

Association of Minnesota Counties

Legislative Session Summary



2020



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Minnesota Counties

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2020 Legislative Session Overview

While it is true that no session is ever the same, no one could have predicted just how the 2020 session was going to turn out. The coronavirus pandemic has impacted lives, families, businesses, the economy, and even the Legislature. GoToMeetings and Zoom committee hearings replaced a frenetic committee schedule where upwards of ten house and senate committees would meet daily to process bills and weigh public testimony. The logistical difficulty in conducting business in a remote, COVID-19 environment, as well as the fact Minnesota remains one of the only states with a divided Legislature (GOP Senate and DFL House), led to a vastly diminished legislative output resulting in our current situation as we view prospects for a second special session to finish work on bonding, public safety/criminal justice, tax, and supplemental budget proposals.

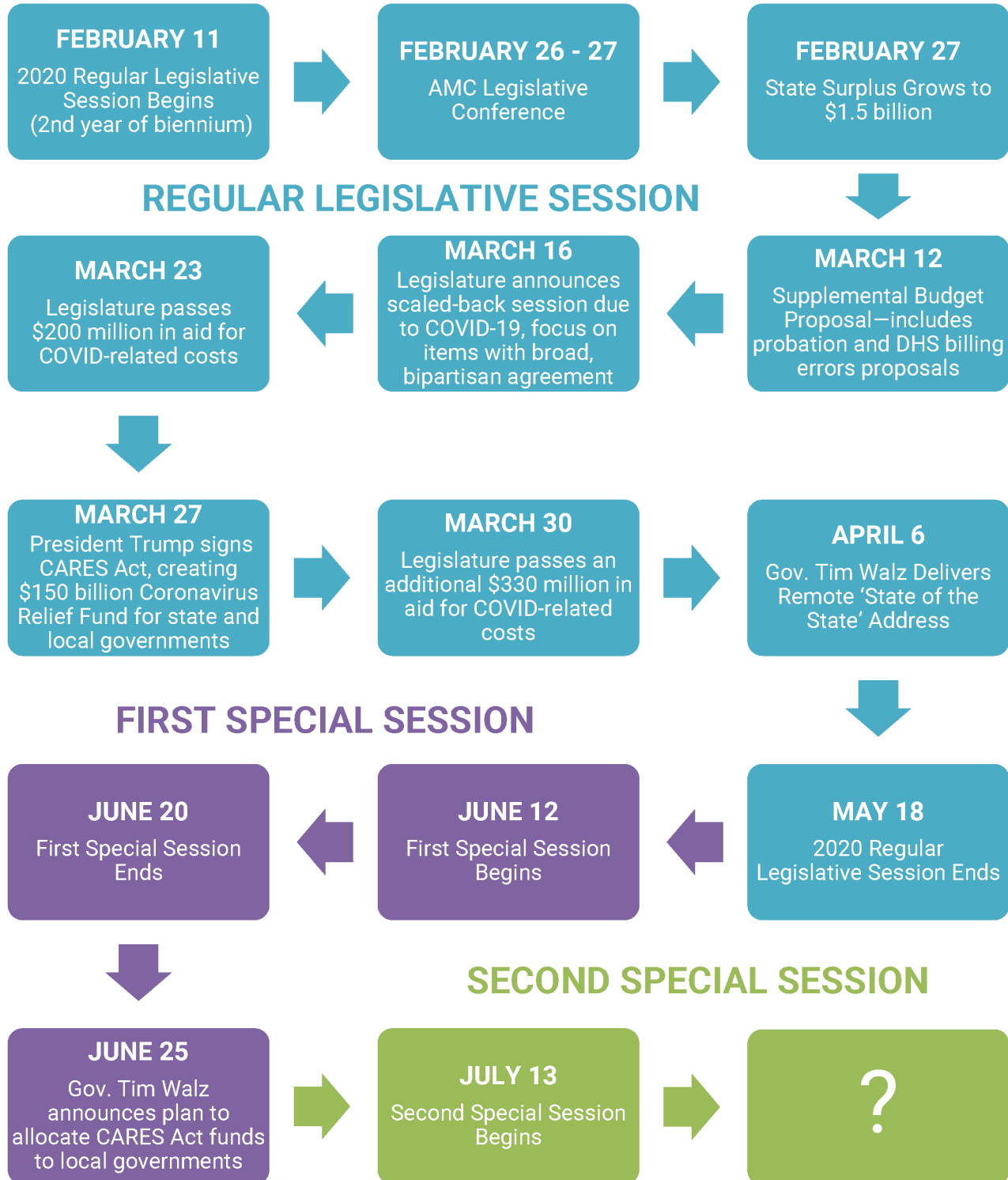
Harkening back to a pre COVID-19 environment, prospects for success were completely different during the first month of regular session. In late February/early March, legislators were greeted with good news that the state's budget surplus had grown by \$181 million from November to a total of approximately \$1.5 billion. These positive signs pointed to good prospects for a healthy-sized bonding bill as well as supplemental budget proposals geared towards AMC priorities such as probation funding increases and reimbursements for Department of Human Services (DHS) billing errors to counties.

As the impacts of the coronavirus pandemic on individuals, businesses, and the state's budget were realized, legislators shifted from previously outlined priorities to cross the political aisle to act quickly on two COVID-19 specific funding proposals totaling roughly \$552 million. These promising signs of unity and collaboration soon dissipated as the duration of the virus and disagreements on how to handle emergency powers and business closures created clear dissent and disagreement between the Senate, House, and governor. Agreement on how to approach limiting executive authority and pass omnibus policy bills remained elusive and meant that the governor turned to his executive powers to act on several items in absence of legislative agreement. The logistical complications created by a pandemic combined with policy disagreement and political intransigence led to an anticlimactic end of regular session with legislators already acknowledging the need to return at a later date.

Only one week later, Minnesota would be home to an event that took the attention of the nation and world by surprise. On May 25, George Floyd was killed during an arrest by a Minneapolis police officer. The death of George Floyd—videotaped by a bystander—shook the state, nation, and world and ignited protests, riots, and deep conversations about race, disparities, and inequities in the public safety and justice arenas. These conversations created new dynamics and policy requests as legislators eyed returning to the Capitol to respond to another extension of the peacetime emergency powers and unfinished legislative business. Immediately following the commencement of the first special session on June 12, both the House and Senate held separate hearings on public safety and criminal justice reform proposals. While there seemed to be certain provisions of agreement, there proved to be far more areas where legislators disagreed. The inability to find agreement and a path forward on public safety proposals proved to be too much to reconcile bipartisan calls for action on bonding proposals, CARES Act funding, and supplemental budget items. The first special session ended unsuccessfully, on the early morning of Saturday, June 20.

In the space between special session and the publication of the AMC Session Summary, conversations have continued on public safety and police reform measures but in separate chambers and with no clear uniform areas of potential compromise. While Gov. Tim Walz chose to use executive powers to disburse CARES Act dollars to local governments, much remains tied up at the Capitol waiting further action in a very uncertain time.

2020 Legislative Session Timeline



Environment & Natural Resources

For additional information on this section, please contact Brian Martinson, Policy Analyst, at 651-789-4322 or bmartinson@mncounties.org.

Environment and natural resources legislation had an uphill battle this year. In a nonbudget year that moved from a budget surplus to a budget deficit, the opportunity for supplemental funding improvements evaporated. The onset of the health emergency and the public outcry for criminal justice reforms pulled attention away from natural resources matters at the close of session and special session where a push to compromise disappeared.

At the outset of the legislative session staff made progress talking to lawmakers about AMC's new platform proposals and priority items in the environment and natural resources area. Counties also found themselves on the defensive regarding emerging priorities in each body. On the House side, there were a number of bills with negative ramifications for county waste processing facilities. AMC partnered with other organizations to educate lawmakers and share information about the environmental benefits of these facilities. A new affordable housing effort in the Senate focused on reducing state and local regulatory authority and permitting fees as a cost driver to home ownership. Some reforms and review of current practices could be beneficial and help with marginal cost savings. However, parts of the package would have removed local control and decision making as well as our ability to charge reasonable rates for services.

The House and Senate each assembled an omnibus environment and natural resources bill ([HF 4554/SF 4499](#)) during the regular session. With significant conflicts unresolved and a break in negotiations, each body passed their own version of the bill on the last Saturday of session. No further work was done toward a compromise package. The discussions did not reignite heading into the special session in June. The House reintroduced its bill and passed it out of the Environment Committee, but no other action was taken. The prospects of an environment package being passed in any subsequent special sessions remains slim, which will leave much of the work in this area undone for the year.

AMC PRIORITY: LOCAL ROAD WETLAND REPLACEMENT PROGRAM

Funding of the Local Road Wetland Replacement Program ([HF 3605/SF 3448](#), [HF 4045/SF 4101](#))

The Local Road Wetland Replacement Program (LRWRP) has been an integral part of the "no net loss" policy under the Wetlands Conservation Act (WCA) since 1996. The Board of Water and Soil Resources (BWSR) is required by law to replace wetlands lost as a result of eligible local road reconstruction or rehabilitation. Recently, the state has not been meeting its funding obligation and projects. The program has a shortage of credits and is likely to soon be insolvent and unable to meet its obligations to local governments.

AMC advocated for two appropriations bills with the first being a \$10 million cash/general fund appropriation to assist the state with ready cash to go out on the market to purchase credits to keep the program operating and avoid near-term impacts on local road projects. The second bill, a \$26.4 million bonding appropriation, would get the program back on track long-term by creating its own wetland credits.

Both provisions became part of the Capital Investment (Bonding) bill discussion. The governor included \$26.4 million in bonding and \$8 million in cash in his proposal. The House had \$15 million in bonding and \$8 million in cash in their bill ([HF 2529](#)). The Senate included \$18 million in bonding but no cash in their bill ([SF 3463](#)). Unfortunately, neither body was able to pass a bonding bill during the regular session or June special session.

Status: Did not pass.

ANIMAL AGRICULTURE

Meat Processing Expansion Grants ([HF 4490/SF 4395](#))

As COVID-19 was hitting the meat processing industry, the state was looking at both short and long-term solutions to help the industry. Hog processing is largely centralized in larger plants. The state worked on policy and funding options to help expand and decentralize some of the state's meat processing capabilities. During negotiations on the Agriculture Finance bill, parties agreed to provide \$100,000 for grants to expand processing at independent or employee owned meat and poultry processors.

Status: Signed by the governor on May 27, 2020 ([Chapter 101](#)).

Carcass Disposal Support ([Action Order 11](#))

With Coronavirus outbreaks at several regional pork processing plants more than 40% of local processing capacity was lost, resulting in hundreds of thousands of hogs needing to be euthanized. Difficult decisions needed to be made on how to appropriately deal with these carcasses in the most environmentally friendly way. The state authorized the use of \$10.952 million from the COVID-19 Minnesota Fund to assist with animal carcass disposal. This funding was used by the state to establish large composting sites in the hardest hit areas.

Status: Approved by Legislative COVID-19 Response Commission on May 4, 2020 ([Action Order 11](#)).

DEDICATED ENVIRONMENTAL FUNDING

Legacy – Outdoor Heritage Fund ([HF 2682/SF 2732](#), [HF 3128/SF 3085](#))

The Outdoor Heritage Fund bill followed the Lessard-Sams Outdoor Heritage Council recommendations, but with a 15% across-the-board reduction due to reduced forecasted sales tax revenues. The \$117.9 million in appropriations include: \$55.4 million for habitat and Conservation Partners Legacy Grants; \$35.8 million for prairie projects; \$13.7 million for forest projects; \$12.6 million for wetland projects; and the remainder goes to the DNR for various administrative responsibilities. The bill also provides extensions to grants from the Clean Water Fund, Parks and Trails Fund, and Arts and Cultural Heritage Fund.

Status: Signed by the governor on May 27, 2020 ([Chapter 104](#)).

Legacy – Clean Water Fund

Minnesota's Clean Water Fund—which is put to work protecting, enhancing, and restoring water quality in lakes, rivers, and streams and protecting groundwater from degradation—is also facing a deficit because of reduced sales tax revenues. A projected 14% reduction equates to a reduction of revenues equal to \$17.6 million in fiscal year 2021. Minnesota Management and Budget received recommendations from state agencies and will likely be acting to unallot those funds. Minnesota counties work closely with the state and other public and private partners to implement many CWF programs. AMC has shared our thoughts with the administration and legislative leaders about the necessary reductions and a desire to protect important implementation programs that are getting projects done and showing results.

Environment and Natural Resources Trust Fund – LCCMR Bill ([HF 4498/SF 4560](#))

This legislation allocates \$61.4 million in revenue from the Environment and Natural Resources Trust Fund. The trust fund includes money from the state lottery proceeds. Projects are meant to conserve and enhance Minnesota's air, water, land, fish, wildlife, and other natural resources.

The appropriations in this package cover a wide range of issues important to counties, including aquatic and terrestrial invasive species projects; natural resource data and information projects; to fight the emerald ash borer; county geological and groundwater atlas programs; and protection or restoration of land, water, and habitat.

The Legislative Citizens Commission on Minnesota Resources (LCCMR), was unable reach the supermajority vote required to formally approve recommendations this year. However, the majority of members did approve a package that included a provision for \$1.5 million in wastewater treatment grants for small towns. There is disagreement about the constitutionality of grants for this purpose that stalled action on the bill.

The Senate had expressed a desire to not proceed with the legislation this year. However, the House included a version of the bill in its Omnibus Environment and Natural Resources Bill ([HF 4554](#)). In the final days of the regular session the Senate amended its Omnibus Environment and Natural Resources Bill ([SF 4499](#)) to include the LCCMR funding. The two versions were similar except for differing uses of the \$1.5 million that was in question. Unfortunately, no further negotiations have taken place on this funding.

Status: Did not pass.

Environment and Natural Resources Trust Fund– COVID-19 Adjustment ([SS-HF 37/SS-SF 48](#))

Because of the impact COVID-19 had on getting legislative work done, this bill allows for the extension of LCCMR grants set to cancel, lapse, or expire on June 30, 2020, until June 30, 2021. Recipients need to notify the LCCMR and modify their work plans to get the extension.

Status: Signed by the governor June 18, 2020 ([Chapter 4](#)) 2020 1st special session.

