

2017 Legislative Wrap-up Report



Grassroots
Government
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Association of Townships

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2017 Legislative Session Wrap-up
Updated through June 5, 2017

Introduction

The 2017 legislative session convened at noon on Tuesday, January 3 and adjourned at midnight Monday, May 22. The House introduced 2,772 bills, and 2443 bills were introduced in the Senate. Of these combined 5,215 pieces of legislation, 99 reached the Governor's desk, although several were Omnibus bills containing many provisions from the stand-alone bills. Of the 2017 Regular Session bills presented to the Governor, 17 were vetoed, including the budget bills required to be approved in order to have a balanced biennial budget. The State's budget must be balanced and adopted in the odd-numbered years and cover the next upcoming two fiscal years (FY 2018 and FY 2019), each of which begins on July 1 of the year prior and expires June 30 of the year (i.e. FY 2018 begins July 1, 2017 and expires midnight June 30, 2018.)

The 2017 legislative session got off to a quick start for townships when the legislature quickly adopted, and the Governor signed, 2017 Session Laws Chapter 3, providing emergency relief for some townships that were facing the loss of their local boards of appeals and equalization due to circumstances beyond their control. This bill was tightly controlled and allowed relief for towns that qualified and acted within the timelines outlined in the bill, (See "Taxes, Bonding, and Aids" below for more details.) Similarly, 2017 Session Laws Chapter 7 (See "Transportation" below for details,) brought emergency relief to several Wetland Bank Service Areas, allowing the State and local road authorities to proceed with 2017 road projects after BWSR had run out of wetland credits and funding to purchase credits or develop new ones in a timely enough fashion to help the 2017 construction cycle.

The legislature failed to adopt the major finance bills needed to assemble a balanced State Budget in a manner the Governor would sign, resulting in a Special Session. The 2017 First (because more could follow to deal with such things as the legislature's budget which was line-item vetoed, or to deal with a natural disaster, etc.) was called to order at 12:01 a.m. on Tuesday, May 24.

The immediate calling of the special session indicated that a compromise had been reached on the budget bills but an extra day was necessary to process them. It soon became apparent, however, that any "deal" that had been reached was a deal in concept only and the details of each bill had to be worked out not only with the Governor, but between the House and Senate which each approached some issues in a very different manner.

The legislature passed the last of the required bills and each body adjourned sine die in the wee hours of the morning on Friday, May 26. On Tuesday, May 30, the Governor held a press conference and announced that he had signed all of the bills except 2017 First Special Session Laws Chapter 2, the Omnibus Pensions Bill that contained too many policy provisions to which the Governor had strong objections. The loss of the pension bill should not have any great effect on townships.

The first special session did not end any smoother than had the general session. In addition to vetoing the entire Pensions Bill, the Governor also exercised his authority to line item veto any expenditure provision of a bill. He opted to line-item veto the appropriations earmarked for the legislature, effectively meaning that after the House and Senate spend their respective current reserves, no new funds will be appropriated for any expense of the two bodies, including members' salaries and staff salaries and benefits. The House and Senate have retained outside counsel to sue the Governor and have the line-item veto overturned. It is also possible that the two sides will resolve the lingering disputes and call a second special session to implement the final agreement(s) reached.

Two related issues that proved disappointing for townships is (1) the lack of transportation funding that reaches townships for road and bridge maintenance and improvements; and (2) the adoption of three additional weight limit waivers: Special Construction Materials, Milk Trucks, and Earth Moving Equipment Tires. The tire provision had never been introduced as a bill or an amendment but found its way into the final compromise on the Omnibus Transportation Bill. MAT firmly believes that funding must be provided to upgrade roads to the necessary standards before allowing heavier trucks to use the roads. See the overview of the Omnibus Transportation Bill below in the Transportation section of this booklet for more details.

What follows is a summary of the Regular and First Special Session 2017 Session Laws (identified by their Chapter Numbers) that have a direct impact on townships, a discussion of how these new laws fit MAT's legislative policies and its 2017 legislative agenda, and some broader commentary from MAT staff as well as an overview of what the next step(s) may be on each issue.

Remember that MAT's legislative objectives are primarily driven by resolutions introduced by individual townships and/or their county units of townships, or from district meetings, and then approved at the annual business meeting of MAT during the Annual Conference.

This summary reflects all bills passed and signed into law as of June 5, 2017. A complete list of the 2017 Session Laws, can be found at: <https://www.revisor.mn.gov/laws/current/>.

If subsequent specials sessions are scheduled, MAT will provide updates of additional changes and new laws applicable to townships.

Finally, all bills introduced during the 2017 legislative session that did not have a final resolution during the 2017 session are still alive and can be taken up anytime during the 2018 legislative session and so key concerns on any such bill are summarized on the following pages as well.

Annexation

MAT's annexation policies call for a fair and equitable process under which townships and their residents have a right to be heard, have their input be properly considered, and be on equal footing with cities. MAT supports the use of Orderly Annexation agreements when an annexation is to occur. MAT's 2017 annexation goals were: (1) to protect orderly annexation agreements from interference from cities not party to the agreement; and (2) reform the detachment process to provide a process by which townships could remove or 'detach' qualifying properties from a city back into the township in a way like the cities' power of annexation by ordinance.

- A. **Orderly Annexation Protection:** MAT's orderly annexation bill (SF 1749 / HF 1995) would have added language to the existing orderly annexation statutes to make clear that property subject to an orderly annexation agreement could not be annexed by a city that was not part of the orderly annexation agreement. In short, this bill protects the annexation contracts between townships and cities. This language is needed because, in 2015, an Administrative Law Judge ruled that the existence of an orderly annexation agreement does not prevent a third-party city from annexing the property subject to the orderly annexation agreement. While higher courts may invalidate the position expressed by the Administrative Law Judge, they have not done so yet and to get such an appeal, a township must spend significant amounts.

The Orderly Annexation bill appeared ready to pass out of the Senate Local Government Committee, but abruptly stopped when GOP members of the Committee refused to bring the bill to a vote in committee because of opposition expressed by city advocates. Instead, the committee promised MAT a hearing on the merits of the bill. Since MAT expected the bill to pass out of committee, we consider a hearing a step backward on the issue. We were disappointed in the abrupt change of course and expect the Senate to offer the hearing in the 2018 session.

- B. **Detachment:** Current detachment law allows either a city or a property owner to start the process of returning or "detaching" city property to the neighboring township. The law does not allow the township to begin the process. MAT seeks detachment reform that allows townships to begin detachment when certain conditions are met. For example, property that was annexed into the city but has not received city services after a fair period of opportunity for the city to provide such services, should be subject to detachment by the township because the property has not benefited from the annexation. This and other conditions would offer cities a fair chance to include annexed parcels in city services, and prevent annexations that are merely property tax-grabs.

MAT presented the issue of detachment reform to committees in both the House and Senate, and found some possible bill authors. Legislators are beginning to see the reforms proposed are based on fairness to all parties and that no party should be rewarded for annexations that provide no new services to the annexed parcels while increasing the parcel's taxes.

- C. **OAH Bill.** The Office of Administrative Hearings (OAH) met with MAT, League of Minnesota Cities (LMC) and Coalition of Greater Minnesota Cities (CGMC) staff prior to the start of session in hopes of reaching an agreement for some housekeeping amendments to Chapter 414. However, as happened in 2016, the Chief Administrative Law Judge insisted on including language MAT found to be more than just procedural clarifications. Combined with the fact there were multiple appeals of the judge's annexation rulings against townships, the judge opted not to pursue legislation in 2017. MAT will gauge the outcome of the appeals to the judge's anti-township rulings before deciding whether there is the possibility of negotiating a truly "housekeeping only" bill with the OAH.
- D. **Future Action:** MAT will pressure the Senate Local Government Committee to honor their promise to give the Orderly Annexation bill an informational hearing before the 2018 legislative session, and will actively pursue adoption of SF 1749/ HF 1995 when the legislature reconvenes on February 20, 2018. MAT will continue to show the fairness of our proposed detachment reforms.

