston (\$10.2 million). *Effective May 31, 2018. (CJ)*

### Local water management projects

Chapter 214 (HF 4425\*/SF 4021) is the capital investment “bonding” bill. Appropriation bonds were authorized to be passed through the Department of Natural Resources for two city projects.

- \$1.5 million to Elk River for dredging of Lake Orono.
- \$781,000 to South St. Paul for stormwater work to improve Seidl’s Lake.

*Effective July 1, 2018. (CJ)*

### Special comprehensive planning allowances for Nowthen

Chapter 214 (HF 4425\*/SF 4021) is the capital investment “bonding” bill. It requires the Metropolitan Council to conform its plan requirements related to the city of Nowthen to meet the changes requested by the city. *This section is effective the day after the governing body of the city of*

Nowthen and its chief clerical officer timely complete their compliance with Minn. Stat. § 645.021, subds. 2 and 3. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. (CJ)



## MISCELLANEOUS

### Townships authorized to appropriate funds to community food shelves

Chapter 105 (HF 2636\*/SF 2364) allows the governing body of a township to appropriate funds for grants to non-profit organizations that operate community food shelves. Cities and counties have existing authority to appropriate funds in this manner. *Effective Aug. 1, 2018.* (LZ)

### Campaign finance modifications

Chapter 119 (HF 3837/SF 3306\*) makes a number of miscellaneous changes to the laws governing campaign finance and public disclosure, mainly in Minn. Stat. ch. 10A. Changes include: reorganization and recodification of certain administrative rules, adoption of new standards related to the campaign finance and public disclosure board's investigation of complaints, guidance for determining when certain expenditures qualify as "coordinated expenditures," and required disclosures when goods or services are sold for political purposes. *Effective June 1, 2018.* (AL)

### Purple Heart city and county designation

Chapter 139 (HF 3477/SF 3262\*) allows a city or county by resolution to declare itself a "Purple Heart City" or "Purple Heart County" to honor Purple Heart recipients. Such city or county may designate a parking space at city hall or county government center to be reserved for Purple Heart recipients, accept donations for a sign stating this designation, and pay for a plaque to be displayed on public property. A Purple Heart city or county may designate Aug. 7 as Purple Heart Day. *Effective Aug. 1, 2018.* (IK)

### Revised Uniform Law on Notarial Acts

Chapter 176 (HF 1609/SF 893\*) adopts the Revised Uniform Law on Notarial Acts (RULONA) to comprehensively revise and modernize notarial acts in Minn. Stat. §§ 358.51–358.76.

- **Notarial act redefined.** Section 2 amends Minn. Stat. § 358.52, subd. 6 to redefine "notarial act" to an act, whether performed with respect to a tangible or electronic record, that a notarial officer may perform under law. It includes taking an acknowledgment, administering an oath or affirmation, taking a verification on oath or affirmation, witnessing or attesting a signature, certifying or attesting a copy, and noting a protest of a negotiable instrument.

- **Conflict of interest.** Section 4 amends Minn. Stat. § 358.54, subd. 2 to prohibit a notarial officer to perform a notarial act for the officer or the officer's spouse that has a direct beneficial interest. A notarial act performed in violation of this section is voidable.
- **Personal appearance required.** Section 6 amends Minn. Stat. § 358.56, to require the individual making a statement or executing a signature must appear personally before the notarial officer, except as provided for in Section 15 (Remote Online Notary Public).
- **Notarial act in this state.** Section 10 amends Minn. Stat. § 358.60, to require that a notarial act may be performed in Minnesota by a notary public of this state; a judge, clerk, or deputy clerk of a court of Minnesota; or any other individual authorized to perform the specific act by Minnesota law, which includes city clerks and township recorders who serve as ex-officio notary publics under Minn. Stat. § 358.15.
- **Notarial acts in other states, by federally-recognized tribes, and under federal law.** Sections 11, 12, and 13 amend Minn. Stat. §§ 358.61–358.63 to provide that notarial acts performed in other states, by federally-recognized tribes, and under federal law have the same effect under law as if they were performed in Minnesota.
- **Foreign Notarial Act.** Section 14 amends Minn. Stat. § 358.64, to provide that notarial acts performed under the authority and in the jurisdiction of a foreign state or constituent unit of the foreign state under the authority of a multinational or international governmental organization have the same effect under Minnesota law as if performed by a notarial officer of Minnesota.
- **Remote online notary public.** Section 15 adds a new provision, Minn. Stat. § 358.645, which is the most substantial amendments related to technological advancement in notarial acts. This section provides technologically tailored definitions, qualifications and registration, authority to perform remote online notarial acts, electronic journal requirements, identity proofing, use of electronic journal and seal, remote online notarization procedures, wrongful possession of software or hardware, data classification and availability, etc.
- **Recording electronic documents in tangible form.** Section 16 amends Minn. Stat. § 358.646, to allow a paper copy of an electronic document to satisfy any legal requirements for notarial acts to be in a tangible medium.
- **Certificate of notarial act.** Section 17 amends Minn. Stat. § 358.65, to require notarial acts be evidenced by a certificate, along with the other requirements.
- **Only tamper-evident technology allowed.** Section 21 adds a new provision, Minn. Stat. § 358.69, to provide that a notary public may select one or more tamper-evident technologies to perform notarial acts for electronic records.

*Effective Jan. 1, 2019.* (IK)





## PENSIONS

### Omnibus pension bill

Chapter 211 (HF 3053/SF 2620\*) is the 2018 omnibus pension bill, which includes provisions impacting the Public Employees Retirement Association (PERA) General Plan, the PERA Police and Fire Plan, as well as volunteer fire relief association plans. (GC)

#### Article 2: Public Employees Retirement Association Benefit Changes

- **PERA General.** Section 1 amends Minn. Stat. § 353.30, subd. 5 to eliminate augmentation in early retirement benefits over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024. Augmentation refers to an adjustment that increases the amount of a deferred retirement annuity by a percentage amount over time prior to receipt. This replaces all or part of lost purchasing power in the unpaid retirement annuity due to inflation. *Effective for annuities with an annuity starting date that is on or after July 1, 2019, notwithstanding the member's date of termination of public service.*
- **Refunds with interest.** Section 2 amends Minn. Stat. § 353.34, subd. 2 to lower the refund interest rate from 4 percent to 3 percent for former members of a public pension plan for the period beginning July 1, 2018. *Effective June 30, 2018.*
- **Deferred annuity eligibility.** Section 3 amends Minn. Stat. § 353.34, subd. 3 to prospectively eliminate augmentation for all deferred members after Dec. 31, 2018. *Effective June 30, 2018.*
- **Repealer.** Section 4 repeals Minn. Stat. § 353.71, the “Coverage by More than One Fund” statute, which is replaced by new Minn. Stat. § 356.311 (in Article 5 below); and Minn. Stat. § 353.27, the “contribution stabilizer,” which allows the plan’s board to adjust contribution rates, subject to review by the Pension Commission. *Effective June 30, 2018.*

#### Article 5: Actuarial Assumptions And Postretirement Adjustments for Statewide Plans

- **Actuarial assumptions.** Section 1 amends Minn. Stat. § 356.215, subd. 8 to lower the investment return assumption to 7.5 percent for all pension plans, including the PERA General Plan and the PERA Police and Fire Plan and also deletes the current statutory references to salary increase and payroll growth assumptions for all plans and replaces it with a reference to an appendix to the Legislative Commission on Pensions and Retirement (LCPR) Standards for Actuarial Work. *Effective June 30, 2018.*
- **Other assumptions.** Section 2 amends Minn. Stat. § 356.215, subd. 9 to provide the major pension plans

(PERA, Minnesota State Retirement System, and Teacher Retirement Association) the flexibility to use updated mortality improvement scales in their actuarial valuations. *Effective June 30, 2018.*

- **Amortization date changes.** Section 3 amends Minn. Stat. § 356.215, subd. 11 to reset the amortization period for the major state pension plans including the PERA General Plan and the Police and Fire Plan to a new 30-year period ending in 2048. *Effective June 30, 2018.*
- **Coverage by more than one plan.** Section 5 creates a new statute, Minn. Stat. § 356.311, that specifies the treatment of persons covered by more than one pension plan, including the PERA General Plan and the Police and Fire Plan. This is the replacement of the repealed Minn. Stat. § 353.71 above. *Effective June 30, 2018.*
- **PERA General Plan annual cost of living adjustment (COLA).** Section 8 amends Minn. Stat. § 356.415, subd. 1b by removing the existing COLA trigger, which provides for automatic COLA adjustments when specified funding ratios are met, and replaces it with a new annual COLA that is equal to 50 percent of the COLA provided by the Social Security Administration. The new COLA cannot be less than 1 percent or more than 1.5 percent. In addition, retirees who retire on or after Jan. 1, 2024 are not eligible to receive a COLA until the retiree reaches normal retirement age. This provision does not apply to Rule of 90 retirees, disability benefit recipients, or survivor benefit recipients. *Effective June 30, 2018.*
- **PERA Police and Fire Plan annual cost of living adjustment.** Section 9 amends Minn. Stat. § 356.415, subd. 1c by removing the existing COLA trigger, which provides for automatic COLA adjustments when specified funding ratios are met. This change will freeze the COLA for the Police and Fire Plan at one percent. *Effective June 30, 2018.*
- **Study of cost-of-living adjustments.** Section 14 is a session law that directs the Legislative Commission on Pensions and Retirement (LCPR) to conduct a study before Dec. 31, 2020 on the COLA structures of the state’s public pension plans and then make recommendations for any rate modifications and change of methodology for determining the rates. *Effective June 30, 2018.*

#### Article 7: Contribution Rates

*Note: Chapter 211 does not modify the contribution rates for the PERA General Plan. The employee contribution rate remains at 6.5 percent and the employer contribution rate remains at 7.5 percent.*

- **PERA Police and Fire: employee contribution rate increases.** Section 9 amends Minn. Stat. § 353.65, subd. 2 to increase the PERA Police and Fire employee contribution rates by 0.5 percent of salary on Jan. 1, 2019 and by another 0.5 percent of salary on Jan. 1, 2020. The employee contribution rate will be:
  - 10.8 percent until December 31, 2018.

- 11.3 percent from January 1, 2019 through December 31, 2019.
  - 11.8 percent from January 1, 2020 and thereafter.
- Effective June 30, 2018.*
- **PERA Police and Fire: employer contribution rate increases.** Section 10 amends Minn. Stat. § 353.65, subd. 3 to increase the contribution rates for employers by 0.75 percent of salary on Jan. 1, 2019 and then by another 0.75 percent of salary on Jan. 1, 2020. The employer contribution rate will be:
    - 16.2 percent until Dec. 31, 2018.
    - 16.95 percent from Jan. 1, 2019, through Dec. 31, 2019.
    - 17.7 percent from Jan. 1, 2020 and thereafter.

*Effective June 30, 2018, however contribution adjustments are implemented per schedule above.*

#### **Article 8: Direct State Aid**

- **Direct state aid to the PERA Police and Fire Plan.** Section 1 adds a new subdivision, Minn. Stat. § 353.65, subd. 3b, that requires the state to make an annual direct state aid payment of \$4.5 million on Oct. 1, 2018 and on Oct. 1, 2019 to the PERA Police and Fire Plan. The amount of state aid to the plan increases to \$9 million annually thereafter each Oct. 1 until July 1, 2048 or the actuarial value of assets of the plan equals or exceeds 100 percent of the actuarial accrued liabilities of the plan. These direct contributions reduce the needed contribution rate increases for employees and employers. *Effective June 30, 2018.*
- **Police and Firefighter Supplemental State Aid.** Section 8 amends Minn. Stat. § 423A.022, subd. 5 to specify that the police and firefighter supplemental state aid to the PERA Police and Fire Plan continues until the earlier of the year after one of the plans reaches 90 percent funding or July 1, 2048. *Effective June 30, 2018.*

#### **Article 10: Public Employees Retirement Association Administrative Provisions**

- **Excluded employees: PERA General Plan and PERA Police and Fire Plan.** Section 1 amends Minn. Stat. § 353.01, subd. 2b to update language in the foreign citizens section of the list of employees excluded from participation in a PERA Plan to clarify when membership begins if the employee's work permit/visa extends beyond three years. *Effective June 30, 2018.*
- **Limitation on public employee salaries for pension purposes: PERA General Plan.** Section 2 amends Minn. Stat. § 353.01, subd. 10 to clarify that if an employer spreads out the member's salary over a period of leave, that salary will be used for pension purposes only if it is paid at the fulltime rate. *Effective June 30, 2018.*
- **Vesting: PERA General and Police and Fire plans.** Section 3 amends Minn. Stat. § 353.01, subd. 47 to