FORESTRY

Lorax Act ([HF 3906/SF 4134](#))

The Lorax Act would prohibit deforesting forest land unless it is replaced with forest land of equal or greater public value under a replacement plan approved by the DNR. Plans would require forest land be replaced in a ratio of one acre of forest land for every one acre of land deforested.

Status: Did not pass.

LAND USE PLANNING AND REGULATION

Granny Pod Exemption ([HF 4473/SF 3886](#))

In 2016, Minnesota created statewide requirements for Temporary Family Health Care Structures, also known as “granny pods.” AMC worked with the authors at that time to allow counties to have an opt-out from the statute and address these structures through local ordinance. Many counties have adopted the opt-out resolution and permit these structures at the local level. This bill would delete the opt-out and eliminating local control of these structures. AMC has been in communication with the authors and advocates for this bill. It is still unclear why this change is needed or who has requested it.

Status: Did not pass.

Inspection and Permit Fees ([HF 4019/SF 3816](#))

This bill would impact counties that have adopted the State Building Code. The legislation attempts to regulate inspection and permit fees for residential and multifamily housing with four units or less per structure. The bill requires the state to establish a fee scheduled based on square footage of structures. The Senate amended the bill to allow the municipality to adopt fees based on the square footage of the project and considering local factors. These bills did not make it to the floor in either body.

Status: Did not pass.

Construction and Development Fee Reporting ([HF 4472/SF 3795](#))

This bill would impact counties that have adopted the State Building Code. The legislation requires more detailed reporting of expenses for labor, transportation, office space, and other costs related to the activities for which construction and demolition fees are collected. This creates more time and expense for counties on reporting requirements. The bill was not moved to the floor in either body. However, at the end of session this was added to the Housing Infrastructure Bonding bill in the Senate along with other housing reform policy. The inclusion of these provisions prevented the bill from being considered by the House in the final hours of session.

Status: Did not pass.

Shoreline Protection ([SF 3585](#))

This legislation would exempt landowners from shoreland variance requirements and zoning ordinances if a project is to protect a landowner's shoreline. The language left a great deal of discretion to property owners on matters the DNR and local ordinances rightfully provide scrutiny for environmental and structural compliance.

Status: Did not pass.

DNR Lands Bill ([HF 3352/SF 3840](#))

The DNR lands bill provides for the sale of state surplus land and state surplus land bordering public water. These sales have been approved through state process, were included in the DNR recommendations, and heard in both bodies. These sales would return land to private ownership in four counties. There are also state park modifications and acres added to the Iron Range Off-Highway Vehicle State Recreation Area. This bill was being negotiated as part of the Environment and Natural Resources Omnibus bills and did not move on its own.

Status: Did not pass.

Deadline Extensions – Land Use Decisions ([HF 4554](#))

AMC worked closely with local government partners and state agencies to allow for some decision-making flexibility since the start of the COVID-19 state emergency. Minnesota Statutes Section 15.99 requires land use applications be responded to within 60 days. There are concerns about the process and protecting against unintended consequences if projects are not able to be properly vetted or people not afforded a fair opportunity to be heard. AMC worked with House and Senate members on several proposals for current circumstances and possible future emergencies. The House added a provision to their Environment and Natural Resources Omnibus Bill ([HF 4554](#)) that addressed this issue for the current pandemic. The language would have extended the deadline for making certain land use decisions (M.S. 15.99) and proceedings under the state's drainage laws (M.S. 103E) by 90 days during the peacetime emergency declared by the governor due to COVID-19.

Status: Did not pass.

Tax Forfeited Property Clean-up ([SF 2512/HF 2686](#))

AMC has been working with representatives of the Minnesota Association of County Officers, Minnesota Association of County Land Commissioners, Department of Employment and Economic Development, Department of Commerce, Pollution Control Agency, and others to find solutions for dealing with Tax Forfeited Land that requires clean-up and maintenance work. With no grand solution in hand we asked for a hearing on SF2512 to start the conversation in a public forum. This proposal creates a pilot program to offer grants to counties to manage costly clean-up locations. The hearing was scheduled, but then canceled at the last minute due to the state public health emergency.

Status: Did not pass.

PLANT AND ANIMAL SPECIES MANAGEMENT

Escaped Farmed Cervidae ([HF 4331/SF 4502](#))

Chronic Wasting Disease (CWD) continues to be a concern for both free range and farmed animals. This bill would modify current practices for dealing with escaped farm cervidae by requiring immediate reporting, new tagging requirements, and allowing for the taking of the escaped animals without compensation requirements. These provisions were included in the House Omnibus Environment and Natural Resources Bill ([HF 4554](#)).

Status: *Did not pass.*

Noxious Weed and Seed Law ([HF 4285/SF 4223](#))

The Minnesota Department of Agriculture's policy bill updated noxious weed and seed statutes. Noxious weed law modifications include changing regulatory categories and management plans used to control noxious weeds as well as clarifying membership on the Noxious Weed Advisory Committee, specifying representation for townships and counties. The seed law changes modify state laws that address noxious weed seeds and establishes a zero tolerance for noxious weed seeds in screenings, agricultural seeds, and grains used as animal feed. It also creates a Seed Program Advisory Committee to advise the MDA.

Status: *Signed by the governor on May 16, 2020 ([Chapter 89](#)).*

SOLID WASTE MANAGEMENT

Solid Waste Capital Assistance Program ([HF 2529/SF 3463](#))

With it being a bonding year, the Solid Waste Capital Assistance Program was a high priority. This program helps local governments finance recycling and waste reduction infrastructure. Eighteen counties either individually or in partnership were seeking up to \$40 million as a partial match to the funds that counties invest in infrastructure for safe, environmentally sound management of solid wastes mandated by the state. The House bonding bill included \$35.124 million for CAP projects and another \$5 million for organics infrastructure. The Senate's regular session bill included \$14 million, but in their special session bill ([SS-SF4](#)) that number was increased to \$33.5 million. Unfortunately, a bonding bill was not passed during the regular session or June special session.

Status: *Did not pass.*

Resource Management and Assistance Account ([SF 3161](#))

The Senate brought forward a new proposal to get more money to counties for solid waste management. The bill creates a new account for solid waste management grant and loan programs by dedicating 33% of the Solid Waste Management Tax (SWMT) currently going into the Environment Fund into a new Resources Management and Assistance Account. The legislation also requires that 90% of the account balance be for grants to counties for SCORE. This does not bring any more of the SWMT into waste management programs from the general fund as we had proposed, but it does increase counties share of the funds currently going to the MPCA.

Status: *Did not pass.*

Metropolitan Landfill Abatement Funds ([SF 3228](#))

This legislation would require an increased percentage of the Metropolitan Landfill Abatement Funds be directed back to the metro area counties that contribute to the fund and tighten the appropriation language. There was some concern about possible negative impacts from the corresponding reduction to the agency budget because they use this funding for some county support purposes. Part of this proposal was included in the Senate's Omnibus Environment and Natural Resources bill ([SF 4499](#)).

Status: *Did not pass.*

Landfill Closure Requirements ([HF 2992/SF 3039](#))

This bill modifies closure requirements for solid waste disposal facilities by creating capacity trigger and new timelines for action. The legislation was brought forward to deal with issues at a particular landfill. However, the landscape of landfills is diverse and putting an automatic trigger in the statute will impact facilities in different ways. We have been working with the authors on solutions.

Status: Did not pass.

Fluorescent to LED Promotion ([HF 3230/SF 3331](#))

This bill makes a relatively small change in state energy policy that requires electric utilities to encourage customers to use efficient lighting sources. Current statute calls for the promotion of “fluorescent and high-intensity discharge” lamps. That language would be stricken from statute and replaced with “LED.” Disposal of fluorescent bulbs has always been problematic, with concerns that the bulbs release toxic mercury into the waste stream.

Status: Signed by the governor May 27, 2020 ([Chapter 105](#)).

MPCA Landfill Bill ([HF 4058/SF 4145](#))

Many of the bill’s provisions deal with priority qualified facilities to address a problematic landfill that is not participating in the Closed Landfill Program. The bill amends the state’s participation in the cleanup of unpermitted legacy mixed municipal solid waste facilities on the federal and state Superfund lists that have released contaminants to the land. However, one section creates a mechanism for placement of an environmental covenant on closed landfills. County and private landfill operators worked with the MPCA to clarify that this section is limited to environmental covenants and related easements, and that covenants cannot be established without agreement from all parties. This language was included in the House Environmental Omnibus Bill.

Status: Did not pass.

Solar Stewardship Program ([HF 3046](#))

A new product stewardship program for solar photovoltaic modules was introduced this session. As the solar industry grows and installations increase around the state, discussions on end of life issues are also increasing. There are environmental issues and cost concerns when these facilities are decommissioned. Many public and private entities have been engaged in conversations and problem solving around this issue. No action was taken on this bill, but it is a growing topic of interest that is sure to be discussed in coming years.

Status: Did not pass.

Waste To Energy - Emissions ([HF 3705/SF 3668](#))

This bill requires the MPCA to reopen all air quality permits issued to waste to energy facilities and require a reduction of carbon emissions by 45% by 2030. There were general concerns that this requirement, while laudable in intent, would not be achievable and would create new landfill issues and potentially worsen air quality.

Status: Did not pass.

Waste to Energy - Renewable ([HF 3796/SF 4311](#))

Waste to Energy facilities are by state and federal standards considered renewable and eligible for renewable energy credits. Several bills this biennium have sought to remove that status from state law. This bill deletes landfill gas and resource recovery from the definition of “biomass” in the renewable energy objective statute.

Status: Did not pass.

Waste to Energy – Green New Deal ([HF 2836/SF 3143](#))

The Minnesota Green New Deal is a state based clean energy proposal that includes a number of positive strategies for improving environmental outcomes. However, the proposal has some provisions that are problematic for waste to energy facilities/strategies as the proposed plans do not consider its place in the environmental landscape. The proposal would remove resource recovery from the definition of “biomass” in the renewable energy objective statute, establish moratoriums on contraction and improvements, and set an aggressive carbon free standard that may be difficult to meet.

Status: Did not pass.

Waste to Energy – Clean Energy First ([HF 1405/SF 1456](#))

The Clean Energy First Act promotes electric utilities to meet resource needs using the clean energy resources requirement. The Senate’s bill has provisions that are favorable to waste to energy facilities treating them as sources of renewable energy. Counties have made significant investments in these facilities as an environmentally friendlier way to manage waste than landfilling.

Status: Did not pass.

Waste to Energy – Permits (Various bills)

Air quality and environmental justice issues were at the forefront of many environmental discussions this session. Efforts to tighten environmental air permits because of some bad actors could result in negative impacts for waste processing facilities. There were numerous bills focused on air permit reforms this session, including:

- [HF 3058/SF 3433](#): The bill modifies requirements to analyze and consider cumulative pollution before issuing air quality permits in the seven county metro area. The cost of conducting the analysis can be recovered from air quality permit fees paid by permitted facilities, which pay for a new position in the MPCA to work with community residents affected by air emissions from those facilities. This bill was included in the House Omnibus Environment and Natural Resources bill.
- [HF 3753/SF 3667](#): The bill requires analysis of a wide range of demographic, economic, and social criteria, in addition to the cumulative environmental/pollution/health effects. These provisions apply to any kind of permit issued by MPCA, not just air permits. It requires this analysis be done statewide and applies to issuing, renewing, or amending permits.
- [HF 3377 /SF 3648](#): Directs MPCA to require facilities with air quality permits to increase the frequency at which air emissions are measured. It also requires records of emissions to be sent to the MPCA monthly rather than self-report violations requirements.
- [HF 3057/SF 3324](#): This bill requires public hearings every five years for non-expiring air emission permits (about 125 facilities). If a permit review is denied, the MPCA must provide a written statement explaining the reasons.

Status: These bills did not pass.

Recycling/Compost Materials Requirement – COVID-19 Adjustment ([SS-HF 37/SS-SF 48](#))

This legislation allows the Department of Revenue and MPCA to suspend the requirement that less than 15% of mixed municipal solid waste received by recycling or composting facilities be disposed of rather than recycled or composted, provided that the reason for being unable to meet the requirement is related to operational changes implemented to address the COVID-19 virus, thus allowing those materials to retain their exemption from the solid waste management tax.

Status: Signed by the governor June 18, 2020 ([Chapter 4](#)) 2020 1st special session.

WATER RESOURCE MANAGEMENT

County Stormwater (MS4) Permits ([HF 3833/SF 3723](#))

Last session, townships passed legislation to keep them from having to obtain stormwater permits when only portions of the town are being impacted by development as cities expand. MPCA staff subsequently raised implementation concerns that the language would require permits for unorganized areas of counties outside urbanized areas, which was not intended. AMC worked with the authors of the original bills and the MPCA on language to prevent new permit requirements. Both the House and Senate passed the bills out of committee and the language was included in the Environment Omnibus bill discussion but never advanced. AMC staff will continue to work on its passage and are not anticipating any regulatory problems in the meantime.

Status: Did not pass.

Soil and Water Conservation District Levy ([HF 3214/SF 3271](#), [HF 3215/SF 3271](#))

Efforts continued this year to provide soil and water conservation districts levying authority with several independent SWCDs lobbying at the Capitol on specific tax authority bills to their establishment and a proposal that would require counties to separately break out the portion of a county's levy attributable to the SWCD. AMC staff testified broadly on the importance of SWCDs and the solid relationships and partnerships counties have with their respective organizations but issued concerns about general levy authority and the impact such a proposal would have on existing relationships and taxpayers, in general. AMC expects this conversation to resume next year as legislators continue to weigh how to properly—and sustainably—fund SWCD work.

Status: Did not pass.

Watershed District Managers ([HF 2995/SF 2931](#))

This proposal would not only modify the method of appointing watershed district managers, but would require that County Commissioners serve in those roles. The bill did not get a hearing, but I wanted to bring it to your attention.

Status: Did not pass.

Minnesota River Basin Storage ([HF 3595/SF 2931](#))

Water storage has been a growing issue across the state. BWSR worked with representatives from the Minnesota River Basin to create a water quality and storage program as a potential pilot that could be applied statewide. The proposal is to provide financial assistance to local units of government in the basin for projects that control water volume and rates. It was included in the Senate Omnibus Environment and Natural Resources bill ([SF 4499](#)) but did not include funding.

Status: Did not pass.