Environment

MAT supports many issues related to ensuring Clean Water and will advocate for policies and practices that promote clean water in a way that is fair to all and ensures everyone does their part to protect our precious resource. MAT supports funding efforts to provide infrastructure to treat wastewater and storm water (see Omnibus Bonding Bill below) but believes there must be flexibility to address size differences between communities and that there should not be a one-size fits all approach. Efforts to give townships flexibility regarding MS4 permits were discussed and MAT is hopeful to gain the neutrality of key State agencies by the 2018 legislative session. Efforts to create a culvert replacement fund were discussed in the House Legacy Committee (HF717 - Rep. Green), and MAT testified in support. The Senate companion bill (SF 643 – Johnson) was never heard. The provision was not included in either chamber's Omnibus Bill nor the Conference Committee report.

Two bills of indirect interest to townships are 2017 Regular Session Chapter 707 (Omnibus Legacy Bill – Rep. Gunther / Sen. Ruud) and 2017 Regular Session Chapter 96 (Omnibus Environmental Trust Fund Bill – Rep. Heintzeman / Sen. Westrom.) Combined, these bills spend hundreds of millions of dollars raised by the 3/8 of a cent Legacy Fund Amendment approved by the voters, and designated gaming funds, on a variety of environmental issues, frequently involving the acquisition of lands by the State or non-profit, thus removing them from the tax rolls. See Chapters 91 and 96 in Appendix A for further details.

MAT has long supported funding for the noxious weed program and to assist with abatement efforts. MAT has a delegate on the noxious weed council and participates in the review and updating of the noxious weed classifications and identification list. MAT continues discussions on how to handle weeds on State-owned property.

2017 Environment legislation of interest to townships include:

A. Noxious Weeds

With the discovery of Palmer Amaranth in Minnesota last year, legislators were very keen to increase funding for noxious weed removal. In addition, there was legislation that would require landowners to notify their neighbors if a noxious weed on the eradicate list was discovered on their land. While agreeing that notice to adjacent landowners had certain merits, MAT raised concerns on the mechanics of the notice provisions and they were ultimately dropped for a less burdensome notice process provided by the Commissioner of Agriculture.

Article 1, Section 2, subd. 2(C) of 2017 Regular Session Chapter 88 (Omnibus Agriculture Bill – Rep. Hamilton / Sen. Westrom) provides \$125,000 per year in both FY 2018 and FY 2019 for the State's Noxious Weed Program. Section 2, subd. 2 (J) provides \$300,000 per year for each year of the 2018 - 2019 budget biennium for grants to local government to deal with noxious weeds. A preference will be given to efforts to deal with Palmer Amaranth. Article 2, Section 8 requires the Commissioner of Agriculture to post on the Department's website notice of any first-time discovery of a weed within a county.

All the above provisions are effective July 1, 2017.

B. Wetland Mitigation

Chapter 7 of the 2017 Regular Session provided emergency funding and temporarily authorized alternative qualifying projects for wetland mitigation on road projects, effective 3-11-17

C. Omnibus Environment Bill – 2017 Regular Session Chapter 93 (Rep. Fabian / Sen. Ingebrigtsen)

Article 1, Section 2 establishes a municipal liaison position to help cities and townships with NPDES/SDS permitting process. Article 1, Section 4 provides BWSR with \$14.3 million in FY 18 and \$14.1 million in FY 19 for matching funds block grants to local government. Article 2, Section 111 prohibits creation of new

wetlands in an over-80% area for the benefit of a non-80% area. Article 2, Section 155 is a special provision regarding a possible town road in Sand Dunes State Forest.

Article 1 is effective 5-31-17; Article 2, sections 11, 155, effective 5-31-17.

- D. Future Action:** Continue to monitor issues that might arise on noxious weeds. Work with MDA on educating town officials who serve as local weed inspectors and providing assistance to townships who might need funding due to noxious or invasive weeds. MAT will pursue modifications to the MS4 permit so townships can opt out or only must account for the densely populated portions of the township. MAT will continue to work with Rep. Green and others to find source of funding for culverts not installed or replaced due to road concerns.

Government Operations

Government Operations is the “catch-all” committee within MAT’s L&R process. It deals with a diverse number of policy centered issues and procedural changes as to how township business is conducted.

For 2017, Broadband joined Transportation funding as MAT’s co-#1 priority. MAT had two primary goals related to broadband funding this year: (1) maintain or increase the \$35 million per year funding the State Broadband Grant Program; and (2) maintain the focus of broadband funding to “unserved” areas, which are mostly townships. More broadly, MAT believes Minnesota’s township residents should have the same access to reliable, affordable, and unlimited broadband service that is commonly available in population centers.

The greatest obstacle to maintaining funding in the Broadband Grant Program is a lack of information and over-reliance on the ability of wireless broadband solutions to replace wire-line broadband service. Some lawmakers and industry groups suggest the State should not invest in wire-line access at all because wireless internet access will someday solve the problem. At this time, these suggestions amount to little more than a hope. While broadband providers are developing new wireless technologies, it is not clear when or even if such technology will be deployed into the most rural places in the State. During hearings in the final days of the regular session, wireless cellular providers suggested the so-called 5G network of the future is unlikely to be deployed in rural areas at all. If wireless solutions become feasible and affordable for rural areas, such solutions can be integrated into the Grant Program deployment. Even if wireless solutions can someday solve the rural broadband infrastructure problem, that argument requires rural Minnesotans to continue to wait for broadband service, without any guarantee that such hopes will be realized.

A small group of lawmakers has suggested satellite internet providers have solved the rural broadband problem, however, satellite solutions have their own set of problems and do not offer rural Minnesotans the same affordable, reliable, and high-speed service offered in populated areas.

Planning & Zoning and other land use related efforts are generally overseen by the Government Operations committee. MAT policy advocates for local control. MAT opposes any bill that unduly restricts a township’s right to exercise local land use ordinances. While many bills were introduced in 2017 that restricted local controls, townships were either exempted out, the bills did not move, or they were amended to pose no concern.

Elections is another topic under the Gov-Ops heading. MAT supports collaborative efforts with the Secretary of State and other election administrators to review elections laws to ensure fair and secure elections in a manner that can be administered without excessive burden on election officials or undue costs to local governments. MAT supports a State funded source of revenue to offset the cost of new election equipment, a goal partially met in the 2017 Omnibus State Government Finance Bill. The 2017 Omnibus Elections bill consists primarily of many technical changes and corrections requested by the Secretary of State and County Election Officials to improve accuracy of reports and data. Several controversial changes such as uniform election sites, early voting, provisional ballots, and a June primary were not included.

The 2017 law changes germane to Government Operations are as follow:

A. Broadband

Article 1, Section 2, subd. 8 of 2017 Regular Session Laws Chapter 94, the Omnibus Jobs Bill (Rep. Garofalo / Sen. Miller,) provides a one-time appropriation of \$20 million for broadband grants in FY 2018, while the Office of Broadband is funded at \$250,000 per year of the budget biennium.

Article 9 allows the placement of the small-cell relay towers within a ROW, subject to certain limitations and payment of the statutorily set fees, but again it is unlikely this technology will impact townships due to the lack of density.

Article 1 is effective 7-1-17. Article 9 is effective 5-31-17 except for subd. 4 which is effective 1-1-18 for local governments having a ROW ordinance as of 5-18-17.