- clarify that a member receives service credit for vesting purposes for each year of service covered by the plan in which the member is covered. *Effective June 30, 2018.*
- **Salary credit purchases for periods of reduced salaries: PERA defined benefit plans.** Section 4 amends Minn. Stat. § 353.0162 to merge the service credit purchase provision into the salary purchase provision to provide one method of purchasing missed periods of service. *Effective June 30, 2018.*
- **PERA Board duties and powers clarified.** Section 5 amends Minn. Stat. § 353.03, subd. 3 to delete a redundant PERA Board duty to authorize procedures for use of electronic signatures. *Effective June 30, 2018.*
- **Application for annuity: PERA plans.** Section 6 amends Minn. Stat. § 353.29, subd. 4 to remove the requirement that annuity applications and proof of identity be in writing. *Effective June 30, 2018.*
- **Annuity starting date: PERA plans.** Section 7 amends Minn. Stat. § 353.29, subd. 7 to reduce the period of retroactivity for an annuity starting date from the current 12 months to 6 months. *Effective June 30, 2018.*
- **Bounce-back annuity: determination of death of optional beneficiary.** Section 8 amends Minn. Stat. § 353.30, subd. 3c to provide flexibility in determining the death of a beneficiary for members in PERA plans. Under the bounce-back provision, when a retiree has initially selected an annuity other than the single life annuity, the retiree's annuity increases to a normal single life annuity upon the designated survivor's death. *Effective June 30, 2018.*
- **Adjustments to refund upon death of member.** Section 9 amends Minn. Stat. § 353.32, subd. 1 to clarify that if a PERA General Plan member dies before receiving a retirement annuity, any prior benefits paid by the fund must be deducted from the amount refunded to the beneficiary. *Effective June 30, 2018.*
- **Adjustments to refund upon termination of public employment.** Section 10 amends Minn. Stat. § 353.34, subd. 2 to clarify that if a member terminates public service and elects to take a refund, any prior disability benefits paid by the fund must be deducted from the refund. *Effective June 30, 2018.*
- **Refund rights.** Section 11 amends Minn. Stat. § 353.35, subd. 1 to clarify existing language and to add a limitation that a person has a one-time right to repay a refund. *Effective June 30, 2018.*
- **Re-employed annuitant salary maximum clarification.** Section 12 amends Minn. Stat. § 353.37, subd. 1 to clarify that the re-employed annuitant pension reduction applies when the re-employed annuitant's annual salary exceeds the annual maximum earnings allowable under the federal Old Age, Survivors and Disability Insurance Program. *Effective June 30, 2018.*

- **PERA Police and Fire coverage for Hennepin Healthcare systems paramedics and EMTs.** Section 13 amends Minn. Stat. § 353.64, subd. 10 to specify that Hennepin Healthcare Systems Inc. paramedics or EMTs and the respective supervisors and managers are covered by PERA Police and Fire if they are employed at least half-time. *Effective June 30, 2018.*
- **PERA privatizations.** Sections 14 through 21 amend Minn. Stat. §§ 353F.02, subd. 5a; 353F.025, subd. 2; 353F.04, subd. 2; 353F.05; 353F.057; 353F.06; 353F.07; and create a new statute, Minn. Stat. § 353F.09, to modify the statutes that govern the situations where a facility formerly operated by a covered public entity that was included in the PERA system are privatized. *Effective for privatizations and for sales of privatized former public employers that occur after June 30, 2018.*

#### **Article 13: Retirement Systems, Generally, Administrative Provisions**

Article 13 makes a number of technical changes to the administrative provisions for the state's major public pension systems, including PERA. *Effective June 30, 2018.*

#### **Article 14: Volunteer Firefighter Relief Association (VFRA) Modifications**

- **VFRA; authorized investment in corporate stocks.** Section 1 amends Minn. Stat. § 356A.06, subd. 7 to clarify the corporate stock investment restrictions are consistent with the provision generally governing securities. *Effective Jan. 1, 2019.*
- **Joint powers fire departments.** Section 2 amends Minn. Stat. § 424A.001, subd. 2 to update the definition of "fire department" to include joint powers fire departments established under Minn. Stat. § 471.59. *Effective Jan. 1, 2019.*
- **"Municipal" definition.** Section 3 amends Minn. Stat. § 424A.001 by creating a new provision, subd. 2a, to add a clarifying definition of "municipal" to mean a city or township. *Effective Jan. 1, 2019.*
- **"Municipality" definition.** Section 4 amends Minn. Stat. § 424A.001, subd. 3 to clarify and update the definition of "municipality" to include joint powers fire departments. *Effective Jan. 1, 2019.*
- **"Volunteer firefighter" definition.** Section 5 amends Minn. Stat. § 424A.001, subd. 10 to modify the definition of "volunteer firefighter" to conform to the new definition of "fire department" which includes joint powers fire departments. *Effective Jan. 1, 2019.*
- **Authorization of new or continuing VFRA.** Section 6 amends Minn. Stat. § 424A.002, subd. 1 to update language to conform to the new definition of "fire department" that now includes joint powers fire departments. *Effective Jan. 1, 2019.*
- **Certification of service credit.** Section 7 creates a new section, Minn. Stat. § 424A.003, that adds a require-

ment that the fire chief annually certify each firefighter's service credit to the relief association and municipality and provide notice to the firefighter. This section also provides firefighters a right to challenge the determination. *Effective Jan. 1, 2019.*

- **Clarification of prohibition of minors being VFRA members.** Section 8 amends Minn. Stat. § 424A.01, subd. 1 to add "joint powers entity" to the fire prevention personnel membership provision that specifies that a relief association cannot have a minor volunteer firefighter as a member of the relief association. *Effective Jan. 1, 2019.*
- **Prohibition in receipt of concurrent service credit.** Section 9 creates a new subdivision, Minn. Stat. § 424A.01, subd. 4a that restricts firefighters from receiving relief association service credit for the same hours of service for which coverage is already provided through a PERA plan. *Effective Jan. 1, 2019, and applies to service rendered on or after that date.*
- **Fire prevention personnel membership in VFRA.** Section 10 amends Minn. Stat. § 424A.01, subd. 5 to revise the membership provision to conform to the new definition of "municipality" in Section 4 above. *Effective Jan. 1, 2019.*
- **Volunteer emergency medical personnel.** Section 11 creates a new subdivision, Minn. Stat. § 424A.01, subd. 5a, that expands relief association membership eligibility to include volunteer emergency medical personnel with relief association and municipal or joint powers board approval. *Effective Jan. 1, 2019, and applies to service rendered on or after that date.*
- **Return to active firefighting after break in service.** Section 12 amends Minn. Stat. § 424A.01, subd. 6 to clarify the return to service provision for volunteer firefighter service. *Effective Jan. 1, 2019.*
- **Separation from active service; exception.** Section 13 amends Minn. Stat. § 424A.015, subd. 1 to revise the provision to conform to the new definitions of "municipality" and "fire department" in sections 2 and 4 above. *Effective Jan. 1, 2019.*
- **Combined service pensions.** Sections 14–17 create a new subdivision, Minn. Stat. § 424A.015, subd. 7, and amends Minn. Stat. §§ 424A.016, subd. 2; 424A.02, subd. 1; and 424A.02, subd. 3a to add defined contribution relief associations to the combined service pensions provision and moves the provision to the section of law that applies to both types of plans. Section 33 repeals Minn. Stat. § 424A.02, subd. 13, which is the existing law addressing combined service pensions. *All changes are effective Jan. 1, 2019.*
- **Deferred service pensions.** Section 18 amends Minn. Stat. § 424A.02, subd. 7 to clarify the deferred service pensions provision also applies to "joint powers entity" fire departments. *Effective Jan. 1, 2019.*
- **VFRA Board of Trustees membership.** Section



19 amends Minn. Stat. § 424A.04, subd. 1, to clarify defined terms related to “municipality” and “joint powers” in the board of trustees membership provision. *Effective Jan. 1, 2019.*

- **Independent nonprofit firefighting corporation updates.** Sections 20–22 amend Minn. Stat. §§ 424A.07; 424A.091, subd. 3; and 424A.094, subd. 3 to revise the term “a nonprofit firefighting corporation” to be “an independent nonprofit firefighting corporation.” *All sections are effective Jan. 1, 2019.*
- **State supplemental benefits.** Section 23 amends Minn. Stat. § 424A.10, subd. 1 to authorize eligible emergency medical personnel, per Section 11 above, to receive supplemental benefits. *Effective Jan. 1, 2019.*
- **VFRA dissolution; allocation of remaining assets and liabilities.** Section 24 amends Minn. Stat. § 424B.20, subd. 4 to provide default procedures for allocating special fund assets or liabilities after a joint powers fire department dissolves. Under the new law, any remaining assets in the trust fund cancel to the general fund of each municipality that was a contracting party to the joint powers agreement as specified in the joint powers agreement. If the joint powers agreement does not specify how the remaining assets are to be distributed among the contracting parties, each of the contracting parties shall receive a pro rata share of the remaining assets based on the proportion of total operating contributions each contracting municipality made to the joint powers entity over the most recent ten calendar years. Under the new law, if there is any unfunded actuarial accrued liability, the contracting municipalities are liable for their share of the unfunded actuarial accrued liability as specified in the joint powers agreement. If the joint powers agreement does not specify liability for any unfunded actuarial accrued liability, the contracting municipalities are liable for their pro rata share of the unfunded actuarial accrued liability based on the proportion of total operating contributions each contracting municipality made to the joint powers entity over the most recent ten calendar years. *Effective Jan. 1, 2019.*
- **VFRA dissolution; allocation of remaining assets and liabilities for certain VFRAs.** Section 25 adds a new subdivision, Minn. Stat. § 424B.20, subd. 4a, that requires that when a VFRA that had provided a lump sum benefit of \$9,500 or more as of June 1, 2018 dissolves, any remaining assets after paying out benefits must go to either: 1) the municipality if the municipality paid a required contribution to the VFRA during the ten years preceding the June 1, 2018; or 2) the state if the municipality did not pay a required contribution within those ten years. According to Pension Commission data, only Plymouth and Brainerd are potentially impacted. *Effective June 1, 2018 and applies to dissolutions initiated retroactive to May 8, 2018.*

- **Special law for the city of Austin.** Section 26 is a session law for the city of Austin and the Austin VFRA that retroactively authorizes the city of Austin to allocate fire state aid between its VFRA and contributions to PERA Police and Fire, and forgives the debt the city owes the VFRA under current law for that allocation since 2013 (when the law was changed). *Effective the day after the governing body of the city of Austin and its chief clerical officer comply with Minn. Stat. § 645.021, subs. 2 and 3, and applies retroactively from Jan. 1, 2013.*
- **Fire State Aid work group.** Section 27 creates a session law that requires the Public Employees Retirement Association (PERA) to establish a Fire State Aid Work Group to study the impact of allocating a portion of fire state aid to pay PERA Police and Fire employer contributions. Members of the work group shall include:
  - Two representatives of Minnesota cities, appointed by the League of Minnesota Cities;
  - Two representatives of Minnesota fire chiefs, who are fire chiefs from fire departments with both volunteer firefighters covered by either a volunteer firefighter relief association governed by Minn. Stat. ch. 424A, or the voluntary statewide volunteer firefighter retirement plan governed by Minn. Stat. ch. 353G, and firefighters covered by the public employee police and fire retirement plan governed by Minn. Stat. § 353.64, appointed by the Minnesota State Fire Chiefs Association;
  - Two representatives of Minnesota volunteer firefighters, who are active volunteer firefighters, appointed by the Minnesota State Fire Departments Association;
  - One representative of the Office of the State Auditor, designated by the state auditor; and
  - One representative of the Department of Revenue, designated by the commissioner of revenue.*The work group expires the day following the last day of the 2019 legislative session. Effective June 30, 2018.*
- **Special law for Eden Prairie VFRA; increase in annual lump-sum pension maximum.** Section 28 is a session law for the Eden Prairie VFRA that increases the annual lump-sum service pension maximum for the Eden Prairie VFRA from \$10,000 to \$15,000 and modifies the vesting requirement for firefighters returning to active service. *Effective the day after the Eden Prairie City Council and its chief clerical officer timely complete their compliance with Minn. Stat. § 645.021, subs. 2 and 3.*
- **Increase in annual lump-sum pension maximum for certain VFRAs.** Section 29 is a session law that increases the lump-sum service pension maximum from \$10,000 to \$12,500 for any VFRA that provides a lump sum benefit of \$9,500 or more, as of the section effective date, and has a funding ratio greater than 100 percent. According to Pension Commission data, only Plymouth and Brainerd are impacted. *Effective June 1, 2018.*

- **Special law for Maplewood VFRA dissolution.** Section 30 is a session law related to the City of Maplewood VFRA that dissolves the Maplewood VFRA and terminates its pension plan and provides that all members become fully vested, increases the annual lump sum amount to \$11,000, and provides the city of Maplewood with any remaining surplus after all benefit obligations and other requirements are fulfilled. *Effective only if approved within 45 days of the enactment of this section by the board of trustees of the Maplewood Firefighters Relief Association, a majority of the members of the relief association in attendance at a meeting of the membership to consider this section, and the Maplewood City Council.*
- **Special law for Clearbrook VFRA.** Section 31 creates a session law related to the Clearbrook VFRA that extends the financial reporting deadline for the Clearbrook relief association to May 30, 2018 in order to qualify for 2017 fire state aid. *Effective May 27, 2018.*
- **VFRA work group.** Section 32 is a session law that establishes a Relief Association Work Group to consider possible changes to the statutes governing VFRA plan type conversions, dissolutions, and disposition of surplus assets. Members of the work group shall include as many of the following individuals as are available, not to exceed 12 individuals:
  - At least two municipal officials, each from a municipality with an affiliated defined benefit relief association, designated by the League of Minnesota Cities;
  - One representative from the League of Minnesota Cities;
  - At least two fire chiefs, designated by the Minnesota State Fire Chiefs Association, from fire departments that use both volunteers covered by a defined benefit relief association and salaried firefighters covered by the public employees police and fire retirement plan;
  - At least two active volunteer firefighters covered by a defined benefit relief association, designated by the Minnesota State Fire Departments Association;
  - A fire chief or volunteer of an independent nonprofit firefighting corporation affiliated with a defined benefit relief association;
  - One representative of the Office of the State Auditor, designated by the state auditor; and
  - Any other individual or individuals designated by the Legislative Commission on Pensions and Retirement. The work group is required to produce a report by Dec. 31, 2018. *Effective June 1, 2018.*