Ag BMP Loan Program ([HF 3833/SF 4607](#), [HF 3946/SF 3953](#))

The Ag BMP Loan Program is a revolving loan program that is administered by counties and makes good use of funds/loans to improve local water quality. The program has a great deal of flexibility for local governments, businesses, and individuals to improve water quality and prevent erosion. This is a program that always has more need than funds. There is \$20.37 million available for 2020 and \$41 million in requests. AMC worked with legislators to introduce additional appropriations bills last session. With continuing support, two more funding bills were introduced this session. Unfortunately, in a supplemental budget year that went from a surplus to a deficit we were not able to get a budget target for the Agriculture Committee.

Status: Did not pass.

General Government & Taxes

For additional information on this section, please contact Matt Hilgart, Government Relations Manager, at 651-789-4343, or mhilgart@mncounties.org

Like other policy areas, the emergence and effects of the coronavirus pandemic had visible impacts on general government policy issues. Areas of typical priority in the second year of a biennium—such as supplemental tax conformity, policy bills, and pensions legislation—stalled for no other major reason than COVID-19 refocusing the Legislature on a smaller scale of issues due to limited opportunities to carry out routine legislative committee work and public discussion. AMC General Government Committee priorities for 2020 on protecting tax base (dark store/utility assessment-focused), PILT sustainability, and measures to provide property tax relief for seniors were victims of this environment. While AMC pursued, and even introduced, legislation on many of these priorities, political dynamics shifted with the appearance of COVID-19 in late February/early March. Immediately following changes in legislative schedules and agreement from legislative leadership to only work on necessary and agreed-upon policy provisions, these priorities were shelved for the remainder of the session. AMC staff then turned their attention to educating legislators on county property tax relief authority, workers compensation liabilities, and successfully lobbying for county operations flexibility mechanisms and proposals to provide administrative relief for the upcoming election season. On the latter two issues, AMC was successful in helping push bipartisan language across the finish line—no small feat in a remote and limited legislative arena.

As session neared its close, AMC spent a majority of our efforts lobbying the Legislature to release portions of the federal CARES Act appropriation to local governments, advocating for a quick, transparent, and simple allocation methods that recognized county burdens and realized costs [[see AMC Letter](#)]. While legislative leaders assigned to negotiate the proposal (Sen. Julie Rosen and Rep. Paul Marquart) agreed on the broad goal of getting the full, allowable “45% threshold” (\$841 million) out to local governments, there remained differences on allocation methods and whether or not to add a supplemental budget bill on to the funding package. These differences proved too great to overcome in the final hours of the first special session, resulting in Gov. Walz using executive powers to allocate \$841 million via the Legislative Advisory Commission (LAC) process—largely around the same guidelines of the negotiated, bipartisan [SF 47](#).

CARES Act Allocations to Local Governments

In late March, the federal government passed the CARES Act, a provision providing Minnesota with over \$2 billion in aid, with up to 45% of the state’s funds (minus direct appropriation made to Hennepin and Ramsey counties) available for distribution to local governments. The “\$841 million question” of what formula to use to get these funds out turned into one of the top priorities as session closed out and the discussion continued into the first special session starting on June 12. Throughout this timeline, AMC advocated, testified, and lobbied for a quick, transparent, and administratively straightforward appropriation to local government that recognize the unique burdens and costs realized by county governments.

With inaction on a funding formula and policy language during regular session, the outlook seemed to take a step in a positive direction during the first special session when a group of bipartisan legislative leaders agreed to an outline of a formula allocation—represented in SF 47—that would appropriate \$841 million to counties, cities, and townships over 200 in population. While the Senate passed the bill 62-4, the House chose to add several supplemental budget priorities (including CCA/CPO funding, money to compensate counties for DHS billing errors, and more) to the Senate bill ultimately causing efforts to crash by session’s close Saturday morning, June 20.

Roughly one week later, Gov. Walz announced that he would use executive authority to disburse federal CARES Act dollars to local governments using the framework of Senate File 47, the bill passed by the Senate during Special Session and negotiated on by GOP and DFL House and Senate leaders. With universal and bipartisan support from members on the Legislative Advisory Commission, the Department of Revenue started to disburse funds to local governments as soon as the first week of July. In the meantime, AMC has worked alongside other county associations (MICA/MRC) to provide webinar opportunities and materials on spending guidelines with the expectation of further guidance and information becoming available from MMB and the Treasury Department in the future.

Outline of [SF 47](#):

- \$841 million appropriation split roughly 55% (\$467 million) to counties and 45% (\$374 million) to cities/townships over a certain population threshold.
 - [County runs](#)
- Distribution levels for various governments are:
 - \$25 per capita for towns between 200 and 4,999;
 - Approximately \$75 (based on runs) per capita for cities over 200 plus towns with a population of 5,000 or more; and
 - \$121.28 per capita for the total county population PLUS \$75 per capita for cities under 200 and \$25 per capita for the population within a county outside eligible towns/cities (unorganized territories). This means that county per capitas can range from \$121.28 per capita to a high of \$137.23.
- The original Senate bill language requires DOR to distribute by June 30 and county governments to return unspent funds to DOR for deposit in the state coronavirus relief federal fund by December 10, 2020 (with a requirement to spend the funds by December 1). Any city/township money unexpended by November 15 must be sent up to the “home county” no later than November 20. The county may then use any additional/returned funds before the December 1 date. If a city/township enters into a joint agreement with another unit of local government, they have until December 1 to spend their funds.
- A city/town that is not eligible for direct appropriation (under 200 population) may apply to the county for reimbursement after showing sufficient information to demonstrate COVID-19 related costs. Per capita reimbursement rates are included in the bill text.
- The original Senate bill mandated counties spend at least 10% of their allocations on economic/business assistance. The governor removed this mandate but is still encouraging local governments to get funds out to residents/businesses in need.

TAXES

Omnibus Tax Bill ([HF 346](#)/[SF 3843](#))

With 2019's passage of a historic and monumental tax bill, legislators came into this session focused on small, technical policy items along with focused discussions on what to do regarding Section 179 relief/conformity. With the emergence of COVID-19 in mid-March, both House and Senate Tax committee meetings slowed to a trickle, narrowing their discussions to specific policy conversations where leaders felt there could be negotiated agreement along with broader conversations about statewide tax and property tax relief proposals. While both the Senate and House did pass smaller, COVID-19 tailored tax relief plans, leaders were not able to come to agreement on a joint compromise proposal during either the regular session or first special session as discussions on bonding, public safety reform, and CARES Act distributions to local governments took precedence. Below is a chart outlining a summary of House and Senate bill proposals. AMC will continue to monitor any tax conversations and/or developments in preparation for a potential second special session.

Status: Did not pass.

	House (HF 346)	Senate (SF 3843)
Statewide Property Tax Relief	No state mandated relief. House includes provision to allow counties to choose an additional settlement date for first-half property tax payments. (AMC-supported)	Mandates that only the state general tax portion of property taxes be pushed back from May 15th to July 15th.
Short Term Rental	House proposes to classify short term rental properties rented for more than 14 days as 4(b)1 residential nonhomestead -1.25% tax rate.	The Senate proposes a moratorium on changes to short term rental property assessments, requiring assessors to assess them as they did in 2019.
Local Option Sales Tax	No individual LOST projects/proposals. House does provide temporary flexibility to municipalities in the use of the revenues from county LOST mechanisms. The House also proposes to establish a "LOST criteria working group."	No individual LOST projects/proposals.
4D "Qualifying Low-Income Rental Property"	No provisions included.	Senate proposes reducing/setting the class rate for all class 4d properties to .25%
Miscellaneous	Provides for a deferral of property taxes for a certain elderly living facility (St. Louis County)	
	Allows the spouse of a deceased veteran to transfer the disabled veterans' homestead exclusion to a new property so long as the property has an equal or lesser value of the original property. May only be used once.	

Closing the Dark Store Loophole Legislation ([HF 4423](#))

For the last couple of years, AMC has been educating legislators about concerning trends surrounding big box retail petitions. The term “dark store assessing theory” references a phenomenon started outside of Minnesota whereby big box retailers (e.g. Walmart, Lowes, Shopko) have been arguing for significantly reduced market valuations citing questionable comparables (comparing an active store to a vacant/“dark” store) or using deed/future use restrictions that they in turn argue limits prospective use and thus should reduce the total appraisal. As a result of policy committee discussions and action, AMC created an ad-hoc “Dark Store” task force with the Minnesota Association of Assessing Officers (MAAO), Minnesota Association of County Administrators (MACA), and Minnesota Inter County Association (MICA) to review relevant tax petitions and actions in Minnesota and determine whether or not counties should bring forward a fix at the Capitol. By the end of these discussions, participants had near universal agreement on the need to make small but impactful changes to assessing statutes to further clarify intent of best assessing practices and limit petitioners from using vacant properties as comparables to active property. AMC was happy to work with a bipartisan group of House authors—including chairs and ranking members—to introduce [HF 4423](#). While the bill was not granted a hearing because of limited committee work in a COVID-19 environment, AMC hopes to continue conversations into next session.

Status: Did not pass.

Classification of Short-Term Vacation Rentals ([HF 346/SF 3843](#))

One of the most hotly contested tax topics for the 2020 session was how to classify and tax short-term vacation rentals. Short-term vacation rentals, commonly referred to as “VRBOs” or “Airbnbs,” have become increasingly established in the short-term, vacation rental scene as an alternative option to traditional hotels, resorts, or structured cabin rentals. In recognition of this trend, and the expansion of the industry as a whole, the Department of Revenue issued limited guidance in May of 2019 directing county assessors to classify the property based on “primary use.” Because of a lack of specificity on assessing guidance, there appears to be a lack of assessing uniformity where counties are either classifying properties as class 4c(12) seasonal recreational noncommercial, class 4b(1) residential, or 3a commercial—which carries with it a higher tax rate. For example, one county could decide to classify properties as commercial (2% tax rate) the moment they post their residence online for rental, while another county might send out forms to ask potential lessors/renters if they rent more than half of the year and then tax them at the commercial rate only if they surpass that.

The House and Senate traded proposals this year with the former arguing for a [new “4b5”](#) classification which would give short term rental properties (those that are rented for more than 14 days) a [class rate of 1.25%](#), not subjecting them to the statewide general levy but still requiring the properties to pay referendum market value taxes. The Senate, meanwhile, proposed a two-year moratorium on any changes, requiring assessors to appraise the properties as they were appraised prior to the May 2019 DOR memo. AMC continues to work alongside MAAO to monitor this issue for future action and will lobby for a clear, uniform, and administratively simple solution.

Status: Did not pass.

4d “Low-Income Rentals” Rate Reduction Proposal ([HF 3620/SF 3347](#))

Conversations continued this year around a proposal brought forward by housing and rental unit developers to lower the tax rates associated with class 4d “Low-income Rental” properties. Developer associations continued lobbying to include SF 3347/HF 3620 in an omnibus tax bill package, arguing that the reduction in rates would create a private market incentive to further develop low-income rental properties. Specifically, the proposals would decrease the tax tier rate to .25% rather than a split rate of .75% for the first \$100K and .25% for the remaining value. While AMC did not have an official position on this issue, staff monitored the discussions and raised concerns about potential tax shift implications, suggesting to authors and advocates that a study may be more appropriate before implementing the lowest property tax tier rate among all Minnesota tax classifications. As of the end of regular session and the first special session, this proposal had not been included in any outline of a prospective tax agreement.

Status: Did not pass.

Construction Materials Sales Tax Exemption ([HF 2090/ SF 2052](#))

For several years, AMC has supported city-led efforts to simplify the current construction materials sales tax mechanism for local governments. While current law affords local governments a construction materials sales tax exemption, the exemption is practically obsolete since a local government entity can only take advantage of the costs savings if they bid materials and labor separate and take liability for material defects. This past session, AMC joined several other organizations in submitting a [letter](#) to committee members, asking for action on a condensed public safety-focused uniform construction materials sales tax exemption for local governments, rather than piecemealing various project-specific exemptions together in a tax bill. While the Senate did meet to discuss six bills requesting construction materials sales tax exemptions for various city police and fires stations, ultimately neither the House or Senate included any variation of a simplified construction materials sales tax exemption in their omnibus tax proposals—most likely a reflection of the economic circumstances regarding the COVID-19 pandemic.

Status: Did not pass.

Casino Aid Formula Revision ([HF 2406/SF 2124](#))

AMC continued work with Cass and Pine Counties to increase the percentage of state tribal casino aid derived from casino sales tax. Current casino sales tax allocations are disbursed 50% tribe, 40% state, 10% county. HF 2406/SF 2124 was introduced last legislative session and would have kept the tribal share at 50% but changed the state’s portion from 40% to 30% while increasing the county share from 10% to 20%. The proposal was introduced and heard in both the Senate and the House in 2019 but failed to receive additional action once COVID-19 hit. Pine County Commissioner Josh Mohr and Cass County Commissioner Neal Gaalswyk testified in support of the provisions and AMC was hopeful the issue may have received some attention in a supplemental tax bill since the fiscal note was small at \$1.3 million/year.

Status: Did not pass.

Payment in Lieu of Taxes (PILT) Sustainability ([HF 1528/SF 1106](#))

An AMC priority to support northern county efforts to stabilize the Payment in Lieu of Taxes (PILT) formula was unsuccessful this year due to a lack of opportunity to present the bill in a COVID-19 focused, and time-crunched session. PILT is a vital resource for counties with large amounts of state and federally-owned land. While a certain subset of PILT payments have received increases in funding, two important PILT categories (DNR-administered and county-administered) have remained stagnant, not keeping up with inflation or properly reimbursing local governments for lost tax base. In addition, a recently mandated re-assessment of acquired acres land values caused dramatic swings in PILT appropriations. Last year, AMC worked and testified alongside St. Louis County on a bill (SF 1106) that would have held harmless the counties who lost PILT money based on the recent reassessment and required future assessments to be done once every four years instead of six—costing the state roughly \$1.24 million/year. This year, counties were simply asking for a change in the reassessment timeline. AMC hopes this non-controversial idea will move forward next session.

Status: Did not pass.

Soil and Water Conservation District Levy Authority ([HF 3215/SF 3217](#), [HF 3214/SF 3271](#))

Efforts continued this year to provide soil and water conservation districts levying authority with several independent SWCDs lobbying at the Capitol on [specific tax authority bills](#) to their establishment. A separate, but similar proposal (SF 3271) was also heard in the Senate Tax Committee that would require counties to separately break out the portion of a county's levy attributable to the SWCD. AMC staff testified broadly on the importance of SWCDs and the solid relationships and partnerships counties have with their respective organizations, but issued concerns about general levy authority and the impact such a proposal would have on existing relationships and taxpayers, in general. AMC expects this conversation to resume next year as legislators continue to weigh how to properly—and sustainably—fund SWCD work.