In addition, Article 2, section 1 of the 2017 Special Session Chapter 1 (Omnibus Tax Bill – Rep. Davids / Sen. Chamberlain (See Taxes, Bonding, and Aids below,)) allows wireless communication installments and related equipment and structures to be placed with Agricultural Preserve lands. This could help in placing border-to-border broadband service. This provision is effective 5-1-17.

B. Elections

Article 3, section 17 of the State Government Finance Bill (See General / Other in (E) below) establishes an elections equipment grant account. The program will allow the Secretary of State to provide local governments with financial assistance to acquire new voting systems, assistive technology equipment, electronic poll rosters, and other election equipment approved by the Secretary of State for use in conducting a State or local election. Grants can be for up to 75% of the costs of an electronic poll book system, or 50% of the cost of other authorized election equipment. A report on the use of grants must be completed by the Secretary of State by 1-15-18 and annually thereafter until no funds remain. \$7 million of this set aside from 7-1-15-17 until 6-30-20 or until funds are fully expended, whichever comes first (see Article 1, section 6.) The provisions of 2017 Special Session Chapter 4, Article 3, Section 17 are effective 7-1-17 by default.

Chapter 92 of the 2017 Regular Session Laws is the Omnibus Elections Bill (Rep. Fenton / Sen. Kiffmeyer.) Article 1, section 15 requires that a list of individuals willing to serve as election judges but whom live outside the normal boundary lines for election judge lists be provided to local governments. There would be no requirement to pay for travel time or expenses, including mileage. This provision goes on to clarify that the party affiliation of each judge, or the non-affiliation to a major party, may be shared with the other election judges.

Article 1, Section 17, allows a town clerk (among others) to provide an “I voted” sticker to in-person absentee voters, regular absentee voters, and those voting by mail.

Article 1, section 18 requires election judges to ensure that any challenged voter status appearing on a polling place roster, is concealed or hidden from view of any other voter.

Article 2 establishes new uniform election dates. Special elections will only be allowed on five dates – 2nd Tuesday in February; 2nd Tuesday in April; 2nd Tuesday in May; 2nd Tuesday in August; 1st Tuesday after the 1st Monday in November. Township elections in March were protected, including allowing vacant town seats to be filled in conjunction with the regular March Town election.

Article 1 is effective 7-1-17. Article 2 is effective 1-1-18 for elections held on or after that date.

C. Planning & Zoning/ Land Use

Definition of Townhomes for Fire Code. Chapter 20 of the 2017 Regular Session exempts “Townhomes” from mandate for fire sprinklers. Appears to preempt local ordinances. Effective 5-3-17.

D. General / Other

- a. The Omnibus State Government Finance Bill. 2017 First Special Session Chapter 4 (Rep. S. Anderson / Sen. Kiffmeyer) sets the budget for State agencies, constitutional office, and legislative concerns. Good news can be found in the fact that the Statue Auditor’s budget was not reduced and in fact is reported to have increased enough to fill an IT position that should mean even better assistance on CTAS and the electronic filing needs of townships. Preliminary reports are also positive from the Secretary of State’s office and their ability to help local election officials. Non-fiscal issues include Article 2, section 9 that transfers from the Commissioner of Management and Budget, to the Legislative Budget Office, the duties of compiling local fiscal impact statements, as requested, on bills pending before the legislature. Also authorizes election equipment grants at a 50-50 cost sharing with local governments. Article 2, section 27 authorizes MATIT, among others, to invest in investments considered slightly more risky but with usually higher yields than current investment options.

Article 3, section 17 establishes an elections equipment grant account. (See Elections (B) above.)

Article 2, section 10 is effective 1-8-19; Article 2, section 27 is effective 7-1-17 by default; Article 3, section 17 is effective 7-1-17 by default.

- b. Sunday Sales. Chapter 6 of the 2017 Regular Session (Rep. Loon / Sen. Miller) authorizes a licensed establishment to provide off-sales of alcohol on Sundays between the hours of 11 am and 6 pm. Existing law requires counties to obtain township approval for Sunday on-sales, but no similar provision is created for off-sales. Current law allows townships to prohibit all off-sales, and the county must obtain town approval for joint on/off -sales licenses and that authority is retained. Effective 7-1-17
- c. Authorized Expenditures. Chapter 26 of the 2017 Regular Session allows cities, counties, and townships to solicit contributions for and expend funds on a “National Night Out” or law enforcement community events. No cap provided on amount board may spend. Effective 5-3-17. Chapter 29 repeals an old \$800 cap on expenditures for trophies, awards, etc. Effective 5-12-17.
- d. Modification of Claims Form. Chapter 52 of the 2017 Regular Session attempts to recognize the difficulty of having a printed and signed “claims” form by providing statutorily that anyone submitting electronically a claim for payment will automatically be attesting that the claim is just and correct and that no portion of the claim has been paid, even when this declaration does not appear on a printed copy of the claim. Clarifies the authority of local governments, and not just school boards, to use electronic claims and payment processes. The town board must designate a chief financial officer each year (the town treasurer). The chief financial officer may designate someone else to assist with electronic claims and payments. Effective 8-1-17.

E. Future Action

Since the Broadband Grant Program was funded only for FY 2018, MAT will seek funding for FY 2019 at a level adequate to meet the demand for the grants. Additional funding for elections equipment will be

pursued. Pursuant to a 2017 L&R resolution, MAT will continue conversations with County personnel regarding enforcement of the dangerous dog statutes and seek legislation in 2018 if necessary. MAT was informed by the chairperson of the senate committee with jurisdiction over elections that she would not hear any bill related to a 2017 L&R resolution seeking flexible hours for last day of filing. MAT will revisit the issue for 2018. Further extension of HAVA waivers seems unlikely. Additional L&R discussion on concerns related to utility liability and notice before use changes needed before legislation can be sought.

Taxes, Bonding & Aids

Townships are approximately 75% dependent on local property taxes, which MAT finds to be an unacceptable and unsustainable number. That is one reason MAT strongly supports full funding for the Townships Aid program. Unfortunately, townships were not included in the aid increases provided for in the 2017 Omnibus Tax Bill outlined below. MAT also supports adequate funding for the Payment-In-Lieu-of-Taxes (PILT) program to ensure townships are made whole, dollar for dollar, when the State acquires property that it taken off the tax rolls. Increases were included in the 2017 Omnibus Tax bill for some PILT payments, but most if not all towns are not made completely whole under current PILT payments. MAT further supports the concept of No Net-Loss of tax base which means that either the town losing land from the tax rolls is made 100% whole, the acquisition should not be made or equivalently valued land should be put back onto the tax rolls. The ability to make township whole without burdening the General Fund is one reason MAT has been working hard to establish a pay-as-you acquire policy where 30 years times a property's last tax assessment is invested with the State Board of Investment and the interest used to pay each year's actual tax obligation.

Efforts were made in both the Environment and Legacy omnibus bills to include no-net-gain provisions. Under the provision, if a county had enacted a no-net-gain provision, the State would return one acre of comparable land to private ownership and taxable status for each acre of additional land acquired. This would ensure that the local taxing authorities are held harmless from the loss of taxes that would have otherwise been paid if the property had not been removed from the tax rolls.

The House tax bill authorized the use of Legacy funds to create the Pay-as-you-acquire program, but the provision did not survive in negotiations with the Senate nor the Governor.

Environmental groups, conservationists, hunters, and anglers began a media campaign against both proposals. Editorials throughout Minnesota decried the "assault on vital public lands." With the continued threat of a veto by Governor Dayton, both proposals were eliminated from the final legislation that was signed by the Governor. MAT wrote a rebuttal which was picked up by some rural newspapers.