**Article 16: PERA-Administered Retirement Plan Modifications**

- **PERA General excluded employees.** Section 1 amends Minn. Stat. § 353.01, subd. 2b to exclude from PERA General coverage those St. Paul city and school district temporary employees hired on or after June 1,

2018, who are covered by the Minnesota Laborers Pension Fund. *Effective May 30, 2018.*

- **PERA Police and Fire; line of duty death.** Section 2 amends Minn. Stat. § 353.01, subd. 43 to modify the definition of “line of duty death” to add the alternative definition of “killed in the line of duty” in Minn. Stat. § 299A.41, subd. 3, which makes the statutory definition consistent with the federal Hometown Heroes Act. *Effective June 30, 2018.*
- **PERA defined contribution plan benefits.** Section 3 amends Minn. Stat. § 353D.07 to add a new provision to allow employees who are at least age 65 to take a distribution once each calendar year in an amount that is no less than \$5,000. *Effective June 30, 2018.*
- **PERA Voluntary Statewide Volunteer Firefighter Retirement Plan (SVF).** Section 4 amends Minn. Stat. § 353G.01, subd. 9, to modify the definition of “municipality” to include fire departments run by an independent nonprofit firefighting corporation and by a joint powers agreement. *Effective June 30, 2018.*
- **PERA SVF; definition.** Section 5 creates a new subdivision, Minn. Stat. § 353G.01, subd. 9a that adds a new definition for “relief association” which is defined as a volunteer firefighter relief association established under Minn. Stat. ch. 424A to which records, assets, and liabilities related to lump-sum or monthly benefits for active and former firefighters will be transferred from the retirement fund upon satisfaction of the requirements of the PERA Voluntary Statewide Volunteer Firefighter Retirement Plan. *Effective June 30, 2018.*
- **PERA SVF; reimbursement requirement repeal.** Section 6 amends Minn. Stat. § 353G.02, subd. 6 to eliminate the requirement that the first nine relief associations to join the monthly benefit division reimburse the Spring Lake Park-Blaine Mounds View Fire Department for administrative expenses. *Effective June 30, 2018.*
- **PERA SVF; advisory board membership.** Section 7 amends Minn. Stat. § 353G.03, subd. 3 to expand the number of members on the Voluntary Statewide Volunteer Firefighter Retirement Plan Advisory Board from eight to ten. The two additional members are representatives of Minnesota volunteer firefighters who are covered by the lump-sum retirement division, appointed by the Minnesota State Fire Departments Association. *Effective June 30, 2018.*
- **PERA SVF; authorized account disbursements.** Section 8 amends Minn. Stat. § 353G.08, subd. 3 to expand the list of allowable asset disbursements to include a transfer of assets for a withdrawal from PERA Voluntary Statewide Volunteer Firefighter Retirement Plan. *Effective June 30, 2018.*
- **PERA Voluntary Statewide Volunteer Firefighter Retirement Plan.** Section 9 amends Minn. Stat. § 353G.11, subd. 1 to define the annual maximum lump-



sum benefit that can be paid to equal the same benefit amount defined for individual VFRA plans under Minn. Stat. § 424A.02, subd. 3(d). *Effective June 30, 2018.*

- **PERA Voluntary Statewide Volunteer Firefighter Retirement Plan.** Section 10 creates a new section, Minn. Stat. § 353G.17, that provides procedures and requirements for withdrawing from PERA Voluntary Statewide Volunteer Firefighter Retirement Plan and transferring assets to a local relief association governed by Minn. Stat. ch. 424A. The law only addressed individual plans moving into the statewide plan. *Effective June 30, 2018.*
- **Special law: Swift County Benson Hospital.** Section 11 amends Minn. Session Laws 1992, ch. 534, sec. 10, subd. 3, to delete a provision requiring a successor employer of the employees of the Swift County-Benson Hospital to provide benefits and pensions “comparable” to the “pension program and benefits” provided by PERA. *Effective June 30, 2018.*
- **Special law: Brook Park SVF benefit level modification.** Section 12 is a session law that authorizes the city of Brook Park to lower the annual service pension level for its lump-sum account in the PERA SVF from \$1,200 to \$600, retroactive to Jan. 1, 2016. *Effective June 30, 2018.* The session law also requires the city to annually review the service pension level to determine if the level is appropriate, taking into account the city’s need to recruit and retain volunteer firefighters. *Effective the day after the governing body of the city of Brook Park and its chief clerical officer timely complete their compliance with Minn. Stat. § 645.021, subs. 2 and 3.*
- **Special law: certain St. Paul laborers and associated trades personnel coverage exclusion.** Section 13 is a session law that authorizes a prospective PERA General coverage exclusion election for St. Paul city and school district temporary laborers hired before June 1, 2018. *Effective May 30, 2018.*

#### **Article 17: Generally Applicable Retirement Changes**

- **Restrictions; exceptions.** Section 1 amends Minn. Stat. § 356.24, subd. 1 to increase the maximum permissible employer contribution from \$5,000 to \$7,000 per year per employee to the Laborers National Industrial Pension Plan or to a laborers local pension fund. *Effective June 30, 2018.*
- **Additional sources of funding.** Section 2 creates a new section, Minn. Stat. § 356.631 that allows all pension plans to accept additional sources of payments, including gifts, donations, bequests, and life insurance death benefits. *Effective June 30, 2018.*

(GC)



## **PUBLIC SAFETY**

### **Misrepresenting an animal as a service animal crime established**

Chapter 106 (HF 3157\*/SF 2646) creates the crime of misrepresentation of a service animal.

- **Definitions and immunity provided.** Section 1 creates Minn. Stat. § 604A.302. It provides the following definitions:
  - “Assistance animal” means an animal that assists, supports, or provides a service to a person with a disability.
  - “Owner” means the owner of real property, a contract for deed vendee, receiver, personal representative, trustee, lessor, lessee, agent, or other person directly or indirectly in control of the real property.
  - “Real property” includes any physical location or portion of real property that federal or state law or local ordinance requires to be accessible to a person with a disability who is using an assistance animal.

The section also provides that an owner of real property is not liable for any injury or damage caused by an assistance animal if: (1) the owner believes in good faith that the animal is an assistance animal or the individual using the assistance animal represents that the animal is an assistance animal; and (2) the injury or damage is not caused by the negligence of the owner of the real property and the owner is not liable under Minn. Stat. § 347.22.

- **Misrepresentation of a service animal prohibited and penalties provided.** Section 2 creates Minn. Stat. § 609.833. It provides that a person may not, directly or indirectly through statements or conduct, intentionally misrepresent an animal in that person’s possession as a service animal in any place of public accommodation (as defined in Minn. Stat. §363A.03, subd. 34) to obtain any rights or privileges available to a person who qualifies for a service animal under state or federal law (Code of Federal Regulations, title 28, section 36.104, as amended through March 1, 2018) knowing that the person is not entitled to those rights or privileges. A person who violates this law is guilty of a petty misdemeanor. A person who violates this law a second or subsequent time is guilty of a misdemeanor.
- **Notice authorized.** Minn. Stat. § 609.833 also provides that a conspicuous sign may be posted in a location accessible to public view in a place of public accommodation that contains the following, or substantially similar, language: “NOTICE: Service Animals Welcome. It is illegal for a person to misrepresent an animal in that person’s possession as a service animal.” The Council on Disability may prepare and make available to businesses a brochure detailing permissible questions a business owner may ask to determine whether an animal is

a service animal, proper answers to those questions, and guidelines defining unacceptable behavior.

*Effective Aug. 1, 2018. (AF)*

### **Identifying connections between pornography and sex trafficking required**

Chapter 144 (HF 2967/SF 2554\*) expands the information on human trafficking collected by the Department of Public Safety to include arrest, prosecution, and conviction data for crimes involving minors and pornography. The law further expands the penalty assessment currently applied to certain prostitution-related crimes.

- **Collection of information required.** Section 1 amends Minn. Stat. § 299A.785, subd. 1. It expands the crimes on which the Department of Public Safety must gather statistical data to include Minn. Stat. § 617.247 (possession of pornographic work involving minors) and Minn. Stat. § 617.293 (harmful materials; dissemination and display to minors prohibited).
- **Penalties expanded.** Section 2 expands the prostitution-related crime penalty assessment under Minn. Stat. § 609.3241 to a number of new crimes. Under current law, when a person commits certain prostitution-related crimes, the court imposes an assessment of between \$500 and \$1,000 in addition to any fine. The money is divided between the local political subdivision (40 percent to be used for combating the sexual exploitation of youth), the prosecuting agency (20 percent also to be used in relation to combating the sexual exploitation of youth) and the safe harbor account (40 percent). The changes to this section add several new offenses to the list of crimes for which an assessment must be imposed:
  - Minn. Stat. § 609.27 (coercion);
  - Minn. Stat. § 609.282 (labor trafficking);
  - Minn. Stat. § 609.33 (disorderly house);
  - Minn. Stat. § 617.293 (harmful materials; dissemination and display to minors);
  - Minn. Stat. § 609.283 (unlawful conduct with respect to documents in furtherance of labor or sex trafficking);
  - Minn. Stat. § 609.352 (solicitation of a child);
  - Minn. Stat. § 617.246 (use of minors in a sexual performance); and
  - Minn. Stat. § 617.247 (possession of pornographic work involving minors).
- **Disposition of certain forfeited proceeds modified.** Section 3 amends Minn. Stat. § 609.5315, subd. 5b. It provides that 40 percent of the proceeds forfeitures resulting from violations of laws under this section must be forwarded to the Department of Health, instead of the Department of Public Safety, and are appropriated to the commissioner for distribution to crime victims services organizations that provide services to victims of trafficking offenses.

*Effective Aug. 1, 2018. (AF)*

### **Procedures for handling sexual assault examination kits provided**

Chapter 160 (HF 3017/SF 2863\*) establishes procedures for handling sexual assault examination kits.

- **Contents of notice requirement expanded.** Section 1 adds a provision to Minn. Stat. § 144.6586, subd. 2. It requires hospitals to notify victims of sexual assault of their right to obtain status information about unrestricted sexual assault examination kits.
- **Sexual assault examination kit handling procedures provided.** Section 2 creates Minn. Stat. § 299C.106, which establishes procedures for handling sexual assault examination kits.
  - **Definitions provided.** Subd. 1 provides definitions for terms used in this section.
  - **Transfer of unrestricted sexual assault examination kit from health care professional to law enforcement agency required.** Subd. 2 requires law enforcement to retrieve an unrestricted sexual assault examination kit from a health care professional within 10 days of receiving notice in writing, by telephone, or by electronic communication.
  - **Submission of unrestricted sexual assault examination kit required.** Subd. 3 requires that within 60 days of receiving an unrestricted sexual assault examination kit, law enforcement must submit the kit for testing, unless the agency determines the kit adds no evidentiary value to the case.
  - **No basis for dismissal or bar to admissibility of evidence.** Subd. 4 declares that compliance with the deadlines in this section does not impact the admissibility of the evidence.
- **Victim rights to sexual assault evidence information provided.** Section 3 creates Minn. Stat. § 611A.27, which provides victim rights to sexual assault evidence information.
  - **Access to law enforcement data established.** Subd. 1 establishes the specific data related to sexual assault examination kits that the victim is entitled to receive from law enforcement.
  - **Response to a victim request for data required.** Subd. 2 requires law enforcement agencies to develop and adopt policies to govern the process of responding to victim requests for data under subd. 1.

*Effective Aug. 1, 2018. (AF)*

### **Sex trafficking prevention training for employees of hotels and motels requirement**

Chapter 179 (HF 3287/SF 3367\*) creates Minn. Stat. § 157.177, which requires hotel owners and operators to ensure that employees receive training on how to recognize potential victims of sex trafficking and activities commonly associated with trafficking.