Status: Did not pass.

Local Option Sales Tax proposals

The House Property Tax Division heard an assortment of local option sales tax bills this year, including two county bills focused on funding public safety investments after Department of Corrections findings and orders. Without action by the Legislature, these counties will not have the opportunity to put the proposals on the ballot for public input. The new LOST process—enacted at the Legislature last year—requires the local government to seek legislative approval first before going to a public referendum—in the past, this option was reversed.

Status: Did not pass.

County Property Tax Relief Discussions

The coronavirus pandemic proved to have far reaching effects not limited to just the public health sphere, but also impacting residents via high unemployment rates/layoffs and the business community via drops in sales or mandatory closures to protect public health. Seeing these impacts firsthand and trying to alleviate some potential tax stressors, many county boards decided to take individual action to delay (or reduce) penalties associated with late payments of property taxes. Both the House and Senate Tax Committees held hearings outlining potential statewide relief proposals, including a state-mandated proposal to delay the state general tax due date to July 15, 2020, but were not able to agree on a workable and time-sensitive solution. Roughly half of all counties used existing powers outlined in Minnesota Statute 279.01 and Minnesota Statute 375.192 to reduce or abate estimated marked valuation, taxes, or penalties for the current tax year. In most counties, action resembled a delay in penalties for late payments from May 15 until July 15 for properties that were non-escrowed and under a certain tax bill (most commonly \$50K). AMC testified during these hearings to provide legislators updates on county efforts and outlined statutory authority for local governments—particularly counties—to either abate property taxes or abate/delay late payment penalties.

Assessor Safety Proposals

For several years, the Minnesota Association of Assessing Officers (MAAO) has expressed growing concerns about assessor safety while in the field conducting on-site inspections. Stearns county assessor Jeff Johnson led MAAO efforts—alongside Rep. Tim O’Driscoll—to introduce a bill that would allow the state to share information on level II sex offenders with assessors, code enforcement officials, and property inspectors so that these staff would be better aware of the properties they were entering or working with. The bill was drafted but not introduced due to limited committee time during COVID-19.

HHS Mandates and Property Tax Burden Study

Throughout the AMC Fall Policy Conference and Annual Conference, the AMC General Government Committee hosted several commissioner-led discussions on the impacts and costs associated with health and human services mandates on county budgets and levies. Based on these discussions, and ensuing platform amendments, AMC staff pursued a Legislative Auditor’s (OLA) report on associated costs and property tax impacts of HHS mandates. An audit commission proposal—authored by Senator Nick Frentz—to study the property tax burdens associated with fulfilling state and federal health and human services mandates was considered as part of the narrowed down list before senators voted to remove it. AMC will continue working on a way to elevate this issue through other mechanisms.

Status: Did not pass.

COUNTY GOVERNANCE & HUMAN RESOURCES

County Flexibility Measures During the Pandemic ([HF 4605](#))

Counties saw firsthand the changes in customer/client interactions in the face of limitations posed by the coronavirus pandemic. From drivers license and marriage license certificates to child protection and jail operations, county staff were required to think outside of the box to serve residents and clients in innovative and safe ways while still carrying out mandated obligations. To assist in providing flexibility to counties, AMC worked with several members on the following provisions:

- Marriage License Flexibility. AMC worked with the Minnesota Association of County Officers, Hennepin County, and others to push forward bipartisan language to allow for counties to deliver services related to marriage licenses remotely/virtually during the peacetime emergency.
 - Status: Signed by the governor on April 14, 2020 ([Chapter 74](#))
- E-signature/Docusign Flexibility Measures. AMC supported Sherburne County's efforts to provide counties with additional, permissive flexibility to accept electronic signatures for certain documents such planning and zoning, architectural documents, and vital records during the peacetime emergency.
 - Status: Signed by the governor on May 18, 2020 ([Chapter 92](#)).

Mandated Recording of Public Meetings ([HF 3200](#)/[SF 3026](#))

This provision requires public entities (including counties) to make audio or video recordings of every open meeting and maintain the recordings for three years. This bill was initially scheduled for a hearing on February 19 in the House Subcommittee on Local Government, and an amendment was posted to the schedule that would require public entities to post the required recordings to their official websites. AMC and the MN County IT Leadership Association expressed concerns regarding the bill and it was pulled from the committee agenda just before the Legislature's focus shifted to the pandemic, ending its progress for the 2020 session. However, a fiscal note for HF 3200 was requested from the Legislative Budget Office after the 2020 session ended, indicating this bill will be reintroduced in the 2021 session.

Status: Did not pass.

Web Accessibility Grant Funding for Local Governments ([HF 1358](#)/[SF 1058](#))

This bill allocates grant funding to improve accessibility on local government websites. The bill received a hearing in the House State Government Finance Committee on February 27. The Association of Minnesota Counties and the Minnesota County IT Leadership Association wrote a letter in support of HF 1358, and the bill was laid over for further consideration during supplemental budget negotiations. HF 1358 was sidelined once the Legislature shifted its focus to the COVID-19 pandemic in March, but prior to this there were discussions of reintroducing this bill in the 2021 session with an allocation larger than the original \$200,000 if it did not pass this session.

Status: Did not pass.

Public Official Remote Meeting Attendance Due to Medical Need in a State of Emergency ([HF 4507](#))

HF 4507 creates a provision that in the event a state of emergency is declared, a member of a public body subject to [Minn. Stat. 13D.021](#) may for medical reasons participate remotely in open meetings up to three times in a calendar year. This exemption would apply only during the state of emergency and until 60 days after the emergency is lifted, and only if the member has been advised against in person attendance by a medical professional.

Status: Did not pass.

Family Leave Proposals ([HF 5](#), [HF 3073](#), [SF 4352](#))

The House continued to hear major policy proposals surrounding family leave including “re-hearing” the House DFL’s main paid family leave proposal (HF 5, Rep. Halverson) to provide 12 weeks of paid family and medical leave. In addition, they discussed a new proposal (HF 3073, Rep. Moran) which would reduce the current 12 months employment mandate an employee must work before using the FLMA law providing 12 weeks of unpaid leave to 90 days employment and 6 weeks of unpaid FLMA leave. While there was no action on companion bills in the Senate, Senator Mark Johnson did present SF 4352, a bill authorizing licensed insurance companies who offer disability income insurance policies to also offer paid family leave insurance benefits providing wage replacement. While no agreement was made to forward any proposal at the end of session, the issues surrounding paid family leave continue to grow at the Capitol and seem to have garnered a larger spotlight and political support base with the advent of COVID-19 magnified complications and actions championed by President Trump to grant federal workers their own version of paid family leave. AMC will continue to work in collaboration with the Minnesota County Human Resources Managers Association (MCHRMA) to monitor and weigh in on legislative proposals.

Status: Did not pass.

Workers Compensation—Temporary COVID Presumption

Very early in the COVID-19-focused Legislature, leaders passed a new, but temporary, workers compensation presumption for first responders who contracted COVID-19. The law change makes clear that an eligible employee who contracts COVID-19 is presumed to have contracted the disease in the course of employment as long as they are of a certain eligible employee class (licensed peace officers, paramedic, emergency technician, nurse/health care worker, correctional officer) and can prove they have COVID-19 via a positive laboratory test or diagnosis by a licensed physician (if test is not available). The temporary presumption is effective from April 8, 2020 until May 1, 2021. While AMC was not opposed to the presumption, we did voice the need for the Legislature to look to additional methods to provide financial surety for local governments and insurance pools such as MCIT in the case that claim costs reached an unprecedented amount. Conversations on funding these potential liabilities with a new state fund were discussed, but not implemented, with legislators preferring to turn to the CARES Act funding as a one-stop shop for all local government costs, including any COVID-19 related workers compensation claim costs.

Status: Signed by the governor on April 7, 2020 ([Chapter 72](#)).

ELECTIONS

Election Flexibility Omnibus and Funding Bill ([HF 3429](#))

One of the biggest joint efforts for local governments this year was providing additional flexibility in election law to accommodate the public health concerns associated with administering in-person elections for the August primary and November general election. Fresh reports from neighboring Wisconsin highlighted mass voter confusion, precinct closure, election staff reductions, and hours-long lines underscoring a stark potential reality of voter confusion, administrative disorganization, and public health concerns should the virus continue into election season and Minnesota not make common sense changes to election law to allow for flexibility. As the main, on-the-ground implementers of elections, counties and cities collaborated during session to advocate for flexibility to accommodate increased absentee ballots and measures that will guarantee the smooth and safe operation of elections. While mail balloting was not supported in a bipartisan fashion, both the House and Senate passed an AMC-supported “bread and butter” bill that provided county election administrators with additional time to administer no-excuse absentee ballots (14 days before and 2 days after election) as well as additional time to select polling places. The bill also appropriated \$14 million of federal Help America Vote Act dollars to the Secretary of State’s office to assist with election security investments as well as provide grants to local governments. The bill was passed by both the House and Senate and signed into law by the governor. Secretary of State Simon has reached out to various local government groups—including AMC and MACO—to consult on how to best outline and administer the new grant program.

Status: Signed by the governor on May 12, 2020 ([Chapter 77](#)).

Presidential Primary Changes ([HF 3068](#)/[SF 2986](#))

A 2016 law change created a new presidential primary system administered by county and local election officials rather than the political parties themselves. Counties expressed numerous concerns about the logistics of running another election (during an already busy property tax mailing season), potential inadequacies in the reimbursement methods, difficulties in finding and retaining a sufficient number of election judges, as well as frustrations about voters’ data being part of a public registration list. Previously passed language in 2018 and 2019 addressed several of these concerns but did not go far enough to protect voter privacy. As the March 3rd Presidential Primary approached, legislators began to entertain several proposals to revise the election in response to significant concerns over voter privacy and participation, including a House bill that would restrict the use of voters’ data and limit dissemination to one selected representative of each of the four major political parties and limit what the parties can do with the data. AMC submitted a [letter](#) outlining counties’ priorities around voter privacy and accessibility, stressing the need for a bipartisan solution that addressed concerns outlined above. Later in the session, the House revised this proposal to further limit the dissemination of voter data to the party of the ballot a voter chose. While this bill did pass the House floor, the Senate failed to entertain any changes and the Presidential Primary went on as dictated under current law.

Status: Did not pass.

PENSIONS

PERA General Aid ([HF 2387/SF 2488](#))

In 1997, Minnesota created a Public Employees Retirement Association (PERA) aid program intended to offset mandated employer contribution increases for the General Plan. This aid was tied to the percentage of total payroll growth for the Coordinated Plan (as of July 1, 1997) and was set to sunset when the plan was fully funded—at the time of enactment, July 1, 2020. AMC joined forces with LMC and MICA to ask legislators to honor the current Coordinated Plan amortization date of July 1, 2048, citing the history of the program and importance the aid has on more than 1,000 local government levies. While legislators expressed support and empathy—including Rep. O’Driscoll reminding committee members “a promise made should be a promise kept”—the commission failed to find the roughly \$13.8 million a year (or \$28 million each biennium) needed to move back the sunset.

Status: Did not pass.

Pensions Omnibus Bill ([HF 3903/SF 3808](#))

Additional Legislative Commission on Pensions and Retirement (LCPR) technical proposals were signed into law this year ([Chapter 108](#)) including proposed changes to future privatization of public hospitals/nursing homes and small changes to Police and Fire disability tax status. More specific policy proposals fell by the wayside in a session where action on non COVID-19 related provisions was limited.

Status: Signed into law by the governor on May 21, 2020 ([Chapter 108](#)).

HOUSING

Housing Infrastructure Bonds ([HF 3326](#))

One of several housing infrastructure bonding bills that was developed during the session, HF 3326 expanded the allowable uses of housing infrastructure bond proceeds, authorized \$400 million in housing infrastructure bonds with a \$40 million set aside to finance emergency shelters, and appropriated \$100 million in state general obligation bond proceeds for public housing rehabilitation. The bill originated with strong support from the Homes for All Coalition, a statewide coalition of over 240 organizations across the state that work on addressing affordable housing and homelessness.

Status: Did not pass.

Emergency Shelters ([HF 3358/SF 3599](#))

To address the need for more emergency shelters in the state, this bill provided \$50 million to the Minnesota Housing Finance Agency to pay for the construction, acquisition, and rehabilitation of short-term housing facilities for individuals and families without a permanent residence.

Status: Did not pass.

Eviction and Mortgage Foreclosure Protection and Emergency Housing Assistance ([HF 4541](#))

Given the economic impact of COVID-19, this bill sought to provide eviction and mortgage foreclosure protection and emergency housing assistance to those impacted by the pandemic. The bill prohibited charging late fees for the late payment of rent and the termination of a rental agreement for 90 days after March 24, 2020. The bill also prevented foreclosure action to be taken for the same 90-day time period. Additionally, the bill appropriated \$100 million in FY2020 to the Minnesota Housing Finance Agency to assist individuals, families, and homeowners to prevent homelessness and help maintain homeownership during the COVID-19 public health emergency. Ramsey County Commissioner Toni Carter testified in support of the bill at the Housing Finance and Policy Committee hearing in April.

Status: Did not pass.

Housing Infrastructure Bonds and Emergency Housing Grants ([HF 2542/SF 1644](#))

There was a push in the last week of session to authorize funding for housing infrastructure bonds and emergency housing assistance for those affected by COVID-19. On the last night of the regular session, the Senate amended and passed the House bill, which would have appropriated \$100 million in housing infrastructure bonds and \$100 million in emergency housing assistance grants, sending it back to the House but it was not taken up. Senate Republican amendments to the bill added some construction regulation language that Democrats opposed.

Status: Did not pass.