Despite being nearly \$1 billion in size, earmarks use up the vast majority of this year's Omnibus Bonding Bill, leaving townships with very little funding in the local roads improvement program and for bridges.

Specific Tax, Bonding, and Aids changes adopted during the 2017 General and First Special Sessions include:

A. Board of Appeals & Equalization Modifications – 2017 Regular Session Laws Chapter 3 -Rep. Davids / Sen. Chamberlain

The local board of equalization statute (Minn. Stat. § 274.014) requires townships conducting local board of appeal and equalization meetings to, by February 1 of each year, certify that at least one township supervisor has completed Board of Appeal and Equalization training offered the Department of Revenue within the last 4 years. Between February 1, 2016 and their scheduled Board of Appeal and Equalization Training meeting, a number of townships lost their only trained supervisor but quickly tried to get a replacement supervisor trained, only to discover that the Department of Revenue abruptly stopped offering the online-training by which the towns could have retained eligibility to hold local Board of Appeals and Equalization meetings. The penalty for non-compliance is usually a forfeiture of the current year's local meeting to the county's process, and then reinstatement of local meetings can be request after 2 subsequent years but there is no requirement that the County grant the township's request.

Chapter 3 provides that if: (1) a township was certified to conduct board of appeals and equalization activities by February 1, 2016, and (2) none of the supervisors who received the training within the four years before the meeting attended the 2016 appeal and equalization meeting, then the township's power to hold board of appeal and equalization meetings was not forfeited so long as the town certified its new compliance with Minn. Stat. §274.014, subd. 2, to the county auditor by February 10, 2017. This allowed townships affected by the training certification problem to hold board of appeal and equalization meetings in 2017.

B. Omnibus Tax Bill 2017 First Special Session Chapter 1 – Rep. Davids / Sen. Chamberlain

Article 2, Section 1 allows wireless communication installments and related equipment and structures to be placed with Agricultural Preserve lands. This could help in placing border-to-border broadband service.

Article 2, Section 2, provides a waiver process for local assessors who do not want to pursue increased certification levels prior to the 2019 mandate. The assessor must have been first licensed before July 1, 2004 and had an assessor's license since July 1, 2014. The assessor must apply for a waiver before July 1, 2022 and pass a required test developed by the State Board of Assessors in consult with the Minnesota Association of Assessing Officers. Waivers expire July 1, 2032.

Article 2, Section 18, extends the deadline for a township to certify its approved levy until September 30 of each year (currently September 15.)

Article 2, Section 51, authorizes Carlton County to tax the unorganized township of Sawyer up to \$1,500 per year for recreational services. MAT prefers the term unorganized territory as there is no local governing entity and thus the area is already subject to County control and taxation.

Article 7, Section 1 authorizes townships to issue certificates of indebtedness for up to 20 years to finance projects eliminating R-22 at ice arenas, etc.

Article 10 modifies the Sustainable Forest Incentive Act, primarily to accommodate a proposed settlement in the lawsuit in which the company formerly known as Blandin was seeking a reduction in property taxes and payment for taxes paid at the higher right. Could help save the effected counties and townships several million dollars, but settlement still needs final judicial approval, etc. Article 15, section 28 removes the requirement that townships over 5,000 in population report their levies to the Department of Revenue pursuant to Minnesota Statutes Section 275.62, subd. 2.

Article 2, sections 1 & 2 are effective 5-31-17; Article 2, Section 18 is effective for certifications for the 2018 tax year; Article 2, section 51 is applicable for taxes payable in 2018 and each year after; Article 7, section 1 does not specify an effective date so default date of 8-1-17 for a non-appropriations bill should apply; Most of Article 10 took effect 5-31-17, with a few special dates provided; Article 15, section 28 effective 5-31-17;

C. Omnibus Bonding Bill 2017 First Special Session Chapter 8 – Rep. Urdahl / Sen. Senjem

Article 1, Section 6, subd. 3 provides \$11.555 million for flood mitigation efforts, but \$4.25 million is earmarked for 3 projects. Section 8 provides authorizes \$5 million to BWSR for local roads wetland mitigation (probably insufficient past FY 18.) Section 15 authorizes \$254,918,000 for transportation. However, after earmarked projects are accounted for, only a little more than \$16.5 million is available for the local bridge fund, and just above \$26.2 million is available for the local road program. Section 21 sees \$116,888,000 dedicated to the PFA for grant matching, WIF funding, and other water protection and similar needs, but again most projects have been earmarked. Article 2, section 13 contains the same big-bridge / small-bridge funding provisions as in the Omnibus Transportation Bill. Section 13 creates a hazardous materials rail safety program. Town eligible to apply to MNDOT for funds to be used on public highway-rail grade crossings projects affiliated with hazardous materials routes. Article 1 primarily effective as of 5-31-17 but limits exist on when bonds can be sold and how much debt service can be attributed to any particular fiscal year. Article 2, section 13 effective 5-31-17.

D. Future Action

MAT will continue to work with the Department of Revenue to ensure required trainings are offered at different times during the year, including following March elections as the trained supervisor may lose his or her re-election bid. Further MAT supports easier reporting standards by which the Dept. of Revenue provides a list of certified trained township officers.

MAT is committed to working on a long-term funding for PILT and for a PILT alternative that ensures townships are held harmless for lost taxes for properties removed from the tax rolls by State acquisition.

MAT will continue to lobby for full funding of the Town Aid program.

Action on a 2017 L&R resolution seeking authority to hire inspectors for gravel tax compliance was held back as counties report they already have such authority, which would transfer to towns imposing the tax. MAT will continue to seek clarification of the issue and pursue legislation if determined necessary. A second resolution seeking to restrict how cities expend funds received from townships was not pursued and MAT staff urges additional L&R discussion as one local government telling another local government what to do with funds could be a slippery slope.

A 2017 L&R resolution to reclassify Group Homes was not introduced as a bill due to lack of authorship. Group Homes have requested a meeting with MAT.

A second resolution seeking the reversal of the 80-20 county-local tax split on solar energy production was not pursued after strong objection from counties. Additional dialogue should be discussed by our L & R members, before seeking any legislative change again.

Transportation

MAT's general policy on Transportation supports a comprehensive, predictable, sustainable, adequate, and preferably constitutionally dedicated source of funding to reduce reliance on local property taxes, improve public safety, and help sustain economic growth in the State. MAT supports the periodic reasonable increase in the gas tax, adjustment of tab fees and the depreciation schedule, maintaining the full 60% share of the vehicle excise tax for highway related purposes. MAT believes that bonding plays an important role in funding, particularly for bridges. MAT has remained open to other sources of revenue, including the so-called "capturing" of the sales tax on auto parts, accessories, and repairs, but finds that on its own that source of funding is not sufficient to meet the growing needs of townships and other road authorities. MAT generally opposes any authorized increase in the size and weight of vehicles allowed on the town road system, but if such vehicles are allowed, it should be by local permitting. MAT also supports full funding for the coordinated wetland mitigation program under BWSR. MAT advocates for local control over township ROWs. Finally, MAT policy supports the continuation of MNDOT working with townships to provide funding for township road repairs required by town roads having been used as an unofficial haul road.

With over 56,000 miles of road and more than 6,200 bridges, townships are responsible for more road and bridge infrastructure than any other road authority, including the State. Collectively, Townships expended over \$168.5 million on their local roads and bridges. Townships are approximately 75% dependent on local property taxes for their revenue. Thus, the failure of the State to adequately fund the local town road and bridge accounts, directly result in property tax increases or less maintenance of the township roads and bridges.