- **“Sex trafficking” definition referenced.** Subd. 1 provides that “sex trafficking” has the meaning given in Minn. Stat. § 609.321, subd. 7a, which defines “sex trafficking” as (1) receiving, recruiting, enticing, harboring, providing, or obtaining by any means an individual to aid in the prostitution of the individual; or (2) receiving profit or anything of value, knowing or having reason to know it is derived from an act described in clause (1).
- **Prevention training required.** Subd. 2 requires hotel or motel operators to ensure that each on-site employee receive training on the activities commonly associated with sex trafficking within the later of 90 days of hire or 120 days of the effective date of the bill (Aug. 1, 2018). Operators must certify that the training was completed in each employee’s personnel file or an employee roster. The Department of Health must consult with the state hotel and lodging association to recommend a training program that raises awareness of sex trafficking, offers guidance on how to recognize potential victims of sex trafficking and activities commonly associated with trafficking, and instructs how to report suspected trafficking to the proper law enforcement officials. The department must inspect and enforce the training requirement as part of its regular inspection and licensing of hotels and motels. Operators must also reinforce the training requirements by conducting ongoing awareness campaigns for employees and maintaining a poster in a place readily accessible to each employee.
- **Exemptions provided.** Subd. 3 provides that the training requirements in subd. 2 do not apply to employees who: (1) are under the age of 16 years unless they clean guest rooms; (2) work exclusively in a restaurant, providing catering services, or both; or (3) do not have direct contact with either guests or guest rooms.
- **Immunity provided.** Subd. 4 provides that an operator or employee of a hotel or motel who acts in good faith is immune from liability in any civil action for reporting suspected sex trafficking activities.
- **Enforcement provided.** Subd. 5 provides that a hotel or motel operator who fails to provide the prevention training required by subd. 2 shall be given six months to comply with an order issued pursuant to Minn. Stat. § 157.20, subd. 3 for a first violation.
- **Snowmobile and all-terrain vehicle acts prohibited.** Section 1 amends Minn. Stat. § 84.91, subd. 1. It prohibits a person who commits a DWI offense in any vehicle from operating a snowmobile or all-terrain vehicle for one year. It requires the courts to send notice of all DWI convictions to the Department of Public Safety. Under current law, a person who operates a snowmobile or all-terrain vehicle while under the influence, in violation of Minn. Stat. § 169A.20, is prohibited from operating those off-road vehicles for one year. This bill expands the prohibition so that it applies to a person who commits a DWI offense in any vehicle.
- **Motorboat acts prohibited.** Section 2 amends Minn. Stat. § 86B.331, subd. 1. It prohibits a person who commits a DWI offense in any vehicle from operating a motorboat for one year. It requires the courts to send notice of all DWI convictions to the Department of Public Safety. Under current law, a person who operates a motorboat while under the influence, in violation of Minn. Stat. § 169A.20, is prohibited from operating a motorboat for one year. This bill expands the prohibition so that it applies to a person who commits a DWI offense in any vehicle.
- **Report on carbon monoxide exposure in fish houses and ice shelters required.** Section 3 is a 2018 session law. It requires the commissioner of the Department of Natural Resources to work with fish house and ice shelter manufacturers and other interested parties to identify best practices to reduce fish house and ice shelter user exposure to carbon monoxide. The commissioner must increase outreach efforts relating to the dangers of carbon monoxide exposure in fish houses and report recommendations to the chairs of the House of Representatives and Senate committees and divisions with jurisdiction over environment and natural resources policy by Jan. 15, 2019.
- **“Sam Schooley Act” cited.** Section 4 provides that section 3 may be known and cited as the “Sam Schooley Act.”
- **“Little Alan’s Law” cited.** Section 5 provides that sections 1, 2, and 6 may be cited as “Little Alan’s Law.”
- **Exemptions repealed.** Section 6 repeals Minn. Stat. § 169A.07 and Minn. Stat. § 169A.33, subd. 1, which are provisions exempting a person from driver’s license revocation if the person’s first DWI offense takes place while using an off-road recreational vehicle or motorboat.

*Effective Aug. 1, 2018. (AF)*

### **Carbon monoxide dangers in fish houses awareness increase; snowmobiles, all-terrain vehicles, and motorboats in operation full incorporation into the DWI law establishment**

Chapter 183 (HF 3923/SF 3638\*) expands the prohibition on operating certain off-road vehicles and motorboats following a DWI conviction and eliminates the driver’s license revocation exemption for certain off-road DWI offenses. It also requires a report on carbon monoxide exposure in fish houses and ice shelters.

*Effective Aug. 1, 2018. (AF)*

### **Controlled substance schedules modified; kratom criminal penalties provided; DWI law modified**

Chapter 195 (HF 3479/SF 2578\*) makes changes to provisions related to controlled substance schedules, kratom penalties, and DWI laws.

- **Controlled substances provisions modified.** Article 1 contains changes to controlled substances provisions.

- **Substances added to Schedule I of controlled substance law.** Section 1 amends Minn. Stat. § 152.02, subd. 2. It adds substances to Schedule I of the controlled substances law: 4-(4-bromophenyl)-4-dimethylamino-1-phenethylcyclohexanol (bromadol), which is a synthetic opiate; and 1-(3-chlorophenyl)piperazine (meta-chlorophenylpiperazine or mCPP), which is a synthetic stimulant.
- **Substances added to Schedule IV of controlled substance law.** Section 2 aligns the statutory Schedule IV of the controlled substances law with that found in the Board of Pharmacy’s rules by adding the following opiate drugs: pentazocine and butorphanol (including its optical isomers).
- **Kratom sale criminal penalties provided.** Section 3 adds a subdivision to Minn. Stat. § 152.027. It makes it a gross misdemeanor to sell kratom to someone under the age of 18, and a misdemeanor for someone under the age of 18 to possess it.
- **Substantive DWI changes provided.** Article 2 makes changes to DWI laws.
  - **“Intoxicating substance” defined.** Section 1 adds a subdivision to Minn. Stat. § 169A.03. It defines “intoxicating substance” in the DWI law to mean drugs or chemicals (as those terms are defined in Minn. Stat. ch. 151) that produce impairment. It clarifies that the term does not include controlled substances or alcohol (these items are already covered under current DWI law).
  - **DWI crime modified.** Section 2 amends Minn. Stat. § 169A.20, subd. 1, the DWI crime. It strikes the current language relating to the crime of hazardous substance DWI. It replaces this with the crime of driving while knowingly under the influence of an intoxicating substance.
  - **“Hazardous substance” definition repealed.** Section 3 repeals Minn. Stat. § 169A.03, subd. 9, the current definition of “hazardous substance” in the DWI law since this term will no longer be used.
- **DWI conforming changes provided.** Article 3 makes conforming changes throughout statutes replacing the term “hazardous substance” with “intoxicating substance.”

*Effective Aug. 1, 2018. (AF)*

#### **Public safety provisions in the bonding act**

Chapter 214 (HF 4425\*/SF 4021) is the capital investment “bonding” bill. It contains \$21.7 million for these public safety appropriations:

- **Cottage Grove East Metro Training Facility.** \$9.5 million for a grant to the city of Cottage Grove to construct, furnish, and equip a Health and Emergency Response Occupations (HERO) Center in Cottage Grove.
- **Dakota County Regional Public Safety Center.** \$6.2 million for a grant to Dakota County to acquire

land for and to predesign, design, construct, furnish, and equip the Safety and Mental Health Alternative Response Training (SMART) Center. The center shall serve as a centrally located regional hub and provide training space for the Minnesota Crisis Intervention Team as well as provide a central location for other public safety resources.

- **Marshall Emergency Response and Industrial Training Center.** \$3.1 million for a grant to the city of Marshall to design, construct, furnish, and equip the driver training and road course expansion of the Minnesota Emergency Response and Industrial Training (MERIT) Center in Marshall.

*Effective May 31, 2018. (AF)*



## **TRANSPORTATION**

### **Minnesota Licensing and Registration System (MNLARS) oversight and appropriation provided**

Chapter 101 (HF 3724/SF 3133\*) is a 2018 session law. It provides a one-time appropriation of \$9.65 million in fiscal year 2018 to the Department of Public Safety for costs related to continued development, improvement, operations, and deployment of the driver and vehicle services information system known as the Minnesota Licensing and Registration System (MNLARS). Of this amount, \$2.15 million is from the vehicle services operating account and \$7.5 million is from the driver services operating account. The chapter contains several provisions pertaining to reporting and accountability by state agencies. It establishes the MNLARS Steering Committee. The chapter also provides \$100,000 in fiscal year 2018 and \$250,000 in fiscal year 2019 to the Office of the Legislative Auditor from the vehicle services operating account in the special revenue fund for an information technology auditor position. *Effective March 23, 2018. (AF)*

### **Motorcycle permit holders authorized to operate on interstate highways**

Chapter 122 (HF 3997/SF 3466\*) amends Minn. Stat. § 169.974, subd. 2. It broadens motorcycle operation when using a two-wheeled vehicle instruction permit, to allow operating the vehicle on interstate highways. *Effective Aug. 1, 2018. (AF)*

### **Biofuel diesel content requirements modified for early spring**

Chapter 133 (HF 3525/SF 3596\*) allows the 20 percent biodiesel fuel content requirement to be reduced to a 10 percent minimum between April 1 and April 15 of each year that the seasonal October-through-March content requirement is left at 5 percent. It also removes a sunset date on the exemption from the biodiesel content require-



ment for Number 1 diesel fuel, making that exemption permanent. *Effective August 1, 2018.* (CJ)

### **Passing emergency vehicles stopped on a roadway provision modified**

Chapter 159 (HF 3249\*/SF 2977) broadens the “move over law,” which directs motorists to change lanes away from emergency vehicles and other vehicles (including tow trucks, road maintenance, utility, and road construction vehicles) that are stopped on or at the side of the road with emergency or warning lights activated.

- **Passing parked emergency vehicle requirement modified.** Section 1 adds a provision to Minn. Stat. § 169.18, subd. 11. It provides that if a lane change is impossible, or when approaching and before passing an authorized emergency vehicle with its emergency lights activated that is parked or otherwise stopped on or next to a street or highway having only one lane in the same direction, the driver of a vehicle must reduce the speed of the motor vehicle to a speed that is reasonable and prudent under the conditions until the motor vehicle has completely passed the parked or stopped emergency vehicle, if it is possible to do so.
- **Passing certain parked vehicles requirement modified.** Section 2 amends Minn. Stat. § 169.18, subd. 12. It provides that if a lane change is impossible, or when approaching and before passing a freeway service patrol vehicle, road maintenance vehicle, utility company vehicle, or construction vehicle with its warning lights activated that is parked or otherwise stopped on or next to a street or highway having only one lane in the same direction, the driver of a vehicle must reduce the speed of the motor vehicle to a speed that is reasonable and prudent under the conditions until the motor vehicle has completely passed the parked or stopped freeway service patrol vehicle, road maintenance vehicle, utility company vehicle, or construction vehicle, if it is possible to do so.

*Effective Aug. 1, 2018.* (AF)

### **Trunk highway ditch mowing permit requirement moratorium imposed**

Chapter 165 (HF 4008/SF 3569\*) is a 2018 session law. It extends a temporary moratorium until April 30, 2019 on Minnesota Department of Transportation’s (MnDOT) authority to issue or require permits to mow and hay in trunk highway ditches. The moratorium does not apply to right-of-way that is adjacent to public lands. An equivalent moratorium enacted by the 2017 Legislature (Laws 2017, Chapter 15) expired April 30, 2018. *Effective May 20, 2018.* (AF)

### **Beet trucks allowed to leak fluids during transport**

Chapter 171 (HF 3548\*/SF 3405) deals with statutes related to how loads must be secured for transport. It clari-

fies language allowing sand to be spread for traction and water to be sprinkled for cleaning or maintaining a road. It adds a new allowance for liquid to leak from thawing unprocessed sugar beet loads. *Effective May 17, 2018.* (AF)

### **Transportation provisions in the bonding bill**

Chapter 214 (HF 4425\*/SF 4021) is the capital investment “bonding” bill. It contains \$541.83 million for these transportation appropriations.

- **Local Road Improvement Program funded.** \$78.6 million for the Local Road Improvement Program under Minn. Stat. § 174.52, as follows:
  - **Local Road Improvement Program funds:** \$35 million for undesignated projects.
  - **Anoka County:** \$15 million for the Thurston Boulevard Interchange.
  - **City of Dayton:** \$13.5 million for Brockton Interchange.
  - **City of Inver Grove Heights:** \$6.1 million for Argenta Trail 70<sup>th</sup> Street Expansion.
  - **Carver County:** \$9 million for Highway 101 realignment.
- **Local Bridge Replacement and Rehabilitation.** \$5 million for the Local Bridge Replacement Program under Minn. Stat. § 174.50.
- **Minnesota Rail Service Improvement (MRSI).** \$1.55 million for the MRSI under Minn. Stat. § 222.50 and Minn. Stat. §§ 222.46–222.62, as follows:
  - **Minnesota Valley Regional Rail Authority for rehabilitation of railroad track between Winthrop and Hanley Falls:** \$1 million
  - **Minnesota Commercial Railway Company for the Rice Creek Bridge:** \$550,000
- **Port Development Assistance.** \$5.2 million for Port Development Assistance grants under Minn. Stat. ch. 457A.
- **Safe Routes to School grants.** \$1 million for Safe Routes to School grants under Minn. Stat. § 174.40.
- **Brooklyn Park interchange.** \$4 million for the Trunk Highway 169 and 101<sup>st</sup> Ave. Interchange project in Brooklyn Park.
- **Chisago County Highway 8 reconstruction.** \$3 million for a grant to Chisago County for reconstruction of Highway 8.
- **Foley Trunk Highway 23 safety improvements.** \$500,000 for safety improvements to Trunk Highway 23 and 8<sup>th</sup> Avenue and Penn Street in the city of Foley.
- **Pope County Trunk Highway 29 railroad grade separation.** \$10.5 million in trunk highway bonds for construction of an interchange at Trunk Highway 55 and Trunk Highway 29 near the city of Glenwood, including grade separation of the adjacent rail crossing of Trunk Highway 29.
- **Corridors of Commerce.** \$400 million in trunk highway bonds for the Corridors of Commerce program under Minn. Stat. § 161.088. Of this amount, \$150

million is available in fiscal year 2022; \$150 million is available in fiscal year 2023; and \$100 million is available in 2024. The subdivision provides that, from this appropriation, the Minnesota Department of Transportation (MnDOT) must select projects solely using the results of the spring 2018 evaluation for the Corridors of Commerce program, in order based on total score, and must select at least two projects located outside the MnDOT Metropolitan District. If funds are insufficient for an identified project, MnDOT must either select the identified project, or select one or more alternative projects that are (1) for a segment within the project limits of the identified project; and (2) also identified and scored in the spring 2018 evaluation process. For projects located outside the MnDOT Metropolitan District, MnDOT must not select a project located in a county within which a project was selected for funding in the spring 2018 evaluation for the Corridors of Commerce program.