WORKFORCE

Unemployment Insurance Expansion and Flexibility ([HF 4531/SF 4451](#))

To provide relief to the unprecedented number of Minnesota workers laid off due to COVID-19, Gov. Walz expanded Unemployment Insurance (UI) eligibility and added flexibility in [Executive Order 20-05](#). These changes were later included in the state's COVID-19 relief package, specifically:

- Suspends an applicant's one-week waiting period for benefits
- Suspends the five-week waiting period for business owners
- Expands eligibility for applicants who cannot work due to:
 - Determination by health authorities or by a health care professional that the presence of the applicant in the workplace would jeopardize the health of others.
 - A quarantine or isolation order has been issued to the applicant.
 - A recommendation from health authorities or from a health care professional that the applicant should self-isolate or quarantine due to elevated risk of contracting COVID-19.
 - Applicant has been instructed by the applicant's employer not to come to the place of business due to an outbreak of a communicable disease.
 - Applicant has received a notification from a school district, day care, or other child care provider that either classes are canceled, or the applicant's ordinary child care is unavailable, provided that the applicant made reasonable effort to obtain other child care.
- For employers, insurance benefits paid as a result of an applicant not being able to work directly or indirectly as a result of the COVID-19 pandemic will not be used in computing the future unemployment insurance tax rate of a taxpaying employer.

These provisions apply to UI applications filed between March 1, 2020 and December 31, 2020.

Status: Signed by the governor March 28, 2020 ([Chapter 71, Article 2](#)).

ECONOMIC RECOVERY

Small Business Emergency Loan Program ([HF 4531/SF 4451](#))

To assist small businesses affected by COVID-19, [Executive Order 20-15](#) directed the Department of Employment and Economic Development (DEED) to create a Small Business Emergency Loan Program by making available \$30 million from special revenue funds. These dollars are used by DEED's lender network to make loans between \$2,500 and \$35,000 for qualifying small businesses. The loans are 50% forgivable and offered at a 0% interest rate. The language was also included in the state's COVID-19 relief package.

Status: *Signed by the governor March 28, 2020, 2020 ([Chapter 71, Article 2](#)).*

COVID-19 Economic Security Act ([HF 1507](#))

The House put together the COVID-19 Economic Security Act, a compilation of bills that addressed the economic impact of COVID-19. The bill appropriated \$208 million in the 2020-21 biennium to provide economic relief in several areas, including housing, emergency small-business loans, and resources for those that care for vulnerable populations. Specifically, it included:

- \$100 million dollars in funding to the Minnesota Housing Finance Agency for housing assistance grant funding to households who have lost income due to COVID-19. It limits landlords from assessing late fees, terminating or failing to renew leases, and initiating evictions during and after a peacetime emergency related to COVID-19. This section also prevents foreclosures from being started during a peacetime emergency related to COVID-19.
- \$55 million in small-business emergency loans to businesses impacted by COVID-19, including \$11 million allocated for loans to businesses with six or less employees; \$8 million for loans to businesses with seven to 20 employees; and \$10 million for loans to either minority owned businesses or businesses that have a strong ethnic cultural orientation.
- \$27 million for grant programs to fund distance learning, broadband access, and equipment for telemedicine.
- \$26 million for a temporary 15% pay increase for personal care assistants during the pandemic.

The House passed the bill on a 75-58 party-line vote and was sent to the Senate.

Status: *Did not pass.*

Continued Aid to Small Businesses ([HF 5/SF 2](#))

Recognizing the ongoing and critical need for continued assistance to small businesses affected by COVID-19, this bill provided \$62.5 million in grants for small businesses. The bill included \$60 million from the federal CARES Act and \$2.5 million from DEED's Emergency Loan Program. Eligible businesses with 50 or fewer employees can apply for grants of up to \$10,000 with half of the funding allocated for Greater Minnesota businesses. Additionally, at least \$10 million will go to minority-owned businesses, \$2.5 million will go to veteran-owned businesses, \$2.5 million will go to women-owned businesses, and \$2.5 million will support cultural malls.

Status: *Signed by the governor June 16, 2020 ([Chapter 1](#)) MN Session Laws – 2020, 1st Special Session.*

Health and Human Services

For additional information on this section, please contact Emily Babcock, Policy Analyst, at 651-789-4325 or ebabcock@mncounties.org

The outbreak of COVID-19 in Minnesota immediately shifted the health and human services priorities to focus on responding to the virus. Counties started the session with four legislative priorities related to health and human services. And while there were no bills passed tied to these priorities, counties did not abandon these important issues. Counties continue to stay engaged with agencies and policymakers in order to strengthen policies within mental health, child welfare, and health care.

As counties adapted to delivering services during a public health emergency, AMC and MACSSA worked closely with legislators and the Department of Human Services to be sure counties could continue to provide services despite an uncertain future. During the June special session, counties were pleased to successfully advocate for legislation that expanded the flexibility for delivering services.

AMC Priority: Protecting Counties from DHS Financial Errors ([HF 3919/SF 4055](#); [HF 3918/SF4019](#) , Special session: [HF115/SF 91](#))

After the announcement from the Department of Human Services last fall that ongoing billing and program errors resulted in millions of dollars that were owed to the federal government, counties advocated for the state to accept financial responsibility for the errors. The largest portion of the errors were attributed to improperly billing the federal government for substance use disorder services at Institutions of Mental Disease (IMDs).

The governor included the IMD funding in his supplemental budget proposal and legislation was filed in the regular and special sessions. However, before the Legislature could consider a supplemental budget, the governor declared a peacetime emergency and the state response to COVID-19 was underway. Much of the funding allocated by the Legislature was aimed at COVID-19 relief. Conversations continue on whether or not a state payback of these errors will be included in any ensuing supplemental budget agreement.

Status: Did not pass.

AMC Priority: Mental Health and Substance Use Disorder Reform ([SF 4114](#))

When the session started, as part of the statewide substance use disorder (SUD) reform, the state was shifting to implementing additional professional requirements to be able to serve individuals seeking an assessment for SUD treatment. Many counties do not employ specialized staff and therefore would no longer be eligible to provide assessments as part of the reform. In addition, workforce shortages among private providers may mean a lack of access for clients throughout the state. AMC worked with Sen. Paul Utke on legislation that would have allowed counties a role in coordinating services for individuals seeking substance use disorder treatment.

While the AMC-supported legislation did not pass, there was a provision in a COVID-19 policy bill that affects counties as part of statewide SUD reform. HF 4556 included several technical changes and budget forecast adjustments that actually extend existing SUD services as they are provided currently. This means counties are able to continue to provide assessments and referrals for two additional years.

Finally, a county workgroup continues to meet with representatives of the Department of Human Services to discuss SUD reform and advocate for a stronger SUD system that meets the needs for all Minnesotans.

Status: Did not pass.

AMC Priority: Procurement/County-based Purchasing

Many of the priorities around procurement were rooted in the need for a better process – improving transparency and protecting the county’s authority. Based on the most recent process, counties called for a process that takes county input into account, is transparent in how plan selections are made, and includes stronger evaluations. Existing statute spells out a role for counties in the selection of health plans for public health programs. AMC directed the priority around procurement toward a non-legislative solution. Since May, a workgroup including representatives from AMC and DHS has been meeting with the aim of redesigning the procurement process.

Status: Did not pass.

AMC Priority: Child Welfare—Reducing Disproportionality

Counties play a critical role in keeping children safe and helping families succeed. Counties continue to see unacceptable rates of out of home placements. Counties continue to engage in statewide planning work to implement the federal requirements of the Family First Prevention Services Act, which allows states to reshape how the child welfare system supports families.

In addition, counties started the session with an additional goal to support policy changes to reduce disproportional representation of families of color involved in the child welfare system. While no comprehensive legislation moved through the Legislature this year, counties continue to be involved in workgroups with the Department of Human Services along with child welfare advocates to identify policies that improve services and outcomes for families.

Status: Did not pass

COVID-19 Waivers ([HF 105](#)/ [SF 99](#))

As state and local leaders responded to COVID-19 and the governor declared a peacetime emergency and started issuing executive orders requiring the closure of schools and businesses, county governments adapted so that county operations continued.

In an executive order, Gov. Walz granted authority to the commissioner of the Department of Human Services to modify or waive existing rules/statute in order to be able to continue human service programming. Dozens of requirements were adjusted along with the issuing of DHS waivers to allow counties to be able to effectively continue to work remotely and safely. These waivers were subject to expire when the peacetime emergency ended. Counties successfully advocated for additional time beyond the peacetime emergency.

In addition, AMC, through the work of a Blue Ribbon Committee, examined many of the waivers issued by DHS as part of a comprehensive analysis on all county operations during COVID-19. The committee identified a list of waivers to be extended until June 30, 2021. Counties were successful in pushing for these extensions which will allow services to continue safely but will also allow counties more time to evaluate best practices and identify potentially more efficient ways of doing business.

The legislation includes:

- A 60-day extension of all waivers beyond the end of the peacetime emergency
- An extension of waivers that are required to comply with federal law for the timeline set by federal law or through a federally-approved state plan amendment. The waivers include:
 - Preserving health coverage for Medical Assistance (MA) and MinnesotaCare – continuing enrollment in these programs during the pandemic and not sending renewal or closure notices, unless the enrollee requests an end to coverage or moves out of state.
 - Implementing federal changes to the Supplemental Nutrition Assistance Program (SNAP) – waiving work requirements for certain SNAP participants.

- Eliminating MA and MinnesotaCare cost-sharing for COVID-19 diagnosis, testing and treatment.
- Implementing federal changes to SNAP – extending recertification dates for SNAP and the Minnesota Food Assistance Program (MFAP).
- Implementing federal changes to SNAP – providing emergency increases of SNAP and MFAP benefits.
- Modifying eligibility period for the federally funded Refugee Cash Assistance Program – allowing the benefit eligibility period to be extended from eight months to 18 months, with the additional months not to extend beyond September 30, 2020.
- Modifying eligibility period for the federally funded Refugee Social Services Program – extending the 60-month eligibility period, with the additional months not to extend beyond September 30, 2020.
- An extension of certain waivers until June 30, 2021, unless federal approval is not granted. The waivers include:
 - Allowing phone or video visits for waiver programs – waiving certain requirements for face-to-face visits for the elderly and people with disabilities receiving long-term services and supports.
 - Expanding access to telemedicine services for Children’s Health Insurance Program, MA, and MinnesotaCare enrollees by allowing the expanded use of telephone calls, allowing more than three telemedicine visits a week, and making other changes.
 - Allowing telemedicine to be used for school-linked mental health services and intermediate school district mental health services, including but not limited to no longer requiring the first visit to be in-person, allowing more than three telemedicine visits a week, and allowing use of the telephone and other non-secured communication platforms.
 - Allowing phone or video use for targeted case management visits.
 - Expanding telemedicine in health care, mental health, and substance use disorder settings by expanding the list of providers authorized to use telemedicine and expanding the services that can be provided by telemedicine.
 - Allowing counties to request administrative review and waiver of a portion of counties’ increased financial responsibility for a delay in discharge from psychiatric hospitals operated by DHS, if the delay is directly related to the COVID-19 pandemic.
 - Allowing flexibility in housing licensing requirements – allows people to move to another setting, approved by DHS, in order to isolate and keep safe.
 - Expanding remote home and community-based services waiver services – allowing remote services by phone and other interactive technologies for people with disabilities.
 - Allowing remote delivery of adult day services – authorizing licensed adult day services providers to provide certain similar services remotely and/or in-person to one person at a time.
 - Modifying certain licensing requirements for substance use disorder treatment. Requires programs to become and remain familiar with MDH and CDC guidance on COVID-19 and to follow MDH and CDC guidance if a client or staff person tests positive for COVID-19. Allows continued flexibility to provide services via telephone or video communication, increased medication-assisted treatment take-home doses, and temporary suspension or limited attendance for group counseling. Removes requirements for opioid treatment programs to conduct community outreach activities and allows for verbal approval of a treatment plan, rather than requiring a signature.
 - Modifying certain license requirements for adult day services – providing minimum health and safety standards for services provided remotely and in people’s homes during the peacetime emergency and requiring providers to notify the commissioner if they plan to provide services to existing clients during the peacetime emergency.

- Modifying certain requirements for early intensive developmental and behavioral intervention (EIDBI) services – allows more flexibility to provide services using phone and Internet video tools, clarifies limits on the number of telemedicine visits allowed per week, waives the face-to-face requirement for EIDBI coordinated care conferences, and waives the requirement to update the individual treatment plan to extend service authorizations.
- Allowing flexibility for personal care assistance (PCA) service oversight, except that the portion of this modification allowing PCA workers to bill 310 hours per month expires upon the expiration of the peacetime emergency – allowing qualified professionals to provide required in-person oversight of PCA workers via phone or video technology.
- Modifying certain certification requirements for mental health centers. Requires programs to become and remain familiar with MDH and CDC guidance on COVID-19 and to follow MDH and CDC guidance if a client or staff person tests positive for COVID-19. Allows flexibility for mental health professional supervision of clinical services at satellite locations, case consultation meetings, and mental health professional client-specific supervisory contact via telephone or video.

Status: Signed by the governor on June 23, 2020 ([Chapter 7](#)) MN Session Laws – 2020, 1st Special Session.

Omnibus Human Services Policy ([HF 11/SF 9](#))

Both the House and Senate Health and Human Services committees worked cooperatively in developing a comprehensive policy bill during regular session. The legislation incorporated dozens of proposals—mostly non-controversial measures. Despite widespread support, the legislation did not pass in the House during the final hours of the regular session. The bill was filed again during the special session and passed with broad support.

Human Services Omnibus Highlights:

- Incorporates state requirements for qualified residential treatment facilities to align with federal requirements of the Family First Prevention Services Act. The facilities are approved settings that provide congregate or group care for children. The Department of Human Services is also directed to consult with counties and other stakeholders in identifying recommendations for services related to voluntary placement.
- Updates chapter on civil commitment to reflect current practice and language. The rewrite also includes a provision that allows counties to offer engagement services aimed at preventing the need for commitment.
- Requires social services agencies to coordinate phone calls between parents and foster parents to better coordinate care for children entering foster care.
- Requires social services agencies to coordinate a prenatal alcohol exposure screen for any child entering foster care.
- Requires counties to publish policies and criteria related to issuing variances for family child care licenses. The Department of Human Services is also directed to create a uniform form for child care variance requests.
- Allows for written agreements transferring responsibility of the screening and initial response to a child maltreatment report from the county to the tribe.
- Updates and reorganizes the maltreatment of minors statute.

Status: Signed by the governor on June 16, 2020 ([Chapter 2](#)) MN Session Laws – 2020, 1st Special Session.

COVID-19 RESPONSE

As the Legislature pivoted to be able to respond to COVID-19 mid-session, lawmakers passed a number of bills that included appropriation packages aimed at providing health and economic relief. Some of the major appropriations aimed at health and human services are listed below.