In 2016, the House, Senate, and Governor agreed that the State's infrastructure was a minimum of \$600 million a year short to maintain current levels of repairs and improvements to roads and bridges. This figure did not include all local needs, which for townships has grown to an estimated additional \$20 million per year over the next ten years. The proposed 2016 Omnibus Transportation Bill that came out of the Senate was estimated to increase township road and bridge funding by between \$13 and \$15. The House's proposal started out at an estimated \$6 million per year and grew to a reported \$18 million per year over the course of unsuccessful efforts to get a bill passed and signed. MAT,

therefore, had hopes for 2017 starting where negotiations had left off in 2016. As is summarized below, that did not happen. In fact, the respective House and Senate committees were given a budget target (the maximum expenditure amount as determined by the majority’s leadership,) of between 1/2 and 2/3 of the past year’s numbers. And, as negotiations went on, the committee’s targets were reduced in favor of other partisan priorities.

2017 saw the appropriation of emergency funding for the Local Road Wetland Replacement Program, LRWP, but not long-term sustainable funding. The LRWP program is designed to make it easier for local governments to receive credits when local road projects displace wetlands. The Board of Water and Soil Resources (BWSR) is statutorily obligated to replace the wetlands lost as the result of an eligible local road reconstruction or rehabilitation as part of the “no net loss” policy under the Wetlands Conservation Act (WCA).

Chronic underfunding has led to a crisis. BWSR has begun running out of eligible credits and has started closing wetland districts across Minnesota, imperiling local road projects in 2017. The LRWRP has traditionally been funded through bonding, which is used to create the credits. However, bonding levels were insufficient, creating the need for a cash infusion to buy alternative credits (bonding can build a wetland for credits, but cannot be used to buy an existing credit.)

Year	Agency Capital Budget Request	Governor’s Recommendation	Appropriation
2010	\$8,420,000	\$4,200,000	\$2,500,000
2012	\$13,100,000	\$0	\$6,000,000
2014	\$5,400,000	\$0	\$2,000,000
2016	\$10,330,000	\$5,000,000	\$0

The Omnibus Transportation Bill outlined below generates barely \$1million in new revenues for township roads and only \$600,000 and change for township bridges in FY 2018 and FY 2019. The numbers are projected to increase beginning in FY 2020, but that is contingent on the amount of revenue determined to be attributable to the new sales tax being appropriated by the next legislature. During the negotiations for the 2017 Omnibus Transportation Bill, the amount assigned to the sales tax capture was reduced multiple times so that the general funds being transferred could cover needs elsewhere in the budget, proof that the source is not reliable nor actually tied to the amount of money truly generated by the allegedly captured sales tax on parts and repairs. In an effort to provide some amount of assistance, the House author successfully negotiated the inclusion of \$2 million cash being placed in the township road and bridge accounts in both FY 2018 and FY 2019.

While short changing townships in terms of providing significant financial assistance for roads and bridges, the legislature authorized three new weight limit exemptions, one of which had never been so much as an utterance of an idea during any public time spent on the bill. And, while township road rights of way are not likely to be impacted, preemption over the placement of small cell tower relays in public ROWs was also included in the bill.

Specific provisions of Transportation related bills of interest to townships include:

A. Local Road Wetland Replacement Program (LRWRP).

2017 Regular Session Chapter 7 (Rep. Fabian / Sen. Ingebrigtsen) provided \$5 million in emergency funding for the Local Road Wetland Replacement Program (LRWRP). Effective 3-11-17.

In addition, BWSR requested **\$10.4 million in bonding authorization in 2017** to “recapitalize” its wetlands banks to ensure LRWRP can complete future road projects. However, the bonding bill (See Omnibus Bonding Bill under Taxes, Bonding and Aids above,) only provides \$5 million for the LRWRP, which is probably insufficient beyond FY 2018.

B. Milk Trucks: Weight Limit Waivers – 2016 Regular Session Chapter 86 – Rep. Draskowski / Sen. Goggin.

Grants single-unit milk trucks a 10% weight limit increase between points of production or to point of first processing. No permit is required. Exempt from seasonal limits. Trucks must comply with bridge postings and cannot exceed load limit for tires used on truck. Civil penalties are made mandatory for any upheld violation. Effective 5-24-17

C. Omnibus Transportation Bill – 2017 First Special Session Chapter 3 – Rep. Torkelson / Sen. Newman

Article 1, Section 2, subd. 2 clause c, appropriates \$500,000 in both FY 18 and FY 19 for Safe Routes to School.

Article 1, Section 2, subd. 3 clause d appropriates \$25 million in both FY 18 and FY 19 for Corridors of Commerce program delivery.

Article 1, Section 2, subd. 4 includes a one-time appropriation of \$2 million cash in both FY 18 and FY 19 for township roads.

Article 2, Section 2, subd. 1 authorizes \$300 million in bonds for the Corridors of Commerce grants but only \$50 million authorized in each of FY 18 and FY 19 so subsequent years could get cancelled by the next legislature.

Article 3, Section 66, subd. 1 removes fire apparatus and leaves any vehicle operating by special permit exempt from the general statutory provisions on weight, size and loads. Section 67 clarifies that fire apparatus, law enforcement special response vehicles, and licensed land emergency ambulance service vehicles are exempt from normal statutory size, weight and load restrictions.

Article 3, Section 68, authorizes the MNDOT Commissioner to issue a permit to a vehicle exclusively hauling earthmover tires provided such vehicle or combination of truck and trailer has 7 or more axles, has a maximum gross weight of 108,000 lbs., has a maximum width of 144 inches, does not exceed axle weights by more than 22 percent, complies with tire weight limits, and operates only on specified highways pursuant to Minn. Stat. 169.864 (set highways primarily in NE Minnesota). Such vehicles are also exempted from seasonal weight limits.

Article 3, Section 72, authorizes road authorities (which would include townships for town roads) to issue annual permits to “Road Construction Materials” trucks to operate up to 90,000 lbs. always and up to 99,000 lbs. during designated winter haul seasons determined by MNDOT under Minn. Stat. Section 169.826, subd. 1. The trucks must have at least 6 axles. If the truck has at least 7 axles the authorized weight increases to 97,000 lbs. and 99,000 lbs. pursuant to the winter haul seasons set under Minn. Stat. Section 169.826, subd. 1. A permitted vehicle under this section may be on paved or unpaved roads but not the interstate; must comply with Minn. Stat. Sections 169.865, subd. 3 paragraph a, clauses 1-8 except for 4. These restrictions include: axle limits, seasonal load (5-ton on gravel, 10-ton paved) during weeks set by MNDOT, posted limits on bridges, gross vehicle limit set by manufacturer, brakes on all wheels, and a permit from each road authority whose roads will be travelled upon. The trucks must also comply with truck route and vehicle weight restrictions imposed under Minn. Stat. 169.87, subd. 7 by either MNDOT or the local road authority. Permits for a 6-axle truck cost \$300 and for 7-axles the cost is \$500, unless a proportional fee applies under Minn. Stat. Section 169.86, subd. 5. All permit revenues collected by MNDOT must go towards bridge inspections and signing. The permit is an annual permit except that the holder may request that renewals be coordinated with the annual vehicle registration date. Local road authorities may designate preferred routes for use by vehicles permitted under this Section. Road Construction Materials covered by this Section include but are not limited to aggregate material defined in Minn. Stat. Section 298.75, subd. 1(a) (i.e. sand, gravel, crushed rock, silica, etc.), hot mix asphalt, plastic concrete, cementitious materials, concrete admixtures, asphalt cement, and recycled road materials.

Article 3, Section 99, creates a new “Major local bridge” program for bridges whose costs will exceed \$7 million, while Section 100 prohibits the use of funds not expressly earmarked for the Major local bridge account for bridges costing more than \$7 million, unless surplus funds exist after all smaller bridges have been funded.