- **Hennepin County State-Aid Highway 9 and Interstate Highway 494 improvements.** \$9.72 million for a grant to Hennepin County, the city of Plymouth, or both, for interchange improvements at the intersection of State-Aid Highway 9 and Interstate Highway 494.
- **Mankato Trunk Highway 169 reconstruction.** \$830,000 for a grant to the city of Mankato for reconstruction of a segment of Trunk Highway 169 to accommodate the raising of a levee.
- **Wadena U.S. Highway 10 environmental cleanup.** \$5 million under Minn. Stat. § 174.50 for a grant to the city of Wadena for environmental analysis and cleanup and construction of storm water drainage within the U.S. Highway 10 corridor.
- **Becker Industrial Park road improvements.** \$3.3 million for a grant to the city of Becker for road and infrastructure improvements within the city’s industrial park.
- **Wakefield street reconstruction.** \$600,000 under Minn. Stat. § 174.50 to Wakefield Township, Luxembourg Township, or both, for reconstruction of a portion of 200<sup>th</sup> street, a township line road in Stearns County.
- **Rochester bus storage facility expansion.** \$2.5 million to the city of Rochester for expansion of the city’s existing bus storage facility.

- **Goodview quiet zone construction.** \$330,000 for a grant to the city of Goodview for construction of a railroad crossing quiet zone.
- **Hennepin County railroad crossing safety.** \$1.2 million for a grant to Hennepin County to reconstruct railroad crossing safety improvements.
- **New Brighton Rice Creek railroad bridge removal.** \$1 million for a grant to Minnesota Commercial Railway Company to demolish the railroad bridge over Rice Creek in New Brighton.
- **Moorhead rail grade crossing separation.** \$6 million for a grant to the city of Moorhead for a rail grade crossing separation in the vicinity of 21<sup>st</sup> Street South.
- **Rosemount quiet zone construction.** \$1 million for a grant to the city of Rosemount for construction of a quiet zone located on Bonaire Path in Rosemount.
- **Stone Arch Bridge rehabilitation design and engineering.** \$1 million for the design and engineering of the rehabilitation of the James J. Hill Stone Arch Bridge over the Mississippi River.

*Effective May 31, 2018. (AF)*



## UTILITIES

### **Water tank maintenance contracts now subject to competitive bid threshold**

Chapter 124 (HF 1975\*/SF 2393) removes a previously allowed option under Minn. Stat. § 471.345, subd. 5b, of including water tank maintenance work under a multiyear professional service contract entered into through direct negotiation or a request for proposals. Under the new statute, if the cost of a contract for the sale or purchase of supplies, materials, equipment or the rental thereof, or the construction, alteration, repair, or maintenance of real or personal property entered into under this subdivision is estimated to exceed the competitive bid threshold (under the new law this is \$175,000), a city would need to separately bid using either the low bid or best value bid procurement process as required for other city contracts.

*Effective for contracts entered into on or after Sept. 1, 2018. (CJ)*

**DNBL—BUILDING CODES**

**Accessibility in public buildings**

HF 2013/SF 2064 (Rep. Rod Hamilton, R–Mountain Lake/Sen. Rich Draheim, R–Madison Lake) would have amended Minn. Stat. § 326B.106, subd. 9, to require the State Building Code to require all new public buildings and existing public buildings when remodeled to be accessible to and usable by persons with disabilities. This bill was included in the omnibus supplemental budget bill, which was vetoed by the governor. **(IK)**

**DNBL—CIVIL AND CRIMINAL LAW**

**State agency criteria before suing local government**

HF 1007/SF 905 (Rep. Jeff Howe, R–Rockville/Sen. Michelle Fischbach, R–Paynesville) would have required state agencies to make all reasonable efforts to help local government resolve any issue before serving a summons and complaint in a lawsuit. This bill was heard in multiple House committees, but was never heard in the Senate. **(IK)**

**DNBL—DATA PRACTICES**

**Move of Data Practices Office to Office of Administrative Hearings**

HF 2953/SF 3016 (Rep. Peggy Scott, R–Andover/Sen. Warren Limmer, R–Maple Grove) would have moved the Data Practices Office (formerly known as the Information Policy Analysis Division or IPAD) from the Department of Administration to the Office of Administrative Hearings (OAH). The current \$1,000 filing fee for a OAH hearing would have been reduced to \$250. While the bill was originally included in the omnibus supplemental budget bill, it was removed in conference committee and a new provision was included that would have required the Data Practices Office to provide written opinions when requested (currently it is discretionary) and written opinions would have to be issued when requested by legislators. However, the omnibus supplemental budget bill was vetoed by the governor. **(IK)**

**Recorded personnel data classification**

HF 1316/no SF (Rep. John Lesch, DFL–St. Paul) would have reclassified any video, audio, or other recording of government employees, independent contractors, or volunteers from private data to public data. The bill would have reversed the presumption of private classification for personnel data based on the form/medium of the data. The bill was a reaction to the Minnesota Supreme Court’s decision in *KSTP v. Metro Transit*, 884 N.W.2d 342 (Minn. 2016). This bill was heard on an information-only basis in one House committee in 2017 and 2018. **(IK)**

**Email retention**

There were three bills related to email retention introduced in 2017 but were not heard in 2018:

- HF 70/SF 123 (Rep. Duane Quam, R– Byron/Sen. Ron Latz, DFL–St. Louis Park) would have required local governments to retain electronic records for at least 18 months.
- HF 317/no SF (Rep. Eric Lucero, R–Dayton) would have required government entities to retain electronic records for at least 12 months.
- HF 1185/SF 1719 (Rep. Peggy Scott, R–Andover/Sen. Warren Limmer, R–Maple Grove) would have broadly defined “correspondence” in the records management laws, required all “correspondence” be retained for three years, and limited government entities’ discretion of what records could be destroyed.

**(IK)**

**DNBL—ECONOMIC DEVELOPMENT**

**Economic development provisions in omnibus supplemental budget bill**

Chapter 201 (HF 4099/SF 3656\*) was the omnibus supplemental budget bill and was vetoed by the governor. A couple of provisions related to economic development programs administered by the Department of Employment and Economic Development were included in the vetoed bill. The bill earmarked two \$1 million projects from Minnesota Investment Fund (MIF), which would have created a \$10.5 million MIF balance in fiscal year 2019. The vetoed bill also transferred \$1.5 million from the Job Creation Fund in 2019. **(LZ)**

**DNBL—ELECTIONS**

**Elections omnibus bill**

HF 3221/SF 3021 (Rep. Tim O’Driscoll, R–Sartell/Sen. Mary Kiffmeyer, R–Big Lake) was the 2018 elections omnibus bill. Both bills contained language that would have allowed cities to pass a resolution to require a write-in candidate to file a request with the city chief election official to have their write-in votes counted at least seven days before the election. Or the city council could have required by resolution that individual write-in votes only be tabulated if the total number of write-in votes would have impacted the outcome of the election. The bills also included a section that would have allowed cities to designate polling places only if the polling place changes from the previous year. The House amended language into the bill in committee that would have allowed for the use of electronic signatures when using e-poll books. The Senate amended language into the bill in committee that would have prohibited cities from shortening or lengthening city

## BILLS THAT DID NOT BECOME LAW (DNBL)

council terms when transitioning from an odd to even year election cycle (or vice versa). The House passed the bill off the floor 124-1 in the final week but the bill was not taken up on the Senate floor. **(AL)**

### Mail balloting expansion

HF 4104/SF 3728 (Rep. Pat Garofalo, R-Farmington/Sen. Jim Carlson, DFL-Eagan) would have expanded the ability to use mail balloting for cities in the metro area. The bill would have lifted the restriction for cities with 400 or fewer registered voters in the seven-county metro area to conduct mail balloting and allowed townships of any size in the metro area to conduct mail balloting. The bill received an informational hearing in the House and the language was then amended into the elections omnibus bill on the House floor. It was not heard in the Senate. **(AL)**

### Ranked-choice voting prohibition

HF 3690/SF 3325 (Rep. Cindy Pugh, R-Chanhassen/Sen. Mark Koran, R-North Branch) would have prohibited cities, counties, townships, and school districts from implementing ranked-choice voting. The bill was heard and passed out of committee in the Senate but did not receive a hearing in the House. **(AL)**

## DNBL—EMPLOYMENT

### Sexual harassment definition

HF 4459/SF 4031 (Rep. Joyce Peppin, R-Rogers/Sen. Karin Housley, R-St. Mary's Point) would have eliminated the "severe or pervasive" standard in sexual harassment cases in state law. This change would have given judges more discretion to move forward with sexual harassment cases that previously may have not met the "severe or pervasive" standard that was set by a 1986 U.S. Supreme Court ruling in *Meritor Savings Bank v. Vinson*, 477 U.S. 57 (1986). The bill was heard and passed out of one committee in the House but did not receive a hearing in the Senate. The language was added to the House omnibus public safety bill but was not included in the conference committee report for the larger omnibus finance and policy bill, SF 3656. **(AL)**

### Settlement reporting and transparency

HF 3034/SF 2491 (Rep. Sarah Anderson, R-Plymouth/Sen. Carla Nelson, R-Rochester) would have required local government, state agencies, the Legislature, and the University of Minnesota to provide annual reports on settlements related to allegations of employee or employer misconduct. This annual report would have been required to be on the public entity's website and sent to the Legislature. This bill was heard in two Senate committees, but was not heard in the House. **(IK)**

### Employers prohibited from seeking wage history

HF 2913/SF 2716 (Rep. Paul Thissen, DFL-Minneapolis/Sen. Sandy Pappas, DFL-St. Paul) would have prohibited employers, including political subdivisions, from seeking wage history or information about past wages of an employee or prospective employee. **(AF)**

### Political subdivisions prohibited from enacting local employer benefit or minimum wage requirements

HF 600/SF 580 (Rep. Pat Garofalo, R-Farmington/Sen. Jeremy Miller, R-Winona) would have prohibited political subdivisions from enacting local employer benefit or minimum wage requirements. It was vetoed in 2017 when it was included in a larger package including the omnibus pensions bill and ratification of state employee contracts. The Legislature created a conference committee on HF 600/SF 580 in 2018, but the conference committee did not meet. **(AF)**

### Political subdivisions prohibited from enacting minimum wage requirements

HF 180/no SF (Rep. Jerry Hertaus, R-Greenfield ) would have prohibited local units of government from requiring the payment of a minimum wage that is different than the minimum wage set in Minnesota statutes. **(AF)**

## DNBL—ENVIRONMENT

### Environmental provision in the omnibus supplemental budget bill

Chapter 201 (HF 4099/SF 3656\*) was the omnibus supplemental budget bill and was vetoed by the governor. A number of the environmental policy provisions included in the vetoed omnibus bill were passed as stand-alone bills and signed by the governor, but many that were not separately passed are likely to be discussed in future legislative sessions. These include:

- Changes to the state total maximum daily load and Watershed Restoration And Protection Strategy statutes to integrate "One Watershed, One Plan" efforts.
- Clarification that a city can include the benefits of a watershed district project toward its stormwater permit requirements if the project is not also counted towards the watershed district's permit.
- Statutorily preserving a water quality standard peer review system similar to the one currently used under the MPCA commissioner's order.
- Including industrial wastewater facilities in the 16-year regulatory certainty allowance that was signed into law for public facilities.
- Clarification of how stormwater permits apply in jurisdictions only partially within the federally-designated urbanized areas in the state.
- Reduced training requirements for type IV disposal



facility system certificates, which is needed for land application of biosolids from wastewater facilities.

**(CJ)**

#### **Organized solid waste collection**

HF 1976/SF 1755 (Rep. Pat Garofalo, R-Farmington/Sen. Bruce Anderson, R-Buffalo) would have drastically restricted the use of organized solid waste collection by cities, rolling the process back to being far more restrictive than even the previous law that saw only two cities successfully organize solid waste collection in 20 years. After interim discussions and negotiations with solid waste haulers, some statutory changes that were agreeable to both parties were enacted into law as Chapter 177 (HF 3095\*/SF 2697). Those changes are covered in the *Environment* section of this document. **(CJ)**

#### **Emerald ash borer funding**

HF 2031/SF 1687 & HF 2032/1688 (Rep. Nels Pierson, R-Stewartville/Sen. Dan Sparks, DFL-Austin) were bills to provide general funds and bonding funds for cities to deal with the rapid spread of emerald ash borer. While the bills received good hearings in both the House and Senate in 2017, they did not end up being included in either the agriculture budget bill or the bonding bill in either 2017 or 2018. This pest is quickly spreading across the state and the need for financial assistance is growing rapidly. Cities and urban forest advocates will be raising the issue again next session as a budget issue for the Department of Agriculture. **(CJ)**

#### **Water pollutant credit trading**

The development of a program establishing a third-party administrated credit banking system for pollutant load within a watershed basin was proposed by the Minnesota Pollution Control Agency prior to the legislative session. The League worked with other stakeholders to propose a pilot project, but the proposal did not end up in any of the final legislative packages, partly due to the fact that no general fund money was allocated to environmental committee budget targets. Finding a way to enable effective non-point pollutant reduction efforts to be contractually arranged to take the place of much more costly point source pollution controls has been an ongoing national issue. It will continue to be looked at in future sessions. **(CJ)**

#### **Non-flushable wipe labeling**

HF 2292/SF 2040 (Rep. Glenn Gruenhagen, R-Glencoe/Sen. Scott Newman, R-Hutchinson) would have required labels on non-woven personal care products, or wipes, to accurately reflect whether a product is safe to be flushed or should not be disposed of in that manner. Due to the short legislative session and industry negotiations going on

with the European Union on labeling standards, the parties agreed to wait until 2019 to consider further action on the issue. **(CJ)**

#### **Liability immunity for salt applicators**

HF 3577/SF 3199 (Rep. Dario Anselmo, R-Edina/ Sen. Carrie Ruud, R-Breezy Point) would have provided immunity from liability for private salt applicators who have completed state-approved training on appropriate salt application levels. The League's position was neutral and consisted of making sure the legislation did not affect existing city liability immunities. City and county employees are already encouraged to attend this training and make up 85 percent of the attendance. Concerns about the breadth of the immunity being provided caused the legislation to fall short this session, but it is expected to return in future sessions. **(CJ)**