COVID-19 Policy Bill ([HF 4556/SF 4462](#))

The health and human services pieces in the comprehensive policy bill included a number of provisions to improve the availability of COVID-19 testing and reduce barriers to administer treatment. The legislation granted the commissioner of health temporary authority during the peacetime emergency to be able to waive or modify certain rules and statutes in order to preserve access to programs and services. The legislation allowed for the establishment of temporary alternative health care facilities and requires telemedicine services coverage by health plans,

Status: Signed by the governor on April 15, 2020 ([Chapter 74](#)).

COVID-19 Relief Bill ([HF 4531/SF 4451](#))

The appropriations package included more than \$70 million dollars for human services along the following lines:

- Nearly \$30 million was allocated for peacetime emergency child care grants and distributed to child care centers that remained open during the public health emergency and prioritized space for children of essential workers.
- \$9 million was designated for food shelf programs throughout the state. The funds could be used to purchase foods and supplies and could also be used to support transportation organizations for food distribution.
- \$5.5 million was allocated for temporarily increasing room and board limits for supplementary services as part of housing support services.
- \$26.5 million went toward emergency services grants through the Department of Human Services, which included vouchers for hotels and other housing options, supplies, and staffing.

Status: Signed by the governor on March 28, 2020 ([Chapter 71](#)).

Health Care and Public Health Funding ([HF 4275/SF3813](#); [HF 3980/SF 4334](#))

\$21 million was initially transferred from the general fund to the public health response contingency account for use by the commissioner of health. About \$7.7 million was distributed by the commissioner of health to local public health agencies to help support local public health response. An additional \$50 million was transferred from the general fund to the public health response contingency account to support the public health response activities such as establishing temporary testing sites, purchasing protective equipment, patient outreach, and expenses related to isolation or quarantine of staff.

In addition, a health care response fund was created and \$150 million was allocated to support grants to health care providers to prepare for and respond to the outbreak as well as funding the creation of temporary testing services.

Status: Signed by the governor March 10, 2020 ([Chapter 66](#)) and March 17, 2020 ([Chapter 70](#)).

PUBLIC HEALTH

Tobacco 21 ([HF 331](#)/[SF 463](#))

After several sessions of considering the public health measure, lawmakers finally passed a law increasing the age individuals can purchase tobacco from 18 to 21. The change applies to purchasing tobacco, tobacco products, electronic delivery devices, and nicotine delivery products. The law also conforms to federal law, which was changed in 2019. This was a 2020 legislative priority for the Local Public Health Association.

Status: Signed by the governor on May 16, 2020 ([Chapter 88](#)).

OTHER

Childcare Assistance Program ([HF 41](#))

The legislation will use federal funds to increase reimbursements for Minnesota Family Investment Program child care assistance and Basic Sliding Fee child care assistance to better align with federal standards on reimbursement rates. The legislation increases the reimbursement rates to meet the 30th percentile of the most recent market-rate survey of tuition costs.

Status: Signed by the governor on June 23, 2020 ([Chapter 9](#)) MN Session Laws – 2020, 1st Special Session.

Prescription Drug Pricing ([HF 1246](#)/[SF 1098](#))

The “Prescription Drug Price Transparency Act” requires drug manufacturers to report certain pricing information to the health department. Companies must submit data related to certain increases in both brand name or generic drugs, pricing for certain new prescription drugs or newly acquired prescription drugs. The health department is required to post the drug pricing information.

Status: Signed by the governor on May 12, 2020 ([Chapter 78](#)).

Insulin Pricing ([HF 3100](#)/[SF 3164](#))

The “Alec Smith Insulin Affordability Act” creates an emergency insulin program by making insulin available to individuals on an emergency basis. Underinsured or uninsured individuals would be eligible for an emergency 30-day supply of insulin for a \$35 co-pay.

In addition, eligible individuals would have ongoing access to supplies for a reduced copayment. Insulin manufacturers would either reimburse pharmacies for the insulin or supply the drug to pharmacies. The program is aimed at making insulin available to those who can’t afford it. Throughout deliberations within the Legislature, advocates argued the rising cost of insulin forces some Minnesotans to ration the drug.

Status: Signed by the governor on April 15, 2020 ([Chapter 73](#)).

Public Safety & Corrections

For additional information on this section, please contact Carli Stark, Policy Analyst, at 651-789-4335 or cstark@mncounties.org.

Like last year, the House and Senate took two very different approaches to legislation. At the start of session, the House Public Safety and Criminal Justice Reform Finance and Policy Division and the Senate Judiciary and Public Safety Committee were regularly hearing bills. The House focused on criminal justice reform, and the Senate focused on data practices provisions. When the Stay at Home executive order was issued, the two bodies took different approaches to remote hearings. After the Easter break, the House started with once-weekly Public Safety Committee meetings while the Senate made agreements without public hearings and amended bills on the floor. When the first special session started, both bodies had committee hearings on law enforcement related bills in response to the killing of George Floyd in Minneapolis on May 25, 2020, and the resulting protests throughout the state. The Senate and House ultimately did not agree on much and no public safety bills were passed in either body during the first special session.

COMMUNITY CORRECTIONS

County Probation Funding ([HF 4077](#)/[SF 4014](#))

Last session, a standalone bill got a hearing in the House Public Safety Committee but failed to meet deadlines due to an amendment adding a taskforce. The Senate did not hear the companion funding bill at all. This year, bills were introduced with bipartisan authors in both the House ([HF 4077](#)) and the Senate ([SF 4014](#)). As COVID-19 cases started to spread through the United States, the governor's supplemental budget request was released. It included \$3.9 million in FY 2021 with tails of \$4.9 million in FY 2022 and 2023 for the Community Corrections Act subsidy. It also included \$320,000 in County Probation Officer reimbursement.

The governor's supplemental budget request funding made its way into three House bills through various amendments during committee stops: [HF 2711](#) , [HF 4540](#), and [HF 3156](#). [HF 3156](#) contained not only the funding, but also various provisions related to the COVID-19 pandemic. It passed the House floor two days before the end of session with a vote of 76-57. Many of the arguments against the bill focused on the projected budget deficit announced in early May and the requirement of having a balanced state budget. The Senate did not hear any bills related to county probation funding.

Towards the end of the regular session, a letter was written jointly by the chairs of the House and Senate public safety committees encouraging leadership to appropriate funding that included the Department of Corrections deficiency funding and the CCA/CPO appropriations. Shortly after the funding failed to pass in the regular session, a letter indicating an agreement on the funding was sent from the Speaker of the House to state leadership. During the first special session, the funding was scheduled for a hearing in the House Public Safety Committee, but the hearing was canceled and the appropriations bill was amended onto [HF128/SF47](#) which allocated CARES Act funds to local governments. The Senate would not hear the bill as amended and the special session ended with no agreement. AMC will continue to monitor future special session developments and lobbying for the inclusion of this critical funding increase.

Status: Did not pass.

Pre-Sentence Investigation Reports Change ([H.F. 1864](#) / [S.F. 1994](#))

This bill was introduced and heard in committee last session, but ultimately did not pass. This year, it was heard in committee and then amended on to a number of bills that also did not pass. The bill requires that a judge inquire about possible brain injuries or strokes of the defendant in criminal cases at the point of conviction, but prior to sentencing. The judge would be required to order a neuropsychological exam prior to sentencing if the court believes that the defendant may have a mental impairment that caused the defendant to lack substantial capacity for judgment when the crime was committed. The exams would be an additional county expense and no money has been appropriated through the legislation. The scope of the bill was limited by amendment to only apply to felonies after AMC had conversations with the author regarding the cost to counties.

Status: Did not pass.

SENTENCING GUIDELINES COMMISSION

5-Year Probation Cap Conformity ([H.F. 689](#) / [S.F. 1606](#))

In January 2020, the Minnesota Sentencing Guidelines Commission (MSGC) voted to approve a presumptive five-year cap on felony probation sentences after a similar measure failed to pass during the 2019 legislative session. The cap only applies to felonies excluding criminal sexual conduct crimes and certain murder crimes. The action by the MSGC created a loophole for gross misdemeanor driving under the influence which has a maximum sentence of six years. HF 689 addresses that loophole by changing the maximum sentence from six years to five years for all offenses in Minn. Stat. 609.135, subd. 2. The bill did not receive a hearing in the Senate, likely due to the opposition to the five-year felony probation sentence cap.

Status: Did not pass.

Rejection of 5-Year Probation Cap ([H.F. 4225](#) / [S.F. 3975](#))

The Senate Judiciary and Public Safety Finance and Policy Committee had a lengthy hearing to discuss the MSGC probation cap modification to the Minnesota Sentencing Guidelines. The Republican members were in opposition to the cap citing a lack of process at the MSGC meetings in the winter of 2019 and into 2020. The MSGC submits a report to the Legislature informing them of the proposed changes to the guidelines. If both legislative bodies do not pass legislation rejecting the changes, they are automatically adopted on August 1, 2020. The Senate heard HF 4225 to reject the changes, require legislative approval for changes to take effect, and also to require the MSGC to collect data on probation and create a probation sentencing grid. The House did not hear a similar bill due to the House DFL support of the probation cap.

Status: Did not pass.

EMERGENCY MANAGEMENT/SERVICES

Disaster Assistance Contingency Account Reimbursement ([S.F. 3564](#) / [H.F. 3633](#))

As COVID-19 cases started spreading throughout the state in early March, it became clear that a stay at home order was likely to be issued and that the ability of the Legislature to work could be compromised. Though the pandemic was on the minds of legislators, they worked quickly to pass a general fund transfer to the Disaster Assistance Contingency Account of \$30 million. The funds provide monetary assistance for local disasters and can be used to help local governments with local match for FEMA declared disasters.

Status: Signed into law by the governor on March 17, 2020 ([Chapter 68](#))

Local Emergency Management Readiness Grants ([H.F. 1273](#)/[S.F. 1506](#))

The House Public Safety and Criminal Justice Reform Finance and Policy Committee heard HF 1273 last year and for the second time early in the 2020 session. The bill distributes \$3 million in emergency management readiness grants equally to all 87 counties, 11 federally recognized tribes, and 4 cities of the first class. Each jurisdiction would receive approximately \$29,400. Although the bill had bipartisan support, it was never heard in the Senate and was laid over in the House and not taken up on the floor.

Status: Did not pass.

JUVENILE JUSTICE

Juvenile Risk Assessments ([H.F. 3453](#)/[S.F. 4236](#))

[H.F. 3453](#) is yet another clone bill that was carried over from the 2019 session, made its way through the House Public Safety Committee, was added to an omnibus bill, but then did not ultimately get passed. The original bill prohibited the use of restraints on juvenile defendants when appearing in court unless necessary to prevent physical harm or fleeing. The second part of the bill requires state and local jurisdictions to create and implement the use of a juvenile detention risk assessment instrument prior to detaining a child in a secure detention facility. Funding for creation and implementation of the risk assessment instrument was not included in the bill. During the first special session, the provision related to risk assessments was amended onto [SF 104](#) by the House and passed off the floor. The Senate did not accept the changes made by the House.

Status: Did not pass.

CORRECTIONS

DOC Contracts with County Jails ([H.F. 3671](#)/[S.F. 3881](#) & [H.F. 4531](#)/[S.F. 4451](#))

The Department of Corrections (DOC) is responsible for housing all individuals that are found guilty of a felony and given a prison sentence of one year and a day or more. However, defendants get credit for time spent in local confinement prior to sentencing, which can often be the majority of their sentence. [H.F. 3671](#) was heard in the House Corrections Division as well as the Public Safety Division. It allows the Department of Corrections to enter into contracts with local governments to house inmates that have less than 90 days left on their sentence. Local governments would then continue to house inmates with less than 90 days remaining on their sentence if they have a contract with the DOC. Unlike past legislation that didn't specify payment for housing short term offenders, this bill only allows the contract to be entered into by the DOC and specific terms like per diems and healthcare costs can be negotiated by the county. Though the original bill was heard only in the House, the language was amended on to [H.F. 4531](#), one of the COVID-19 response bills passed during the regular session.

Status: Signed into law by the governor on March 28, 2020 ([Chapter 71](#))

House Public Safety Intermediate COVID-19 Response Bill ([H.F. 3156](#))

The House Public Safety Committee drafted a policy bill to try to combat some of the effects of COVID-19 on the public safety sector. The bill required the DOC to publish daily inmate population data on its website and repealed language that encouraged double bunking. One controversial provision in the omnibus bill gave the Commissioner of Corrections the authority to release inmates considered “low risk” to reoffend up to 180 days prior to their supervised release date. No funding related to that provision was appropriated in the bill and would have meant that in most cases, counties would have to pick up the cost of supervision for those inmates. The bill also had provisions unrelated to COVID-19, including required testing of sexual assault examination kits and the public safety section of the governor’s supplement budget request. Though the bill passed on the House floor, it was never heard on the Senate floor likely due to the controversial provisions.

Status: Did not pass.

Limiting County Authority to Contract with Federal Government ([H.F. 3060/S.F. 2973](#) & [HF 3061/ SF 2972](#))

HF 3060 and HF 3061 were heard in multiple committees in the House but didn’t receive a hearing in any Senate committee. The original bills provided two different prohibitions on local jurisdictions’ ability to contract with the Federal government to house individuals on holds from Immigration and Customs Enforcement. An amendment was made to HF 3061 changing the focus to the health and welfare of inmates and requiring local jurisdictions to apply the same rules and standards to federal detainees as are applied to state detainees. It further prohibited renewal of any contract that did not apply the same standards to both types of inmates. The bill would affect six counties throughout the state and did not have support from the GOP.

Status: Did not pass.

Omnibus Public Safety Bill ([H.F. 3391/ S.F. 3258](#))

Although not many things passed during the regular session, the House and Senate were able to agree on a small public safety omnibus bill. Many of the provisions were forwarded by the Department of Corrections. Those provisions require the Department of Corrections to supply feminine hygiene products to individuals in state correctional facilities at no cost, change the title of American Indian Counseling Program to “American Indian Cultural Program” to better reflect the services provided in the program, prohibit the flying of drones over state correctional facilities, and change the way per diem costs to counties for juveniles placed in state facilities are calculated. Additionally, the bill repeals an outdated statute pertaining to Ramsey County Community Corrections Department, suspends the local match for youth intervention program grants, and expands the authority of conservation officers by changing a definition to make it clear that conservation officers have the same authority for enforcement of driving while impaired crimes as other peace officers.