Article 3, Section 109. modifies the use of sales tax on vehicle leases. Under the new formula, 11 percent of the full amount of such sales tax (previously the first \$32 million were dedicated) will be placed in the HUTDF, and 38 percent will be dedicated for rural transit.

Article 3, Section 110, transfers the sales tax on short term rentals and leases of vehicles for less than 28 days, remitted after 7-1-17, to the HUTDF. Section 110 also provides that between 7-1-17 and 6-30-19, the Commissioner of Revenue shall, beginning for sales tax remitted after 7-1-17, deposit monthly an amount from the general fund equal to \$2,628,000 into the HUTDF as the estimated tax on auto parts and repairs. From 7-1-19 forward, the monthly transfer shall increase to \$12,137,000. By pushing the higher transfer amount out past 6-30-19, the impact on the 2018-19 budget was lessened and the transfer, being a general fund appropriation, remains subject to change or elimination by the legislature dealing with the 2020-21 and subsequent budgets. Townships are expected to see only a little over \$1 million as an increase to its base funding for roads from the Highway User Tax Distribution Fund (HUTDF) and just over \$600,000 for township bridges.

Article 3, Section 123. requires the Commissioner of Revenue to complete a study to better estimate the amount of sales tax attributable to repairs and parts sales. The study is due by 1-15-19. Section 135 requires a report by the Commissioner of Management and Budget jointly with the Commissioner of MNIDOT, of expenditures of the trunk highway fund and the HUTDF between FY 2015 and FY 2017. The report is due by 2-15-18. Section 138 requires a report by the Commissioner of MNDOT on turnbacks, to detail criteria, current list, and past 5 years. The report is due 2-15-18.

Article 1 is effective 5-31-17; Article 2 is effective 7-1-17; Article 3, section 66 is effective 5-31-17; Article 3, section 67 is effective 5-31-17; Article 3, section 68 is effective 5-31-17; Article 3, section 72 is effective 1-1-18. Article 3, sections 99 and 100 are effective 5-31-17; Article 3, section 109 is effective 5-31-17 with the first estimate of funds being due by 6-30-18 and the first transfer of funds under the new formula being made by 7-15-18; Section 110 is effective 7-1-17; Section 123 is effective 7-1-17 by default; Section 135 is effective 7-1-17 by default; Section 138 is effective 5-31-17.

D. Future action:

MAT will continue to work with city and county partners on returning the LRWRP to a stable financial foundation. We will monitor the LRWRP so it can remain a partner with local governments who require wetland credits when undertaking local road reconstruction or rehabilitation projects. MAT will continue to fight for a funding bill that is long lasting, but it will be imperative that township officers help correct the myth that the 2017 bill is a ten-year funding plan when in fact it is at best a two-year bill for most road authorities, relying on future appropriations being made by future legislatures. MAT will also continue to oppose additional weight limit exemptions until sufficient funding has been provided to upgrade the roads to meet the new weight demands. Finally, MAT will continue to oppose preemption and advocate for local control over local ROWs.

A 2017 L&R resolution seeking authority to place Township name signs along the highways appears to involve administrative dispute and MAT is in conversation with MNDOT staff in hopes of resolving without legislation.

Restoring the authority to charge for force main permits and further clarification of ROW control over such mains was discussed but no bill introduced.

MAT is in conversations with MNDOT and the Counties over turnbacks. A bill to require township sign-off of a reversion to the township was discussed but not introduced. Further conversations need to occur before pursuing legislative effort if it is to be successful.

A bill to allow townships to designate 30 mph on certain cul-de-sacs was drafted but not introduced by author. MAT will try to get it introduced in 2018.

If you have any questions about MAT's legislative issues and policies, or if MAT can be of assistance on a constituent service matter, please feel free to contact any member of our legislative policy team:

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Appendix A - 2017 Regular Session Session Laws

Updated Through 6-7-17

The following bills affecting townships have been signed into law. The effective date for each is cited. Copies of these and other session laws can be found at: <https://www.revisor.mn.gov/laws/current/>
Please contact MAT if you have any questions about these or other legislative actions from the 2017 regular legislative session.

Chapter	Authors	Title / Description	Summary
3 (HF 244)	Rep. Davids Sen. Westrom	Board of Appeals & Equalization Modifications	An MAT requested bill that provided a 1-year waiver for trained supervisors when town certified compliance then lost but tried to regain prior to 2016 Board of Appeals & Equalization Hearings. Effective 2-11-17
6 (HF 30)	Rep. Loon Sen. Miller	Off-Sale of Liquor on Sunday	Authorizes a licensed establishment to provide off-sales of alcohol on Sundays between the ours of 11am and 6 pm. Existing law requires counties to obtain township approval for Sunday on-sales, but no similar provision is created for off-sales. Current law allows townships to prohibit all off-sales, and the county must obtain town approval for joint on/off -sales licenses and that authority is retained. Effective 7-1 – 17
7 (HF 434)	Rep. Fabian Sen. Ingebrigtsen	Emergency Wetland Mitigation Provisions	Provided emergency funding and temporarily authorized alternative qualifying projects for wetland mitigation on road projects. Effective 3-11-17
17 (HF 13)	Rep. Smith Sen. Latz	Non-Profit Regulations Modified	No Impact on Townships, but could affect MAT although no immediate concerns. Effective 8-1-17
20 (HF 792)	Rep. Theis Sen. Draheim	Definition of Townhouses for Fire Sprinklers	Exempts “Townhomes” from mandate for fire sprinklers. Appears to preempt local ordinances. Effective 5-3-17
26 (SF 870)	Rep. Howe Sen. Fischbach	Expenditures Authorized	Allows cities, counties, and townships to solicit contributions for and expend funds on a “National Night Out” or law enforcement community events. No cap provided on amount board may spend. Effective 5-3-17
29 (SF 1020)	Rep. Christensen Sen. Hall	Limit on Expenditure for Trophies Removed	\$800 cap on expenditures for trophies, awards, etc. repealed. Effective 5-12-17
52 (HF 997)	Rep. Jessup Sen. Mathews	Modifications of Municipal Claims Forms	Recognizes increased use of electronic claims and provides that by submitting the claim, the person making the claim automatically declares the claim is just and correct, and that no part has been paid. Clarifies that all local governments may use electronic funds transfer, but must annually appoint a chief financial officer to oversee such transactions, or to delegate someone to do so. In a township, the treasurer would be the chief financial officer, but that person could delegate the clerk or someone else to help with compliance. Effective 8-1-17