#### **City authority to restrict well-drilling**

A 2017 proposed House floor amendment opposed by the League that would have removed city authority to use land use controls to restrict where wells may be drilled within their boundaries was not raised again during the 2018 session. The League provided documentation of city authority and Department of Health agreement with that authority to the amendment author and the lobbyist for the well-drillers to correct a misunderstanding over existing state law. The issue is still likely to be raised again, however. **(CJ)**

#### **Prohibition on construction of sports fields using crumb rubber**

After receiving significant attention during the 2017 session, a proposal to enact an immediate three-year moratorium on the creation of a playground or athletic field using crumb rubber was not included in any legislation this session. The Minnesota School Boards Association and the League of Minnesota Cities were jointly concerned as it provided no grandfather allowance for projects that are already started, even if construction were already underway or the specific project has already been approved by local voters in a referendum. The health and safety information on crumb rubber is not conclusive at this point and local elected officials already weigh local concerns and new public health information into their decisions. **(CJ)**

#### **State agency rule adoption and environmental procedures**

HF 3445/SF 3113 (Rep. Ron Kresha, R-Little Falls/Sen. Mark Johnson, R-East Grand Forks) was a bill promoted by the Chamber of Commerce and made changes to agency rule adoption and legislative oversight of rules. The issues were not addressed this session and are very likely to be raised again in future years. **(CJ)**

## BILLS THAT DID NOT BECOME LAW (DNBL)

### DNBL—GENERAL GOVERNMENT

#### **Limited expansion for councilmember use of Skype for city council meetings**

The League-supported bill, HF 3343/SF 3114 (Rep. Jim Nash, R-Waconia/Sen. Jerry Newton, DFL-Coon Rapids) would have allowed use of the interactive television provision under the Open Meeting Law without making the location of the remote city councilmember open and accessible to the public but only if the city councilmember (1) is in the military and deployed or (2) has a medical condition where a medical professional has deemed the councilmember unable to be in public for medical reasons. **(IK)**

#### **Retainage limited**

HF 2912/SF 2783 (Rep. Jason Rarick, R-Pine City/Sen. Mark Koran, R-North Branch) would have limited the ability for public entities to withhold the statutorily permitted 5 percent retainage on construction projects. **(IK)**

#### **Written policies and procedures in a manual**

HF 61/no SF (Rep. Duane Quam, R-Byron) would have required cities and counties to have their policies, procedures, forms, deadlines, due dates, or payments relating to any duty or operation of the city or county to be contained in one or more manuals and available for inspection by the public. **(IK)**

#### **Required notice of ordinances related to sale, use, or marketing of merchandise**

HF 2592/SF 2328 (Rep. Jim Nash, R-Waconia/Sen. Dan Hall, R-Burnsville) would have required cities and counties to provide a 30-day notice before a mandated public hearing on setting standards or requirements on the sale, use, or marketing of merchandise to consumers at retail or food service locations. Cities and counties would also have been required to provide the economic impact on the licensed businesses and the economic impact to the municipality and state, including any reduction in local or state tax revenue. **(IK)**

#### **Tightening city options to use best value contracting**

HF 3283/SF 3853 (Rep. Jim Nash, R-Waconia/Sen. Dan Hall, R-Burnsville) would significantly reduce city flexibility related to using best value contracting. It would have eliminated the existing criteria and replaced it with a new list that was mandated to be 85 percent or more weighted on low bid and prohibited a number of key factors related to vendor history. After discussions with the League, the House author intended to change the legislation to more narrowly focus on limiting the options for transportation projects only, but the proposal did not end up moving forward this session.

Other possible legislation related to statutes addressing best value contracting and construction manager at risk contracts was also discussed with some contractors prior to the session, but they chose not to move forward with anything for the 2018 session. **(IK/CJ)**

#### **Public private partnerships**

HF 3698/SF 3602 (Rep. Dennis Smith, R-Maple Grove/Sen. Mark Koran, R-North Branch) proposed copying legislation from Texas requiring local government projects to accept prospective bids from vendors and contractors for public-private financing and construction options and to consider those proposals if a future similar project is considered. It also had significant other procedural and contract requirements for local governments related to this model of project construction, management, and operation. The legislation needed a substantial amount of work to make it match Minnesota statutes and that did not happen in time before policy deadlines. The legislation was a priority for the Associated General Contractors and will likely be discussed in future legislative sessions. **(IK/CJ)**

#### **Attempt to make armories exempt from all local ordinances**

HF 3278/SF 3003 (Rep. Bob Dettmer, R-Forest Lake/Sen. Bruce Anderson, R-Buffalo Township) would have completely exempted armories from all local ordinances or rules. The League worked with the Association of Minnesota Counties to communicate to the bill authors, the Department of Veterans Affairs, and the governor's office why that was problematic and a pre-emption of local oversight of public health, safety, and welfare that we both strongly opposed. The proposal was set aside without final legislative action being taken. **(CJ)**

### DNBL—HOUSING

#### **Rent control voter approval removal**

Chapter 201 (HF 4099/SF 3656\*) was the omnibus supplemental budget bill and was vetoed by the governor. Cities, counties, and townships are prohibited from adopting any local laws on rent control. One repealer would have removed the current authority for voters to adopt such an ordinance or charter amendment. **(IK)**

#### **Legislative approval of Metropolitan Council housing incentives and allocations**

HF 1037/no SF (Rep. Bob Vogel, R-Elko New Market) would have required legislative approval of local housing goals that are currently negotiated between cities and the Metropolitan Council for regional grant program funding. **(IK)**

**Allowing modular and tiny homes in manufactured home parks**

Chapter 201 (HF 4099/SF 3656\*) was the omnibus supplemental budget bill and was vetoed by the governor. It included provisions that the League negotiated with manufactured housing interests that would allow certain qualified modular and tiny homes to be placed in manufactured housing parks. Initially, it preempted local ordinances, but that was reversed in the final version to clarify that, while placement was allowed, other local ordinances still applied. Since this ended up being noncontroversial, it is expected that it will be addressed next session. **(CJ)**

**DNBL—LAND USE****Township orderly annexation legislation**

HF 1995/SF 1749 (Rep. Steve Green, R-Fosston/Sen. Bruce Anderson, R-Buffalo) and SF 4020/no HF (Anderson) propose changing statute so that if a township has an orderly annexation agreement with a city, no other city or private property owner could file a valid petition to annex any parcel included in that agreement, even if it was only referred to as property that would not be annexed. It sets up the ability of a township to play cities against each other to allow only one of them any possibility of future growth within that township and would prohibit any city accepting petitions from township property owners that independently wish to be annexed. An informational hearing was held several weeks after the policy committee deadline in the Senate Local Government Committee. The issue continues to be raised and is likely to return again in future sessions. **(CJ)**

**Municipal planning fee prohibition for review or investigation of permitted use**

HF 957/no SF (Rep. Steve Draskowski, R-Mazeppa) would have prohibited cities from imposing municipal planning fees to review or investigate a permitted use for compliance with any “official control,” which is defined in Minn. Stat. § 462.352, subd. 15 as ordinances or regulations that control the physical development of a city, including ordinances establishing zoning, subdivision controls, site plan regulations, sanitary codes, building codes, and official maps. **(IK)**

**DNBL—MISCELLANEOUS****Auxiliary container regulation prohibition**

HF 3606/SF 3135 (Rep. Drew Christiansen, R-Savage/Sen. Dan Hall, R-Burnsville) would have prohibited cities, counties, and townships from regulating, restricting, or charging a fee for the use of auxiliary containers. The bill included retroactivity language regarding the effec-

tive date. If signed into law, any existing ordinance regulating containers would be void and unenforceable. Auxiliary containers are generally defined as to-go containers from restaurants. The bills were each heard and passed out of their respective required committee stop but did not make deadline. **(AL)**

**Newspaper publication requirements**

HF 3609/SF 3190 (Rep. Jim Nash, R-Waconia/Sen. Dan Hall, R-Burnsville) would have allowed political subdivisions to post public notices on their websites instead of in a newspaper. Currently, state law requires that cities publish public notices in an official newspaper designated by the city. The bill did not receive a hearing in either the House or the Senate. **(AL)**

**Pre-emption of natural hair braiding regulation**

HF 3664/SF 2871 (Rep. Rena Moran, DFL-St. Paul/Sen. Mark Koran, R-Pine City) would have pre-empted cities from regulating any matter relating to licensing of a person who performs natural hair braiding, or the devices, equipment, or facility used to perform hair braiding. The language would not have applied to zoning laws. The section of the bill containing the pre-emption language was amended out during the first committee hearings of the bill in both the House and Senate. **(AL)**

**Changing the name of a body of water prohibited**

HF 4364/SF 3283 (Rep. Jim Newberger, R-Becker/Sen. Dan Hall, R-Burnsville) would have prohibited the name of a lake, river, stream, or other body of water that has existed for more than 40 years from being changed. **(AF)**

**DNBL—PUBLIC FINANCE****Statements of economic interest filing expansion**

HF 3268/SF 2739 (Rep. Jim Nash, R-Waconia/Sen. Justin Eichorn, R-Grand Rapids) would have required local officials in all Minnesota cities to file an annual statement of economic interest. Under current law, only local officials in a metropolitan governmental unit are required to complete an annual statement of economic interest. “Metropolitan governmental unit” is defined in statute as a city with a population of over 50,000 located in the seven-county metropolitan area, and currently includes fewer than 20 cities. The bill would have removed the language limiting the requirement to metropolitan governmental units and expanded the requirement to all political subdivisions in the state, which would include all cities, townships, school districts, and counties. The bill did not receive a hearing in either the House or Senate. **(AL)**

## BILLS THAT DID NOT BECOME LAW (DNBL)

### DNBL—PUBLIC SAFETY

#### Fireworks expansion

HF 329/SF 235 (Rep. Jason Rarick, R–Pine City/Sen. Torrey Westrom, R–Elbow Lake) would have expanded the definition of legal fireworks in Minnesota to include audible and explosive devices, and would have permitted year-round sales in a permanent structure that meets fire code, and sales for up to 60 days in a tent. Versions of the bill cleared the committee process and reached the floors of both the House and Senate. Neither body took up the bill. **(AF)**

#### Law enforcement use of unmanned aerial cameras restricted

HF 1200/SF 1529 (Rep. Brian Johnson, R–Cambridge/Sen. Andrew Matthews, R–Milaca) would have prohibited law enforcement agencies from using unmanned aerial cameras to gather evidence in certain circumstances. **(AF)**

#### Prohibited from requiring fire sprinklers

HF 681/SF 579 (Rep. Duane Quam, R–Byron/Sen. David Senjem, R–Rochester) would have prohibited the State Building Code, the State Fire Code, or a political subdivision of the state by code or ordinance, from requiring installation of fire sprinklers, any fire sprinkler system components, or automatic fire-extinguishing equipment or devices in any new or existing single-family detached dwelling unit, two-family dwelling unit, townhome, or accessory structure such as a garage, covered patio, deck, porch, storage shed, or similar structure. **(AF)**

#### Prohibition on making fire sprinklers a condition of receiving public funding

HF 4433/SF 3910 (Rep. Tama Theis, R–St. Cloud/Sen. David Senjem, R–Rochester) would have prohibited the State Building Code, the State Fire Code, or a political subdivision of the state by code, by ordinance, as a condition of receiving public funding, or in any other way, from requiring the installation of fire sprinklers, any fire sprinkler system components, or automatic fire-extinguishing equipment or devices in any new or existing single-family detached dwelling unit. **(AF)**

#### Federal immigration detainers compliance required

HF 26/SF 3526 (Rep. Duane Quam, R–Byron/Sen. David Osmeck, R–Mound) would have required law enforcement agencies to comply with federal immigration detainers. **(AF)**

#### Cooperation with federal immigration enforcement efforts prohibited

HF 3149/SF 1454 (Rep. Frank Hornstein, DFL–Minneapolis/Sen. Scott Dibble, DFL–Minneapolis) would have

prohibited state and local officials from cooperating with federal immigration enforcement efforts. **(AF)**

#### Reverse referendum required for law enforcement agency dissolution

HF 2590/SF 2317 (Rep. Tony Cornish, R–Vernon Center/Sen. Dan Schoen, R–St. Paul Park) would have required a reverse referendum for a local governmental unit to dissolve a law enforcement agency. **(AF)**

#### Acquisition of military-grade weapons prohibited

HF 3028/SF 2615 (Rep. Ilhan Omar, DFL–Minneapolis and Sen. Jerry Newton, DFL–Coon Rapids) would have prohibited the state and local units of government, and law enforcement agencies from acquiring military-grade weapons from the federal government's military surplus program. **(AF)**

#### Law enforcement agencies required to issue firearms to peace officers

HF 3611/SF 3794 (Rep. Matt Grossell, R–Clearbrook/Sen. Bill Ingebrigtsen, R–Alexandria) would have required law enforcement agencies to issue firearms to peace officers. A similar bill, HF 4082 (Grossell) would have prohibited local governments from disarming peace officers who are in good standing. **(AF)**

#### Forfeiture reform

HF 3725/SF 3419 (Rep. Jim Knobloch, R–St. Cloud/Sen. Scott Newman, R–Hutchinson) would have eliminated administrative forfeitures and limited local law enforcement's ability to partner with federal agencies in the equitable sharing program. Among other concerns, all proceeds would go to the state, despite local law enforcement agencies incurring the time and costs related to forfeiture. **(IK)**