Status: Signed into law by the governor on May 27, 2020 ([Chapter 110](#))

DATA PRACTICES

Omnibus Data Practices Bill ([H.F. 3012/S.F. 3072](#))

The first omnibus bill that was passed out of the Senate focused on data privacy with two provisions related to location tracking warrants and a provision that requires law enforcement to obtain a warrant to access an individual's e-mails. Data privacy was a joint focus for the chairs of the Judiciary Committees in both bodies. The chairs worked in a bipartisan manner to pass legislation addressing the concerns of advocacy organizations like the ACLU, while also seeking input from local and state governments. Among the accomplishments of the partnership was the unmanned aerial vehicle bill which required extensive input and negotiation between the advocacy organizations, law enforcement, and other government entities.

Status: *Signed into law by the governor on May 16, 2020 ([Chapter 82](#))*

OTHER PUBLIC SAFETY LEGISLATION

Sexual Assault Examination Kit Testing and Procedures ([H.F. 2983/S.F. 3462](#))

After local news agencies started reporting about a large backlog of untested sexual assault examination kits, some as old as 30 years, a bipartisan group of legislators called for reform to testing and storage procedures. [H.F. 2983/S.F. 3462](#) requires that all sexual assault examination kits be sent to the BCA for storage, and that all unrestricted kits be tested. The Department of Public Safety would be required to maintain a website with a searchable database providing sexual assault victims with information on the status of their individual sexual assault examination kit. Despite the support for the bill, it failed to pass as agreements were not reached on omnibus bills that the provision was amended into during the regular session. The bill was not heard during the first special session.

Status: *Did not pass.*

Prohibition of Marriage by Minors ([H.F. 745/S.F. 1393](#))

HF 745 received unanimous support in both the Senate and House. This bill requires that all parties to a marriage be over 18 years old and eliminates any exceptions that allowed marriage by younger individuals with permission of their parents. It also prohibits the recognition of marriage between minors if the minors were married in another state while a resident of Minnesota. The parties to a marriage will have to prove their age in order to get a marriage license.

Status: *Signed into law by the governor on May 12, 2020 ([Chapter 76](#))*

Medical Examiner Access to Fingerprint Database ([H.F. 3730 /S.F. 3616](#))

Committees in both bodies heard bills aimed at giving coroners or medical examiners access to electronic fingerprint databases. The bills are intended to make it easier for coroners or medical examiners to identify the deceased by using the electronic database instead of the time-consuming method that is currently used. According to the testifiers at the hearings, one of the benefits of access to the databases would be the ability to notify family members sooner of the death of their loved ones.

Status: *Did not pass.*

Appointment of Counsel at EPC Hearings ([H.F. 3127/S.F. 3245](#))

This bill could have a significant financial impact to counties. It requires that the court appoint an attorney at the first hearing in child protection cases – the Emergency Protective Care hearing. Although many counties already do this, others struggle to find attorneys that can show up to these hearings that must take place within 72 hours of a child being taken out of the home. AMC worked with the advocates and the author through the interim and during the regular session. An amendment was introduced to turn the bill into a taskforce to examine the issue instead of going forward with the law change. The bill had multiple committee stops in the House, but did not make it to the floor likely due to the pause in legislative activity as COVID-19 started to spread.

Status: Did not pass.

Forfeiture Reform Bill ([H.F. 4571](#))

Last session, legislation was introduced that would have eliminated civil forfeiture as it currently operates and replaced it with a criminal forfeiture process. That change in policy would have created a budget hole that would have had to be made up by county levy dollars. [H.F. 4571](#) is a significant change from the forfeiture reform bill presented last session. Many stakeholders worked throughout the interim to come to an agreement on the bill, including participating in mediation. The new bill narrows the scope of what vehicles are subject to forfeiture, specifically those involved in felony DWI crimes. It allows a defendant to get their car back if they are participating in the Ignition Interlock program. There are further protections for innocent owners with enhanced due process procedures. Innocent owners can notify prosecutors of the ownership, which shifts the process from the courts to the county attorney's office. The notice of seizure has been updated to be more understandable. The bill clarifies towing and storage fees and reduces storage fees paid by a defendant in most cases. For controlled substance crimes, a threshold of \$1,500 was set with an exception for any amount that was used for the purpose of purchasing or selling controlled substances. The funding structure that is currently in place for civil forfeiture would not change and would allow law enforcement to use those funds for task forces. Despite the support of many organizations and hearings in two committees, the bill did not make it to the general register.

Status: Did not pass.

Fingerprint Authorization Delay ([H.F. 4531/S.F. 4451](#))

As part of the COVID-19 response, HF 4531 included a provision forwarded by the Bureau of Criminal Apprehension as a recognition of the difficulty of fingerprinting during a pandemic. It allows the BCA to delay fingerprint-based background checks for employees working in critical infrastructure positions during a peacetime emergency. When the peacetime emergency ends, fingerprinting must be submitted within 30 days. The bill also provides for criminal penalties if a person gives false information on their application for a position requiring a fingerprint-based background check. The superintendent of the BCA is required to submit a report to the Legislature regarding the delays, the reasons for delays, the number of essential workers who were granted delays, and other data related to the statute.

Status: Signed into law by the governor on March 28, 2020 ([Chapter 71](#))

LAW ENFORCEMENT

Law Enforcement Accountability ([S.F. 104, 2nd Unofficial Engrossment](#)/ [S.F. 104](#))

The first committee hearing of the 2020 Special Session was the House Public Safety and Criminal Justice Reform Finance and Policy Committee held Saturday, June 13, 2020 at 10 a.m. A package of criminal justice reform bills were discussed in the nearly 8-hour hearing. The committee heard testimony from the public and then held another 5-hour hearing on June 15 with committee discussion. There was a clear partisan split with the GOP opposing the reform measures and asking for more time to consider the proposals.

The House package was comprised of three bills with multiple proposals:

- [HF93](#) - The Reclaiming Community Oversight Act included a choke hold ban, prohibition of warrior training, residency policy reform, adding a duty to intercede policy in all jurisdictions, retroactive repeal of the statute of limitations for sexual assaults by peace officers and wrongful death actions against peace officers, data practices modifications, law enforcement oversight councils, and arbitration reform.
- [HF1](#) - The Reforming Accountability Act includes use of force reform, investigatory reform, prosecutorial reform, and cash bail reform.
- [HF92](#) - The Reimagining Public Safety Act includes community led public safety initiatives, peer counseling debriefing changes, mental health and autism training, and restoration of felon voting rights.

The Senate had its first Judiciary and Public Safety Committee hearing since the Legislature went remote due to COVID-19. There was discussion of five bills aimed at changing law enforcement practices and providing clearer guidelines. Much like the House hearing, there was a partisan split. Members of the People of Color and Indigenous Caucus and the Senate DFL criticized the bills for not going far enough to reform public safety and hold law enforcement accountable.

The Senate package included five bills:

- [S.F. 1](#) extends a \$6 million appropriation to the POST Board beyond fiscal year 2021.
- [S.F. 3](#) creates requirements and a standard form for local law enforcement to report use of force.
- [S.F. 5](#) ensures that information disclosed to a peer support person is confidential and cannot be used as evidence in court proceedings.
- [S.F. 49](#) has previously been discussed and expands the information that may be disclosed during a background check for any employee of a law enforcement agency, whether or not that employee is an actual law enforcement officer.
- [S.F. 104](#) requires the POST Board to make an updated model use of force policy, specifies the elements that must be included in the policy including adding a duty to intercede and a ban of neck restraints unless necessary to protect from acts of violence that threaten law enforcement with great bodily harm, and requires local law enforcement agencies to create an identical or substantially similar policy by November 1, 2020.

Though both bodies had long floor debates about their own proposals, neither side ratified the bills without significant amendments. Late into the night that Senator Gazelka promised to adjourn, the parties were negotiating and sent offers to each other. Ultimately, an agreement was not reached and the special session ended without passing either body's bill.

Status: Did not pass.

Eyewitness Identification Model Policy ([H.F. 627](#)/[S.F. 1256](#))

The bill requires the POST Board to create a model policy for eyewitness identification that is consistent with recommendations from the National Academies of Science. It also requires local law enforcement agencies to adopt those policies in their own jurisdictions. The bill had opposition when it was heard last year, but amendments have alleviated concerns.

Status: Signed into law by the governor on May 16, 2020 ([Chapter 90](#)).

Transportation & Infrastructure

For additional information on this section, please contact Emily Murray, Policy Analyst, at 651-789-4339 or emurray@mncounties.org

While transportation funding remained one of our top priorities at AMC again this session, it was well-known prior to the start of session that we would likely not see a comprehensive transportation funding package discussed until the 2021 session. New revenue for roads, bridges, and transit was always at the top of our conversations with legislators. This session the focus on transportation funding shifted to the three statewide transportation programs that have traditionally been funded through the bonding bill. Heading into the 2020 session, it was assumed that a large bonding bill would be on the table. When COVID-19 changed the course of the session, it also brought new challenges to the typical end-of-session negotiations – when compromise for a bonding bill is usually found. While the regular session and first special session ended without the passage of a bonding bill, discussions are ongoing and we are hopeful a bonding bill might still be passed during a subsequent special session.

BONDING

Omnibus Capital Investment Bill ([HF 2529/SF 3463](#))

Heading into the second year of the biennium, which is traditionally the bonding year, we were hopeful for a substantial bonding bill to pass this session. Three of AMC's top priorities were related to programs that are funded through general obligation (GO) bonds, including the Local Road Wetland Replacement Program (LRWRP), the Local Road Improvement Program (LRIP), and the Local Bridge Replacement Program (LBRP).

By mid-January, Gov. Walz released his capital budget proposal, which included \$2 billion in general obligation bonds and \$600 million in other funding sources, including appropriation bonds, general fund cash, trunk highway bonds, and user-financed bonds. His recommendations included investment in the three programs that are part of AMC's top priorities for 2020 at the levels requested by MnDOT and BWSR, including \$26.4 million in GO bonds for the LRWRP (the Governor's Supplemental Budget recommendations acknowledged the additional need for a cash investment in the program and recommended \$8 million in cash to be carried in the bonding bill), \$112 million for the LBRP, and \$100 million for the LRIP. While House Capital Investment Committee Chair Mary Murphy (DFL-Duluth) announced the House bill could be closer to \$3.5 billion, Senate Republican Capital Investment Committee Chair Dave Senjem (R-Rochester) maintained that they would like to keep the total under \$1 billion.

Of primary concern this year was to secure funding – through GO bonds and cash – for the LRWRP. As mentioned above in the Environment and Natural Resources section, this program has been underfunded for many years and received *no additional funding* during the 2019 session. The Board of Water and Soil Resources (BWSR) administers the program and divides the state into ten bank service areas. For the last several years, many BSAs have been at or near zero credits, requiring BWSR to borrow credits from other BSAs in order to complete the required wetland mitigation. In order for construction projects to continue yet this season, securing funding for the program this session was imperative.

The 2017 and 2018 bonding bills included significant investments in local roads and bridges, which resulted in funding over 100 local road projects and 88 local bridge projects. The Local Road Improvement Program LRIP assists all local governments – counties, cities, and townships – in maintaining and improving the roads under their jurisdiction. MnDOT identified a need for \$100 million in GO bonds for the LRIP to assist local governments who have federal and local funds available and are waiting to complete critical local road projects. With assistance from state general obligation bonds, which leverage additional federal and local funds, many more projects can be completed allowing local governments to address a backlog of road needs.

Additionally, there are 14,814 bridge structures (10 feet or greater) on the local system and approximately 1,000 of these structures are identified as deficient or obsolete. The governor recommended \$112 million in GO bonds for the Local Bridge Replacement Program to address the waiting list of bridges ready for construction and meet the need for bridges programmed for 2020 and 2021.

It is common for the bonding bill to be one of the last negotiated items during session and this year was no different. We didn't see House or Senate bonding proposals until the final week of the regular session. The House proposal was released first, totaling \$2.5 billion in capital improvement projects across the state. The Senate proposal came out next with \$1.4 billion in total investments. **Both the House and Senate proposals were strong on transportation-related investments.** The chart below includes an overview of Gov, Walz's proposal, the House bill, and the Senate bill for the three programs included as AMC priorities this year as well as some other key transportation programs:

Project	Governor	House	Senate
Local Road Improvement Program	\$100 million	\$53.228 million	\$80 million
Local Bridge Replacement Program	\$112 million	\$53.228 million	\$25 million
Local Road Wetland Replacement Program	\$26.4 million	\$15 million \$8 million GF (cash)	\$18 million
Safe Routes to School	\$4 million	\$8 million \$2 million GF (cash)	\$2 million
Greater MN Transit	\$15 million	\$10 million	NA
Metropolitan Council (BRT)	\$55 million	\$55 million	NA

Additional items to note:

- The House bill also included an additional \$55 million to the City of St. Paul for the 3rd Street/Kellogg Ave bridge and \$3.5 million to Washington County for the 4th Street bridge over I-694. The Senate bill also included an additional \$50 million for 3rd Street/Kellogg Ave bridge. This was above and beyond the money allocated to the LBRP specifically.
- Both the House and Senate bills included many earmarked road projects. The House bill had an additional \$49 million for 11 different local road projects. The Senate bill had an additional \$30 million for specific local road projects (the Senate bill had additional earmarked projects across the state through Trunk Highway Bonds). This was above and beyond the money allocated to the LRIP specifically.
- The Senate bill included \$8 million for a new Township Road Improvement Program and also included new project selection process language for MnDOT to follow, but did not include LRIP and LBRP in the list of programs that would be required to follow the new process.
- Both the House and Senate bill included approximately \$20 million for the MDA/MDH Laboratory Building infrastructure and equipment.
- The Senate bill included \$11 million for the Regional Mental Health Crisis Center Grants, one of AMC's top priorities from the 2018 Legislative Session.

Unfortunately, partisan politics brought down both the House DFL bill and the Senate Republican bill – neither bill was able to garner the required 3/5 majority votes to pass. Because a supermajority is required to pass a bonding bill, votes from the minority party in both the House and Senate are required for final passage. House Republican Minority Leader Kurt Daudt (R-Crown) stated prior to the end of regular session that his members would not vote in favor of a bonding bill while the governor’s emergency powers were in place, and his caucus followed through on that threat. The regular session ended without the passage of a bonding bill, but with the commitment from all four leaders to continue working on negotiations in hopes of passing a bonding bill during special session.