86 (HF1725)	Rep. Drazkowski Sen. Goggin	Milk Truck Weight Limits Modified	Grants single-unit milk trucks a 10% weight limit increase between points of production or to point of first processing. No permit is required. Exempt from seasonal limits. Trucks must comply with bridge postings and cannot exceed load limit for tires used on truck. Civil penalties are made mandatory for any upheld violation. Effective 5-24-17
88 (HF 1545)	Rep. Hamilton Sen. Westrom	Omnibus Agriculture Bill	Article 1, section 2, subd. 2(c) appropriates \$125,000 per year for FY 18 and FY 19 to the State’s noxious weed and invasive plant program. Section 2, subd. 2(j) appropriates \$300,000 in both FY 18 and FY 19 for grants to local governments to address noxious weed problems. Palmer Amaranth abatement efforts will be given a priority for funding. Article 2, section 8 adds to the Commissioner of Agriculture’s noxious weed education requirements a new web-based notice and alert for any new weeds reported for the first time in a county. Effective 7-1-17
91 (HF 707)	Rep. Gunther Sen. Ruud	Omnibus Legacy Bill	Expends \$529.56 million of the Outdoor Heritage, Clean Water, Parks & Trails, and Arts & Cultural Heritage Funds (i.e. Legacy amendment funds.) No direct township provisions, but much of the money will be used to acquire lands that will then come off the tax rolls, or obtain easements that may reduce the value of the land. Efforts to include a “Not Net Loss” policy failed, as did efforts to use the funds to help with PILT payments, and to establish a fund to cover the cost of culvert replacements done for non-road related purposes. Some towns may qualify for grants to assist with a variety of efforts to reduce wastewater and improve ground water. Article 2, section 7 establishes a new grant program for local governments to enhance, protect or restore surface water quality and protect drinking water, but the plan must be part of the One-Watershed One-Plan program. Some of the funding (reported at \$5 million) may be used to help implement buffers or buffer alternatives. Effective 7-1-17
92 (SF514)	Rep. Fenton Sen. Kiffmeyer	Omnibus Elections Bill	Primarily a number of technical changes and corrections requested by the Secretary of State and County Election Officials to improve accuracy of reports and data. Article 1, section 15 requires that a list of individuals willing to serve as election judges but whom live outside the normal boundary lines for election judge lists provided to local governments. There would be no requirement to pay for travel time or expenses, including mileage. This provision goes on to clarify that the party affiliation of each judge, or the non-affiliation to a major party, may be shared with the other election judges. Section 17 allows a town clerk (among others) to provide an “I voted sticker to in-person absentee voters, regular absentee voters, and those voting by mail. Article 1, section 18 requires election judges to ensure that any challenged voter status appearing on a polling place roster, is

92 (cont.)		Omnibus Elections Bill (cont.)	concealed or hidden from view of any other voter. Article 2 establishes new uniform election dates. Special elections will only be allowed on five dates – 2 nd Tuesday in February; 2 nd Tuesday in April; 2 nd Tuesday in May; 2 nd Tuesday in August; 1 st Tuesday after the 1 st Monday in November. Township election in March were protected, including allowing vacant town seats to be filled in conjunction with the regular March Town election. A number of controversial changes such as uniform election sites, early voting, provisional ballots, and a June primary were not included. Article 1 is effective 7-1-17. Article 2 is effective 1-1-18 for elections held on or after that date.
93 (SF 844)	Rep. Fabian Sen. Ingebrigtsen	Omnibus Environment Bill	<p>\$850 million dollars for environment related programs. Article 1, section 2 appropriates \$88,000 per year for FY 18 and FY 19 for “municipal liaison officer” to assists cities and townships navigating the NPDES/SDS permitting process. Section 4 provides BWSR with approximately \$14.3 million in FY 18 and \$14.1 million in FY 19 for natural resources block matching-fund grants to local government. Article 2, section 111 prohibits the creation of a replacement wetland in an over-80% area for the benefit of an area outside of an 80% area. Section 155 instructs the DNR commissioner to convey an easement to the township if a certain road in the Sand Dunes State Forest turns out to not currently being a township road. Section 155 expires two years from enactment.</p> <p>Article 1 effective 5-31-17; Article 2, sections 111, 155 effective 5-31-17</p>
94 (SF 1456)	Rep. Garofalo Sen. Miller	Omnibus Jobs Bill	<p>Article 1, section 2, subd. 8 appropriates one-time funding of \$20 million for border-to-border broadband grants. It also funds the Office on Broadband at \$250,000 in each year of the fiscal biennium. Article 8, section 14 preempts local ordinances restricting the use of plastic, paper, or reusable bags. Article 9 allows wireless relay towers in road rights-of-ways subject to limited restrictions and payment of set fee to the local road authority. Technology not expected to impact townships due to low density population.</p> <p>Article 1 effective 7-1-17; Article 8, section 1 effective 5-31-17; Article 9, sections 1 – 11, and sections 13-20 effective 5-31-17; Article 9, section 12 effective 5-31-17 except that paragraph d is effective 1-1-18 for local governments without an ordinance regulating the ROW by 5-18-17</p>

96 (SF 550)	Rep. Heintzeman Sen. Westrom	Omnibus Environmental Trust Fund Bill	Appropriates over \$55 million in FY 18 and 19, plus \$8.422 million yet in FY 17 from the environmental funds established from State lottery proceeds. Like the Legacy Bill, funds can be used for purchases that have negative impacts on the local tax rolls, although more of the funding goes to studies and programs monitoring environmental issues. Sections 1 and 2 are effective 5-31-17 and the remaining provisions of the bill are effective 7-1-18
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Appendix B - 2017 First Special Session Session Laws Summaries

Updated Through 6-7-17

Chapter	Author	Description	Comments
1 (HF 1)	Rep. Davids Sen. Chamberlain	Omnibus Tax Bill	<p>Article 2, section 1 allows wireless communication installments and related equipment and structures to be placed with Agricultural Preserve lands. This could help in placing border-to-border broadband service.</p> <p>Article 2, section 2 provides a waiver process for local assessors who do not want to pursue increased certification levels prior to the 2019 mandate. The assessor must have been first licensed before July 1, 2004 and had an assessor’s license since July 1, 2014. The assessor must apply for a waiver before July 1, 2022 and pass a required test developed by the State Board of Assessors in consult with the Minnesota Association of Assessing Officers. Waivers expire July 1, 2032. Article 2, Section 18 moves the deadline for certifying the town levy from September 15 to September 30 of each year. Article 2, Section 51 authorizes Carlton County to tax the unorganized township of Sawyer up to \$1,500 per year for recreational services. MAT prefers the term unorganized territory as there is no local governing entity and thus the area is already subject to County control and taxation. Article 7, section 1 authorizes townships to issue certificates of indebtedness for up to 20 years to finance projects eliminating R-22 at ice arenas, etc. Article 10 modifies the Sustainable Forest Incentive Act, primarily to accommodate a proposed settlement in the lawsuit in which the company formerly known as Blandin was seeking a reduction in property taxes and payment for taxes paid at the higher right. Could help save the effected counties and townships several million dollars, but settlement still needs final judicial approval, etc. Article 15, section 28 removes the requirement that townships over 5,000 in population report their levies to the Department of Revenue pursuant to Minnesota Statutes Section 275.62, subd. 2.</p> <p>Article 2, sections 1 & 2 are effective 5-31-17; Article 2, Section 18 effective for taxes to be levied in 2018; Article 2, section 51 is applicable for taxes payable in 2018 and each year after; Article 7, section 1 does not specify an effective date so default date of 8-1-17 for a non-appropriations bill should apply; Most of Article 10 took effect 5-31-17, with a few special dates provided; Article 15, section 28 effective 5-31-17.</p>
3 (HF 3)	Rep. Torkelson Sen. Newman	Omnibus Transportation Bill	<p>Article 1, sect. 2, subd. 2 clause c, appropriates \$500,000 in both FY 18 and FY 19 for Safe Routes to School. Subd. 3 clause d appropriates \$25 million in both FY 18 and FY 19 for Corridors of Commerce program delivery. Subd. 4 includes a one-time appropriation of \$2 million cash in both FY 18 and FY 19 for township roads. Article 2, section 2, subd. 1 authorizes \$300 million in bonds for the Corridors of Commerce grants but only \$50 million authorized in each of FY 18 an FY 19 so subsequent years could get cancelled by the next legislature. Article 3, section 66, subd. 1</p>