#### Audit revisions for automated license plate readers

HF 3258/SF 2922 (Rep. Peggy Scott, R–Andover/Sen. Warren Limmer, R–Maple Grove) would have changed the audit requirements for automated license plate readers. A similar bill, HF 3259 (Scott) would have included changes to body camera audits as well. **(IK)**

### DNBL—TAXES

#### Construction materials sales tax exemption simplification

HF 299/SF 460 (Rep. Chris Swedzinski, R–Ghent/Gary Dahms, R–Granite Falls) and HF 456/SF 283 (Rep. Mike Freiberg, DFL–Golden Valley/Sen. Ann Rest, DFL–New Hope) would have simplified the sales tax exemption for purchases of construction materials made by a contractor,



subcontractor, or builder under a lump sum contract for buildings and facilities used directly by local governments. **(GC)**

**LGA appropriation restored to 2002 level**

HF 3493/SF 3082 (Rep. Paul Anderson, R-Starbuck/Sen. Bill Weber, R-Luverne) would have fully restored the LGA appropriation over two years to the 2002 appropriation level. Under the bills, the appropriation for local government aid would have increased to \$564.9 million (+\$30.5 million) for aids payable in 2019 and thereafter. **(GC)**

**Sanctuary city aid reduction**

HF 1664/no SF (Rep. Steve Drazkowski, R-Mazeppa) would have disallowed any LGA payment to a city deemed to be a sanctuary city, defined as a city that adopts an ordinance or policy that prohibits, or in any way restricts, an official or employee from: (1) inquiring about a person's citizenship or immigration status; (2) lawfully cooperating with or aiding federal officials or employees charged with enforcing immigration laws; (3) providing or receiving information from federal officials or employees charged with enforcing immigration laws; (4) maintaining citizenship and immigration status data; or (5) exchanging citizenship and immigration status data with other federal, state, or local government entities. A sanctuary city also would have included any city designated as a sanctuary jurisdiction by the secretary of the United States Department of Homeland Security. **(GC)**

**Sanctuary city aid withholding**

SF 881/no HF (Sen. Bill Ingebrigtsen, R-Alexandria) would have withheld LGA for cities that have enacted or had in place within the past year an ordinance prohibiting public safety officials from undertaking any law enforcement action for the purpose of detecting the presence of undocumented persons or to verify immigration status. **(GC)**

**Aid reductions for cities imposing labor regulations established**

HF 2107/SF 2157 (Rep. Steve Drazkowski, R-Mazeppa/Sen. Roger Chamberlain, R-Lino Lakes) would have disallowed a city imposing any special local labor regulations from receiving LGA. Special labor regulations were defined as ordinances requiring an employer to pay an employee a wage higher than the applicable state minimum wage rate, requiring an employer to provide either paid or unpaid leave time, regulating the hours or scheduling of work time that an employer provides to an employee, not including an ordinance, local resolution, or local ordinance limiting the hours a business may operate; or requiring an employer to provide an employee a particular benefit, term of employment, or working condition. **(GC)**

**LGA reductions for lobbying expenses**

HF 2187/SF 2155 (Rep. Steve Drazkowski, R-Mazeppa/Sen. Roger Chamberlain, R-Lino Lakes) would have imposed a reduction on the LGA distribution for each city based on the amount spent each year by the city on lobbying expenses, including the portion of dues paid by local governments to associations such as the League of Minnesota Cities. **(GC)**

**LGA reduction for World Fair expenditures**

HF 754/no SF (Rep. Steve Drazkowski, R-Mazeppa) would have reduced the LGA payment to each city making a contribution or payment related to a World Fair event. **(GC)**

**LGA offset for local sales taxes**

HF 3830/no SF (Rep. Cal Bahr, R-East Bethel) would have modified the LGA formula to reduce the measurement of "unmet need" used to calculate LGA payments based on a city's local sales tax revenue. The reduction would have been phased in over five years. The reduction in unmet need in those cities with local sales taxes would have increased the aid paid to other cities. **(GC)**

**LGA reduction for expenses related to defending illegal immigrants against deportation**

HF 4403/no Senate Companion (Rep. Steve Drazkowski, R-Mazeppa) would have instituted aid reductions to cities or counties that appropriate money to provide legal services to illegal immigrants for deportation hearings. An amendment to the bill also eliminated city LGA payments to any sanctuary city. **(GC)**

**Simplified Municipal Aid Program; repeal of Metro Fiscal Disparities Program**

HF 3892/SF 3518 (Rep. Jerry Hertaus, R-Greenfield/Sen. Mark Koran, R-North Branch) would have repealed the fiscal disparities programs and the current LGA program and create a new per capita allocation of state sales tax revenue from a dedicated account funded with a portion of existing state sales and use tax. **(GC)**

**Property tax simplification**

HF 3276/no SF (Rep. Abigail Whelan, R-Ramsey) would have consolidated all residential property types into a single residential classification and would have consolidated some miscellaneous property classifications, without making any changes in definitions or class rates. The bill also included a significant change in the application of the state general property tax. With the consolidation of cabin property into the general residential class, cabins would no longer be subject to the state property tax. However, those same cabin properties would have, under the bill, been subject to local school district referendum levies. **(GC)**

**General authority to create fire protection districts**

HF 2120/SF 1918 (Sen. Roger Chamberlain, R-Lino Lakes/Rep. Greg Davids, R-Preston) would have allowed two or more political subdivisions to establish, by resolution, a special taxing district to provide fire protection services. The district would be required to be governed by a board consisting of representatives of each participating political subdivision in the proportions set out in the district's establishing resolution. Each representative must be an elected member of his or her respective political subdivision. The fire protection district board would be permitted to levy a tax on property in the district. The property tax would be administered in the same manner as all other local government property taxes. **(GC)**

**Authority to establish service districts repealed**

HF 2412/no SF (Rep. Steve Drazkowski, R-Mazeppa) would have repealed Minn. Stat. §§ 428A.01-428A.101, the authorization for cities to work with local businesses to establish special service districts where additional or a higher level of services are provided. **(GC)**

**Local lodging tax base**

HF 427/SF 586 (Rep. Andrew Carlson, DFL-Bloomington/Sen. Melissa Wklund, DFL-Bloomington) would have clarified that local lodging taxes apply to the entire amount paid by a consumer for lodging including accommodation intermediary charges. **(GC)**

**Reverse referendum on city and county levy decisions**

HF 654/SF 1590 (Rep. Steve Drazkowski, R-Mazeppa/Sen. Roger Chamberlain, R-Lino Lakes) would have created a process to allow citizens to retroactively challenge a city council's decision on the property tax levy through a reverse referendum process. The language in the bill was also originally included in HF 4385, the first 2018 House omnibus tax bill, but was not included in either of the final conference committee omnibus tax bills that were vetoed by the governor. **(GC)**

**General levy reverse referendum process created and referenda moved to November**

HF 564/SF 1590 (Rep. Steve Drazkowski, R-Mazeppa/Sen. Roger Chamberlain, R-Lino Lakes) would have allowed voters to petition for a referendum on a city or county levy increase. The bill would have also required most city, county, and school district referendum elections to be held at the November general election date. The language in the bill was also originally included in HF 4385, the first 2018 House omnibus tax bill, but was not included in either of the final conference committee omnibus tax bills that were vetoed by the governor. **(GC)**

**Reverse referendum requirement for franchise fees**

HF 1146/SF 2092 (Rep. Bob Vogel, R-Elko New Market/Sen. Rich Draheim, R-Madison Lake ) initially would have required a referendum on new or renewed franchise fees and as amended in committee, would have allowed citizens to petition for a referendum (reverse referendum) on most new or modified franchise fees. The language in the bill was originally included in HF 4385, the first 2018 House omnibus tax bill, but was not included in either of the final conference committee omnibus tax bills that were vetoed by the governor. **(GC)**

**Snowplow sales tax exemption**

HF 479/SF 491 (Rep. Chris Swedzinski, R-Ghent/Sen. Gary Dahms, R-Redwood Falls) would have exempted purchases of road construction and road maintenance vehicles from the motor vehicle sales tax. This bill would have made city and county purchases of these vehicles consistent with the current law exemption for township purchases of similar vehicles. **(GC)**

**Lease-purchase reverse referendum**

HF 112/SF 1849 (Rep. Linda Runbeck, R-Circle Pines/Sen. Mark Koran, R-North Branch) would have allowed citizens to petition for a referendum (reverse referendum) on a lease by a city or county for use of public land, all or part of a public building, or other public facilities consisting of real property for a term of three or more years if the property to be leased was acquired or improved with the proceeds of obligations issued by a housing and redevelopment authority, a port authority, an economic development authority or an entity established or exercising powers under a special law with similar powers. The language in the bill was also originally included in HF 4385, the first 2018 House omnibus tax bill, but was not included in either of the final conference committee omnibus tax bills that were vetoed by the governor. **(GC)**

**General authority for cities to implement local option sales taxes**

HF 2663/SF 1875 (Rep. Rod Hamilton, R-Mountain Lake/Sen. David Senjem, R-Rochester) would have granted cities the authority to implement one-time local option sales taxes without legislative approval but still subject to a referendum as well as limitations on the duration, sales tax rate, and use of the tax revenue. The legislation was heard in the House Property Tax and Local Government Finance Division but did not receive a hearing in the Senate during the biennium. **(GC)**

**DNBL—TELECOMMUNICATIONS****Broadband funding in the omnibus supplemental budget bill**

Chapter 201 (HF 4099/SF 3656\*) was the omnibus supplemental budget bill and was vetoed by the governor. A \$15 million broadband funding provision to fund the Border-to-Border Broadband Grant Program in fiscal year 2019 was included in the vetoed omnibus bill. **(LZ)**

**Wireless application fee cap**

HF 3497/SF 3166 (Rep. Marion O’Neill, R-Maple Lake/Sen. Dan Hall, R-Burnsville) would have prohibited a local unit of government from imposing an application fee more than \$3,000 for wireless providers to install wireless equipment on water towers, buildings, or “other structures designed primarily for other purposes.” The bill required local governments to limit an application fee to the actual cost incurred, including the cost of any third-party consultant used to assist with the application review, but the application fee could not exceed \$3,000. The ceiling would have been in place even if the city incurred costs greater than the cap to adequately evaluate the site. The League actively opposed this legislation. **(LZ)**

**DNBL—TRANSPORTATION****Constitutional amendment**

HF 4437/SF 3837 (Rep. Paul Torkelson, R-Hanska/Sen. Scott Newman, R-Hutchinson) proposed a constitutional amendment to dedicate all the sales tax collected on auto parts, as well as the sales tax on leased vehicles and rental vehicles. A portion of these sales taxes were statutorily dedicated in 2017. Prior to 2017, they were funneled into the state’s general fund. The bill would have created a new Road and Bridge Fund in the Minnesota Constitution. This fund would receive the revenue from the sales tax on motor vehicle repair and replacement parts and rental vehicles. Of the money in the fund, 4 percent would go to the Small Cities Assistance Account, 3.25 percent to the Town Road Account, and 1.75 percent to the Town Bridge Account. The remaining funds would be distributed under the Highway User Tax Distribution Fund (HUTDF) formula: 62 percent to a new Trunk Highway Construction Fund, 29 percent to the County State Aid Highway (CSAH) fund, and 9 percent to Municipal State Aid (MSA). The revenue from the sales tax on auto parts and rental vehicles is phased in over three years beginning in fiscal year 2020. **(AF)**

**Pre-emption of transportation network companies ordinances**

HF 3032/SF 2704 (Rep. Sandy Layman, R-Cohasset/Sen. John Jasinski, R-Faribault) was a bill proposed by the

ridesharing service, Lyft. It would have created a loose regulatory structure for transportation network companies (TNCs) that would replace ordinances and requirements already set by several municipalities. Among its provisions, the regulations cover state agency licensure and annual fee setting, fare and payment standards, minimum driver qualifications, standards for obtaining and providing rides, inspection of vehicles used in the service, mandated TNC policies on intoxicating substance and nondiscrimination, data practices and records retention, and local pre-emption. The League actively opposed the legislation. **(AF)**

**TIF districts in special taxing districts for fixed guideway lines prohibited**

HF 1315/SF 1825 (Rep. Linda Runbeck, R-Circle Pines/Sen. David Osmeck, R-Mound) would have directed the Metropolitan Council to establish special taxing districts for each of its existing and new fixed guideway transit (FGT) lines to help pay costs to operate and maintain the lines. The districts would derive revenue equal to the increase in the property taxes paid by commercial industrial properties and non-homestead residential parcels following certification of the district using a mechanism based on the tax increment financing (TIF) law. Revenue generated by these taxing districts normally would go to pay for city, county, and school costs (as is the case with TIF). **(AF)**

**Ditch mowing regulation prohibited**

HF 3150/SF 3551 (Rep. Steve Drazkowski, R-Mazeppa/Sen. Andrew Lang, R-Olivia) would have prohibited all road authorities from regulating ditch mowing along public rights-of-way. *Note: Chapter 165 (HF 4008/SF 3569\*), which was signed into law, imposes a moratorium on Minnesota Department of Transportation (MnDOT) authority to issue or require permits to mow and hay in trunk highway ditches.* **(AF)**

**Rochester zip line spending prohibited**

HF 465/SF 254 (Rep. Steve Drazkowski, R-Mazeppa/Sen. Michael Goggin, R-Red Wing) would have prohibited cities, counties, special taxing districts, and others from spending money on studying feasibility, planning, designing, engineering, etc., for the development or operation of intercity or inter-regional passenger rail facilities or operations between the city of Rochester, or locations in the metro area, and any location in the metro area. **(AF)**