Special session negotiations were ongoing but were also rife with additional political concerns that threatened to hold up passage of a bonding bill. In response to the killing of George Floyd, a group of DFL legislators vowed to withhold their votes on a bonding bill unless they gained significant changes to law enforcement practices. Additionally, the governor’s emergency powers were still in effect and extended during special session, a concern that House Republican members were still vocal about.

During special session, Senate Republicans did increase the total amount of their bonding proposal to \$1.35 billion, up from their proposal at the end of session that was just around \$1 billion. The Senate Capital Investment Committee passed Special Session [SF 4](#) (Senjem) out of committee, which included a few notable changes from the bill proposed during the regular session and \$129 million in new investments, including a few changes related to transportation infrastructure projects:

- \$60 million reduction to State Road Construction
- \$62 million to the Moorhead Rail Grade Separation
- \$2 million to Greater MN Transit
- \$2.5 million to the Washington County 4th Street Bridge over I-94
- \$12 million to Busway/Bus Rapid Transit

The three AMC priority programs remain unchanged from the Senate’s original regular session bonding bill and were included at the following levels:

- \$18 million for the Local Road Wetland Replacement Program
- \$25 million for the Local Bridge Replacement Program
- \$80 million for the Local Road Improvement Program

While the Senate Capital Investment Committee took up SS [SF 4](#) (Senjem) during special session and passed it out of committee, it was never taken up for a full vote on the Senate floor and unfortunately, the special session came and went without the passage of a bonding bill. Negotiations were ongoing but did not result in a compromise bill that was debated on either the House or Senate floor. Rumors are circulating that a bonding bill will be taken up in yet another special session if and when one might take place. The lack of a bonding bill during a bonding session presents concerns that local road and bridge projects that are ready for construction will get pushed off for another year. Without funding for the LRWRP, a recent BWSR memorandum indicates that roughly 90 local projects per year would be delayed and/or experience increased costs unless state funding for the program is provided. These projects cannot proceed under federal and state law unless wetland losses are mitigated. We remain hopeful that a bonding bill is passed during another potential special session.

Status: Did not pass

TRANSPORTATION

COVID-19 Transportation Provisions ([HF 4531](#))

Gov. Walz initiated several executive orders relating to transportation while his Stay At Home Order was in place, most having to do with hours of service for the trucking industry as well as weight exemptions during spring load restrictions. Additionally, some of the COVID-19 response legislation included provisions relating to transportation. One of the first response packages included the following provisions:

Driver's License Expiration Extension

- The expiration date is extended for any valid driver's license, that would otherwise expire (1) during the peacetime public health emergency period, or (2) on any day of the month in which the peacetime public health emergency period terminates.
- Allows for an additional two months following the end of the emergency order to get your expired license renewed.
- No fee or surcharge imposed for an extension.

REAL ID

- Federal government extended the deadline for implementation of REAL ID to September 30, 2021.
- Legislature added a section to HF 4531 to modify REAL ID requirements to make it easier for Minnesota citizens to prove their residence. Changes include allowing use of utility bills with unrelated names as proof of address, allowing certain documents that were issued in the last 12 months (previously set at 90 days), and adding some additional financial statements that can serve as proof of residence.
- \$2.4 million in fiscal year 2020 is appropriated from the vehicle services operating account in the special revenue fund to the Commissioner of DPS to help with backlog/turnaround time for application of a REAL ID.

Status: Signed by the governor on March 28, 2020 ([Chapter 71](#)) MN Session Laws – 2020.

Additional COVID-19 Transportation Provisions ([HF 4556](#))

The fourth piece of COVID-19 relief legislation passed by the Legislature included the following transportation provisions in the bill:

- Extending out-of-state commercial driver's licenses for new Minnesota residents;
- Allowing DPS to issue commercial driver's licenses without immediately administering eye exams and taking in-person photographs;
- Extending the registration period for vehicles whose registration cannot be renewed online;
- Requiring reports on the use of temporary powers by both MnDOT and MetrCouncil;
- Extending the deadline for the Met Council's transit finance report to Feb. 15, 2021; and
- Authorizing the use of federal relief funds.

The extensions for these provisions would run through the end of the second month following the end of the peacetime emergency.

Status: Signed by the governor on April 15 ([Chapter 74](#)) MN Session Laws – 2020.

Omnibus Transportation Policy Bill ([HF 462](#))

When the Legislature recessed due to COVID-19, they had only been in session for a month and very few transportation provisions had even been discussed in committee. Most of the bills that had been heard in committee up to that point were non-controversial bills. After the Legislature passed the necessary COVID-19 response legislation – including the transportation provisions listed above – the House and Senate came to agreement on a non-controversial transportation omnibus policy bill this session and [HF 462](#) became the vehicle in the final days of the regular session. The bill includes some provisions relating to the transportation response to COVID-19 as well as MnDOT turnback language. Some of the local provisions are as follows:

- Language to require a road authority to provide written notice to the owner of a private road before the road authority can make any repairs or do any work on the private road.
- Aitkin County provision to centralize the road and bridge fund tax proceeds collected in the county's unorganized townships rather than keep separate accounts for each unorganized township and allows the use of the funds in any unorganized township.

An early version of the bill included new project selection process language for MnDOT to follow for certain programs, including the LRIP and the LRBP, but this language was excluded from the final version of the bill. Similar language, excluding these two programs as well as the Safe Routes to School Program, was also included in the Senate Republican bonding bill, which did not pass.

Status: Signed by the governor on May 27, 2020 ([Chapter 100](#)) MN Session Laws – 2020.

Speed Limits

In the short time that the Legislature was in session before recessing due to COVID-19, the House Transportation Committee heard two bills relating to speed limit changes at the local level. The first was [HF 3498](#) (Schultz) which sought to modify school zone speed limits by setting a statutory school zone speed limit default of 20 mph in urban residential districts. The bill also required local road authorities outside of urban residential districts to create a school zone speed limit that is anywhere from 10 mph to 30 mph lower than the surrounding speed limit, without requiring a traffic and engineering study before modifying the speed limit.

Safety on our roadways is the number one priority and school zone speed limits are a critically important tool when applied judiciously. School sites across Minnesota have widely varying characteristics, including many rural areas with no pedestrian activity. Currently, the process for implementing speed limits in school zones is determined through MnDOT guidance and follows a consistent, statewide collaborative approach considering the many individual conditions near a given school.

The second speed limit bill that was introduced in the House was, [HF 3974](#) (Becker-Finn) which would provide counties the ability to change speed limits on roads under their jurisdiction by county board approval and without conducting a traffic and engineering study.

AMC and MCEA have long-standing platform positions supporting the exclusive role of the Commissioner of Transportation in establishing speed zones on all roadways as provided in statute. It is important that speed limits are implemented in a consistent manner across the state, and with proper study, in order to protect the safety and expectations of the traveling public.

After changes to the speed limit statute were implemented last session, MnDOT put together a stakeholder group made up of two advisory committees – the Transportation Users Group and the Technical Advisory Group. During committee hearings for both of these bills, AMC and MCEA urged legislators to allow the MnDOT stakeholder group to complete its work and determine what changes might be necessary to state speed statutes before implementing any legislative changes this session. Neither of these proposals had Senate companion bills introduced and they were not taken up for a vote on the House floor. We are hopeful that the MnDOT stakeholder group will come back with recommendations to the Legislature before any statutory changes are made in future sessions, although it is likely we will see these bills again.

Status: Did not pass

BROADBAND

Broadband Grant Program Funding ([HF 3029](#)/[SF 3049](#))

Last session, the Legislature appropriated \$40 million for the Border-to-Border Broadband Grant Program over the biennium. This was the first time the grant program received multi-year funding, making this investment the most consistent funding that has been available to date. This investment provided interested applicants the ability to apply for the grant cycle in 2020 or 2021, allowing for more planning for broadband projects across the state.

During the 2020 session, a bill to provide additional funding for the broadband grant program through a supplemental budget bill was introduced. [HF 3029](#) (Ecklund)/ [SF 3049](#) (Draheim) appropriated \$30 million in ongoing funding from the general fund to the Border-to-Border Broadband Grant Program. The MN Rural Broadband Coalition worked closely with legislative authors on this bill, focusing on the additional \$30 million to fill the gap between what the Legislature appropriated in 2019 and the recommendations from the Governor's Broadband Task Force in 2018 that said \$70 million per biennium was needed to meet the state's speed goals. Additionally, during the 2019 grant cycle, the Office of Broadband Development received \$70 million in applications, further strengthening this legislative request.

The governor's supplemental budget was released on March 12 and unfortunately, there was no additional funding for the broadband grant program included in his proposal. Instead, his proposal recommended replenishing the state's budget reserves and protecting Minnesotans from COVID-19. While the shift in focus of the governor's supplemental budget recommendations was understandable due to what the state was facing with COVID-19, broadband advocates reinforced the need for broadband access statewide while more and more Minnesotans are working and learning from home.

Broadband Funding in Response to COVID-19 ([SF 4494](#))

In light of COVID-19, a new broadband funding bill made its way through the committee process with language to provide an additional \$10 million to the Border-to-Border Broadband Grant Program for the upcoming grant cycle and also included technology-related funding for schools and health care providers. The details of the bill were as follows:

\$8 million for a technology reimbursement grant program for schools

- Program helps deliver temporary internet solutions to students that don't have access at home so they may participate in e-learning during the 2019-2020 school year.
- Wireless or wire-line technology qualifies.
- One-time appropriation.
- Unused funds returned to the Border-to-Border Grant Program on September 30, 2020.

\$2 million for telemedicine equipment reimbursement program

- Program provides reimbursement to licensed health care providers (including counties) that purchase technology or software to diagnose and evaluate patients during the pandemic.
- One-time appropriation.
- Unused funds returned to the Border-to-Border Grant Program on September 30, 2020.

\$10 million to the Border-to-Border Broadband Grant Program

- This is a separate pot of funding than the \$20 million already appropriated in last year's biennial budget (total available will be \$30 million).
- This funding must go to projects in unserved areas, although projects that go through an underserved area to get to an unserved area still qualify.
- State match adjusted to 55% (up from 50%) if a nonstate entity (township, city, county, nonprofit, school district, etc.) contributes 10% to the project.
- The new "unserved-only" language and funding is one-time.
- If the new funding is not used by June 30, 2021, it is returned to the standard Border-to-Border Broadband Grant Program account.

Throughout the committee process, legislators voiced concerns relating to where the funding would come from for these programs, specifically Republican Senators wondered if they should add language to make sure the state is reimbursed by the Federal government for the funding going to schools and telemedicine. Committee members also voiced concerns that unused money for these two programs would go back to the Border-to-Border Broadband Grant Program instead of going back to the general fund, particularly at a time when the budget forecast is projecting a serious deficit. Legislators also voiced concerns about the \$10 million going directly to the broadband grant program and whether this is related to COVID-19 or if it would be better addressed in a supplemental funding bill instead.

After a robust hearing in the Senate Finance Committee, members decided that the funding in SF 4494 for schools and telemedicine should be spent from funds in the federal coronavirus relief account if possible, but would come from the state's general fund if they were not eligible for federal funds. The committee also determined the \$10 million for the broadband grant program must qualify for funding via the federal coronavirus relief account or the appropriation would be canceled.

In the House, the Ways and Means Committee decided to attach HF 3029, the original broadband funding bill this session, as an amendment to a larger COVID-19 relief package, [HF 1507](#). The broadband language included in HF 1507 is similar to the language in SF 4494 that was passed by the Senate Finance Committee, with two important changes: the \$10 million for broadband grants would come from the federal coronavirus relief account if it qualified, but would be spent from the general fund if it did not, and the committee increased the distance learning funding from \$8 million to \$15 million.

The Senate unanimously passed SF 4494 and the House passed HF 1507 by a vote of 75-58. The language in the two bills had slight variations and did not match up as companion legislation. With agreement in both the House and Senate that additional funding for broadband investment is needed, the disagreement came from how to fund it. In the end, no additional broadband funding passed during the regular session.

Status: Did not pass

Special Session Broadband Funding ([SF 6](#))

With a commitment that broadband funding would be discussed during special session, Sen. Westrom and Rep. Ecklund negotiated an agreement between the two bodies and introduced [SF 6](#), which would provide additional funding through the CARES Act for broadband. The bill had bipartisan support in both chambers – however, there was concern raised by the governor's office about several bills that would draw from the federal CARES Act fund, including the broadband bill.

The bill as amended on the Senate floor would create a supplemental broadband grant program to award grants for broadband access to unserved and underserved parts of the state made more apparent due to COVID-19. The funding levels remained the same as the legislation proposed during the regular session – \$10 million for the broadband grant program generally, \$2 million for a telemedicine equipment reimbursement program, and \$15 million for technology reimbursement aid program for schools. The main difference between the special session bill and the regular session bill is that federal CARES Act funding must be used, not general fund dollars. SF 6 passed unanimously by the Senate. The bill includes the following funding provisions, all coming from federal CARES Act funding:

\$10 million for Supplemental Broadband Grant Program

- \$500,000 cap per project.
- Up to 75% of the project may be funded by the grant.
- This funding would be immediately available and separate from \$20 million available for full Border-to-Border grant program.
- Accelerated timeline, projects must be constructed this summer or fall.
- One-time appropriation.

\$15 million for technology reimbursement grant program for schools

- Program reimburses schools that have purchased technology for students that don't have broadband access at home so they may participate in e-learning during the 2019 or 2020 school year.
- Wireless or wire-line technology qualifies.
- One-time appropriation.

\$2 million for telemedicine equipment reimbursement program

- Program reimburses licensed health care providers that purchase technology or software to diagnose and evaluate patients during the pandemic.
- One-time appropriation.

The bill did not come up for a vote on the House floor during special session. It seemed that the four caucuses were in agreement on this legislation, so we remain hopeful it will be considered in a subsequent special session if one takes place.

Advocates and state officials worry the clock is running out on the supplemental broadband program. Part of the reason the program qualifies for CARES Act funding is that projects would be completed by year's end. Unless a second special session is called quickly and the bill passed, there will not be enough time for the grant process and construction to meet that timeline. This means there would be no additional funding for broadband this year, but there is still \$20 million from last session for the Border-to-Border Broadband Grant Program generally.

Status: Did not pass