<p>3 (cont.)</p>		<p>Omnibus Transportation Bill (cont.)</p>	<p>removes fire apparatus and leaves any vehicle operating by special permit exempt from the general statutory provisions on weight, size and loads. Section 67 clarifies that fire apparatus, law enforcement special response vehicles, and licensed land emergency ambulance service vehicles are exempt from normal statutory size, weight and load restrictions. Section 68 authorizes the MNDOT Commissioner to issue a permit to a vehicle exclusively hauling earthmover tires provided such vehicle or combination of truck and trailer has 7 or more axles, has a maximum gross weight of 108,000 lbs., has a maximum width of 144 inches, does not exceed axle weights by more than 22 percent, complies with tire weight limits, and operates only on specified highways pursuant to Minn. Stat. 169.864 (set highways primarily in NE Minnesota). Such vehicles are also exempted from seasonal weight limits. Section 72 authorizes road authorities (which would include townships for town roads) to issue annual permits to “Road Construction Materials” trucks to operate up to 90,000 lbs. always and up to 99,000 lbs. during designated winter haul seasons determined by MNDOT under Minn. Stat. Section 169.826, subd. 1. The trucks must have at least 6 axles. If the truck has at least 7 axles the authorized weight increases to 97,000 lbs. and 99,000 lbs. pursuant to the winter haul seasons set under Minn. Stat. Section 169.826, subd. 1. A permitted vehicle under this section may be on paved or unpaved roads but not the interstate; must comply with Minn. Stat. Sections 169.865, subd. 3 paragraph a, clauses 1-8 except for 4. These restrictions include: axle limits, seasonal load (5-ton on gravel, 10-ton paved) during weeks set by MNDOT, posted limits on bridges, gross vehicle limit set by manufacturer, brakes on all wheels, and a permit from each road authority whose roads will be travelled upon. The trucks must also comply with truck route and vehicle weight restrictions imposed under Minn. Stat. 169.87, subd. 7 by either MNDOT or the local road authority. Permits for a 6-axle truck cost \$300 and for 7-axles the cost is \$500, unless a proportional fee applies under Minn. Stat. Section 169.86, subd. 5. All permit revenues collected by MNDOT must go towards bridge inspections and signing. The permit is an annual permit except that the holder may request that renewals be coordinated with the annual vehicle registration date. Local road authorities may designate preferred routes for use by vehicles permitted under this Section. Road Construction Materials covered by this Section include but are not limited to aggregate material defined in Minn. Stat. Section 298.75, subd. 1(a) (i.e. sand, gravel, crushed rock, silica, etc.), hot mix asphalt, plastic concrete, cementitious materials, concrete admixtures, asphalt cement, and recycled road materials. Article 3, Section 99 creates a new “Major local bridge” program for bridges whose costs will exceed \$7 million, while Section 100 prohibits the use of funds not expressly earmarked for the Major local bridge account for bridges costing more than \$7 million, unless surplus funds exist after all smaller bridges have been funded. Article 3, section 109 modifies the use of sales tax on vehicle leases. Under the new formula, 11 percent of the full amount of such sales tax (previously the first \$32 million were</p>
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3 (cont.)		Omnibus Transportation Bill (cont.)	<p>dedicated) will be placed in the HUTDF, and 38 percent will be dedicated for rural transit. Section 110 transfers the sales tax on short term rentals and leases of vehicles for less than 28 days, remitted after 7-1-17, to the HUTDF. Section 110 also provides that between 7-1-17 and 6-30-19, the Commissioner of Revenue shall, beginning for sales tax remitted after 7-1-17, deposit monthly an amount from the general fund equal to \$2,628,000 into the HUTDF as the estimated tax on auto parts and repairs. From 7-1-19 forward, the monthly transfer shall increase to \$12,137,000. By pushing the higher transfer amount out past 6-30-19, the impact on the 2018-19 budget was lessened and the transfer, being a general fund appropriation, remains subject to change or elimination by the legislature dealing with the 2020-21 and subsequent budgets. Townships are expected to see only a little over \$1 million as an increase to its base funding for roads from the Highway User Tax Distribution Fund (HUTDF) and just over \$600,000 for township bridges. Article 3, Section 123 requires the Commissioner of Revenue to complete a study to better estimate the amount of sales tax attributable to repairs and parts sales. The study is due by 1-15-19. Section 135 requires a report by the Commissioner of Management and Budget jointly with the Commissioner of MNIDOT, of expenditures of the trunk highway fund and the HUTDF between FY 2015 and FY 2017. The report is due by 2-15-18. Section 138 requires a report by the Commissioner of MNDOT on turnbacks, to detail criteria, current list, and past 5 years. The report is due 2-15-18.</p> <p>Article 1 is effective 5-31-17; Article 2 is effective 7-1-17; Article 3, section 66 is effective 5-31-17; Article 3, section 67 is effective 5-31-17; Article 3, section 68 is effective 5-31-17; Article 3, section 72 is effective 1-1-18. Article 3, sections 99 and 100 are effective 5-31-17; Article 3, section 109 is effective 5-31-17 with the first estimate of funds being do by 6-30-18 and the first transfer of funds under the new formula being made by 7-15-18; Section 110 is effective 7-1-17; Section 123 is effective 7-1-17 by default; Section 135 is effective 7-1-17 by default; Section 138 is effective 5-31-17</p>
4 (SF 1)	Rep. Kiffmeyer Sen. S. Anderson	Omnibus State Government Finance Bill	<p>Sets budget for State agencies, constitutional office, and legislative concerns. Good news can be found in the fact that the Statue Auditor's budget was not reduced and in fact is reported to have increased enough to fill an IT position that should mean even better assistance on CTAS and the electronic filing needs of townships. Preliminary reports are also positive from the Secretary of State's office and their ability to help local election officials. Non-fiscal issues include Article 2, section 9 that transfers from the Commissioner of Management and Budget, to the Legislative Budget Office, the duties of compiling local fiscal impact statements, as requested, on bills pending before the legislature. Article 2, section 27 authorizes MATIT, among others, to invest in investments considered slightly more risky but with usually higher yields than current investment options. Article 3, section 17 establishes an elections equipment grant account. The program will allow the Secretary of State to provide local governments with financial assistance to acquire new voting systems, assistive</p>

4 (cont.)		Omnibus State Government Finance Bill (cont.)	<p>technology equipment, electronic poll rosters, and other election equipment approved by the Secretary of State for use in conducting a State or local election. Grants can be for up to 75% of the costs of an electronic poll book system, or 50% of the cost of other authorized election equipment. A report on the use of grants must be completed by the Secretary of State by 1-15-18 and annually thereafter until no funds remain. \$7 million of this set aside from 7-1-15-17 until 6-30-20 or until funds are fully expended, whichever comes first (see Article 1, section 6.)</p> <p>Article 2, section 10 is effective 1-8-19; Article 2, section 27 is effective 7-1-17 by default; Article 3, section 17 is effective 7-1-17 by default.</p>
8 (HF 5)	Rep. Urdahl Sen. Senjem	Omnibus Bonding Bill	<p>Article 1, Section 6, subd. 3 provides \$11.555 million for flood mitigation efforts, but \$4.25 million is earmarked for 3 projects. Section 8 provides authorizes \$5 million to BWSR for local roads wetland mitigation (probably insufficient past FY 18.) Section 15 authorizes \$254,918,000 for transportation. However, after earmarked projects are accounted for, only a little more than \$16.5 million is available for the local bridge fund, and just above \$26.2 million is available for the local road program. Section 21 sees \$116,888,000 dedicated to the PFA for grant matching, WIF funding, and other water protection and similar needs, but again most projects have been earmarked. Article 2, section 13 contains the same big-bridge / small-bridge funding provisions as in the Omnibus Transportation Bill. Section 13 creates a hazardous materials rail safety program. Town eligible to apply to MNDOT for funds to be used on public highway-rail grade crossings projects affiliated with hazardous materials routes.</p> <p>Article 1 primarily effective as of 5-31-17 but limits exist on when bonds can be sold and how much debt service can be attributed to any particular fiscal year. Article 2, section 13 effective 5-31-17.</p>