**Light rail planning restricted**

HF 418/SF 150 (Rep. Linda Runbeck, R-Circle Pines/Sen. David Osmeck, R-Mound) would have prohibited regional rail authorities and metropolitan counties and cities from spending any money to study, plan, design, or construct a light rail line, or expand an existing line, unless the Legislature explicitly authorizes it. **(AF)**

## BILLS THAT DID NOT BECOME LAW (DNBL)

### **Metropolitan Council restrictions and requirements provided**

HF 1866/SF 1490 (Rep. Tony Albright, R-Vernon Center/Sen. David Osmeck, R-Mound) would have modified Metropolitan Council governance, established farebox recovery objectives for Twin Cities metropolitan area transit, and prohibited the Metropolitan Council from undertaking a light rail project without explicit legislative authority. It also would have authorized consideration of reasonableness of system plans in the Metropolitan Land Planning Act, established light rail transit project development governing requirements, and required the Metropolitan Council to revise its transportation policy plan. **(AF)**

### **Guideway project expenditures prohibited**

HF 1630/no SF (Rep. Linda Runbeck, R-Circle Pines) would have prohibited political subdivisions from expending public sources of funds for a guideway project, whether for a new or extending line, including study, alternatives analysis, design, engineering, environmental analysis, land acquisition, purchasing rolling stock and other equipment, and construction. **(AF)**

### **Public fund use for aesthetic enhancements in road projects prohibited**

HF 1062/no SF (Rep. Steve Drazkowski, R-Mazeppa) would have prohibited road authorities, including cities with respect to city streets, from using public funds for any aesthetic enhancements that increase the cost of a project on a highway or bridge. "Aesthetic enhancements" would have included monuments, markers, memorials, sculptures, statues, decorative fixtures, alternative materials, specialty signage, and other treatments designed to impact

the perceived beauty or visual appeal of the infrastructure. "Public funds" would have included but was not limited to funding from federal, state, and local sources. **(AF)**

### **Prerequisites related to application for federal funds for transit capital projects established**

HF 4213/SF 3908 (Rep. Linda Runbeck, R-Circle Pines/Sen. David Osmeck, R-Mound) would have restricted certain local units of government from submitting an application or request for federal funds, or entering into an agreement that provides federal funds, for a guideway or busway capital project. **(AF)**

## **DNBL—UTILITIES**

### **Water connection fee increase**

For the past several sessions, the Department of Health has proposed raising the water connection fee collected by water utilities to cover state water testing expenses. Current funding is subsidized by money from the Safe Drinking Water Revolving Loan account, which reduces the funds available for loans to cities for water projects. Federal revolving fund appropriations has also been declining, making the source of funding less secure. The proposal continues to fall short of being included in final funding bills, which occurred again this session. The connection fee is currently at \$6.36 and the latest proposal to adequately fund the program would place the fee at \$9.72. The League has supported the need for this fee change and has asked that the change take effect later in the year to allow time for billing systems to adapt to the new amount. This issue will continue to come up in future sessions. **(CJ)**



**Wild rice sulfate standards**

Chapter 126 (HF 3280\*/SF 2983) and Chapter 210 (HF 3422\*/SF 3170) were both related to state sulfate water effluent limits tied to protection of wild rice. This has been a contentious issue for many years that arose when a previously unused water quality standard was discovered as part of efforts to prevent sulfide mining in parts of northern Minnesota. A Minnesota Pollution Control Agency proposal for how to manage the issue was blocked by an administrative hearing judge in 2017, triggering legislation to attempt other solutions to the ongoing conflict. The governor opposed both versions of the legislation and vetoed them, instead issuing Executive Order 18-08 to establish a Governor’s Wild Rice Task Force to “review the scientific literature concerning wild rice and sulfates, recommend a list of wild rice waters, and produce a report including recommendations for best practices.” (CJ)

**Legislative approval of water permit fee increases**

Chapter 147 (HF 2940\*/SF 2637) required increases to water permit fees proposed by the Minnesota Pollution Control Agency (MPCA) from being implemented unless they are approved by the Legislature. At the end of the 2017 legislative session, the MPCA initiated a rule adoption process by holding public input sessions on increasing water permit fees under their authority sufficient to generate more than \$17 million per year in new revenue. In response, the Legislature attempted to require that effort to need legislative approval to be completed. With the veto, the agency will continue to work with a group formed by the commissioner to discuss fee levels. (CJ)

**Penalties for obstructing trunk highway, airport, or transit traffic increased**

Chapter 150 (HF 390\*/SF 676) would have increased the penalty for obstructing traffic access to an airport and obstructing public transit from a misdemeanor to a gross misdemeanor. The governor vetoed the bill, saying current law gives law enforcement the authority and tools needed to protect public safety. Under existing law, violations are prosecuted as misdemeanors, “a crime for which a sentence of not more than 90 days or a fine or not more than \$1,000, or both, may be imposed.” (AF)

**Omnibus tax bill #1 and #2**

Chapter 172 (HF 4385\*/SF 3982) and Chapter 205 (HF 947\*/SF 945) were the two 2018 omnibus tax/income tax conformity bills sent to the governor. The bills were largely similar, however, the second bill did include additional funding for school districts. Although the bills were predominately income tax conformity provisions, there were also several items impacting cities including:

- A modification to the existing statutory prohibition on local income and sales taxes to specify that the prohibition

- also covers excise taxes and fees of food and containers.
- A one-time increase in the LGA distribution for the city of Lilydale (\$150,000 for regional sewer costs).
- A one-time increase in the LGA distribution for the city of Hermantown (\$97,260 to retroactively address an unintentional LGA formula error).
- Construction materials sales tax exemption for a public safety facility in Minnetonka.
- Construction materials sales tax exemption for a fire station in Inver Grove Heights.
- Construction sales tax exemption for the construction or remodel of a fire station in Virginia.
- A retroactive sales tax refund on the construction costs related to an Elko–New Market water treatment facility.
- An extension of a sales tax exemption for reconstruction projects in the city of Melrose as a result of a downtown fire.
- Tax increment financing (TIF) special law provisions for:
  - Bloomington Central Station TIF district
  - Champlin Mississippi Crossings TIF district
- Local sales taxes/tax adjustments for:
  - St. Cloud food/beverage tax and lodging taxes modification
  - Cloquet general sales tax use adjustment
  - St. Paul lodging tax increase
  - Minneapolis lodging tax modification
  - Excelsior local option sales tax authorization
- Other items of interest to cities include:
  - A clarification that cities and towns may appropriate funds for historical societies in the respective city or town. Under current law, a city or town can only appropriate funds for a county historical society.
  - An adjustment to the Cloquet Area Fire and Ambulance District authority.
  - A grant to the city of Mazeppa and a sales tax exemption for building materials related to recovery reconstruction due to a fire in the city.
  - A state general property tax abatement and sales tax break for medical facilities in underserved areas of Greater Minnesota.
  - A state general property tax abatement for qualifying natural gas line extensions in unserved areas.

(GC)

**Reimbursement to deputy registrars**

Chapter 178 (HF 2835\*/SF 3836) would have provided \$9 million to deputy registrars to partially compensate them for financial losses resulting from the flawed roll-out of the Minnesota Licensing and Registration System (MNLARS). It provided a formula based on past years’ transaction volume with the funds coming from a Driver and Vehicle Services Special Revenue Account, not the general fund. The governor vetoed the bill citing concerns about the source of the funds. He also insisted that reim-

bursement funds and funds for fixes to the system had to be tied together. The House, having passed the bill originally with enough votes to override a veto, attempted an override, but enough DFL members sided with the governor, and the override failed. **(AF)**

**Enbridge pipeline**

Chapter 187 (HF 3769\*/SF 3510) attempted to supersede the Public Utility Commission’s (PUC) certificate of need and siting process and authorize Enbridge Energy’s Line 3 pipeline to be constructed on their preferred route. Since the bill was vetoed, the current PUC process will continue, with oral arguments and deliberations set to begin at the PUC on June 18, 2018 based on the existing record. **(CJ)**

**Agriculture policy bill and nitrate rule language**

Chapter 190 (HF 4133\*/SF 3536) was the omnibus agriculture policy bill. It would normally be noncontroversial, but this time included language that prevented the Minnesota Department of Agriculture from finalizing rules addressing nitrate level impacts on Minnesota lakes, rivers, and groundwater from agricultural operations. The House and Senate Agriculture Policy committees issued an ultimatum to the governor to sign the bill or they would use a never-before-used option to block a rule from being adopted based only on the actions of a majority of members in those two committees (Minn. Stat. § 14.126). The bill was vetoed. The rule must now wait until the end of the 2019 legislative session to be adopted, if it continues as it was previously proposed. **(CJ)**

**Metropolitan Council governance modified and Transportation Advisory Board eliminated**

Chapter 196 (HF 3273/SF 2809\*) would have modified the governance of the Metropolitan Council. It would have removed the governor’s authority to appoint members to the Metropolitan Council, provided for staggered four-year terms for most members, increased the size of the Metropolitan Council, created a municipal committee in each council district, and eliminated the Transportation Advisory Board (“TAB”). In his veto letter, the governor said, in part, “While some legislators and local elected officials may disagree with the present governance structure, the Council has overall benefited citizens and businesses in this region and the state.” **(AF)**

**Liability for trespass to critical infrastructure established; recruiting or educating individuals to trespass on or damage critical infrastructure crime established**

Chapter 197 (HF 3693/SF 3463\*) would have extended civil and criminal liability to a group or organization that

recruits, trains, aids, hires, or conspires with an individual to commit criminal trespass or damage to property at airports, railroads, utility, or oil or gas pipelines. In his veto letter, the governor said he would not support a bill that potentially holds Minnesotans responsible for other people’s actions with which they had no direct involvement. **(AF)**

**Omnibus supplemental budget bill**

Chapter 201 (HF 4099/SF 3656\*) was the omnibus supplemental budget bill. The 989-page package includes budget adjustments and supplemental budget articles for every state agency, but also includes 51 changes to state law on policy issues. The governor said emphatically that he would veto this bill. Some of the spending provisions that died with the veto include:

- \$28 million for school safety
- \$1.3 million to research and address chronic wasting disease
- \$16 million to combat opioid abuse
- \$15 million to bring broadband to more Minnesotans
- \$1.5 million increase to modernize and secure voting systems
- \$12.8 million for continued development of the Minnesota Licensing and Registration System (MNLARS)
- \$10.4 million for specific road projects in the cities of Little Falls, Mankato, and Virginia
- \$10 million for the Corridors of Commerce program
- \$8.5 million in supplemental funding for the Small Cities Assistance Account
- \$5 million in additional funds to reimburse deputy registrars impacted by the state’s rollout of MNLARS
- \$4 million in township road aid

A number of the policy provisions included in the vetoed omnibus bill were passed as stand-alone bills and signed by the governor. Among provisions that were not separately passed and are likely to be discussed in future legislative sessions are:

- Changes to the state total maximum daily load and Watershed Restoration and Protection Strategy statutes to integrate “One Watershed, One Plan” efforts.
- Clarification that a city can include the benefits of a watershed district project toward its stormwater permit requirements if the project is not also counted towards the watershed district’s permit.
- Statutorily preserving a water quality standard peer review system similar to the one currently used under the MPCA commissioner’s order.
- Including industrial wastewater facilities in the 16-year regulatory certainty allowance that was signed into law for public facilities.
- Clarification of how stormwater permits apply in jurisdictions only partially within the federally-designated urbanized areas in the state.

- Reduced training requirements for type IV disposal facility system certificates, which is needed for land application of biosolids from wastewater facilities.
- Changes to the broadband grant program's eligibility criteria.

**(AF/CJ/AL/LZ)**

#### **Motor vehicle titling and registration provisions modified**

Chapter 206 (HF 3463\*/SF 3250) contained various motor vehicle provisions related to vehicle dealers and deputy registrars. The provisions included changes demanded by the Legislature in response to the flawed rollout of the Minnesota Licensing and Registration System (MNLARS). In his veto message, the governor said he would not sign a bill that requires changes in the MNLARS system unless sufficient funding is provided to carry out that work. The bill did provide some funding, but it came from the Driver and Vehicle Services Special Revenue Account, which is needed for other purposes. **(AF)**

#### **Opioid Epidemic Response Advisory Council and the Opiate Epidemic Response Account creation**

Chapter 212 (HF 943/SF 799\*) removed or modified several health and human services provisions contained in the

vetoed omnibus supplemental budget bill, Chapter 201. A portion of Chapter 212 would have created and funded the Opioid Epidemic Response Advisory Council to develop and implement a comprehensive and effective statewide effort to address the opioid addiction and overdose epidemic in Minnesota. In his veto letter, the governor called the chapter "... a cynical attempt for the Legislature to say they have addressed additional objections raised by state agencies and me to Health and Human Services provisions added late to the supplemental budget bill." **(AF)**

#### **Water regulation and permit review grants**

Chapter 214 (HF 4425\*/SF 4021) is the capital investment "bonding" bill. The governor signed the bill into law, but used his line-item veto authority on one provision. That provision would have allocated \$500,000 per year of money from the general fund as grants for any higher education institution to review state water quality regulations and water discharge permits, prioritizing those applying to non-metro public wastewater facilities. Earlier iterations of this language during the session directed the funds to go to the Minnesota Environmental Science and Economic Review Board, an advocacy organization funded by city contributions and directed by city wastewater staff. **(CJ)**

# League of Minnesota Cities Intergovernmental Relations Department

The League's Intergovernmental Relations (IGR) staff work on legislative issues that matter to cities. Feel free to contact our IGR staff members with any questions, concerns, or suggestions regarding legislative issues.

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