



2015 WEEKLY LEGISLATIVE UPDATE

February 6, 2015

PRELIMINARY LEVY DATE CHANGE FOR SPECIAL TAXING DISTRICTS

HF 457 (Applebaum) was introduced last week. The MLC-supported bill would change the levy certification date for special taxing districts like economic development authorities (EDAs) and housing and redevelopment authorities (HRAs) from Sept. 15 to Sept. 30. It is scheduled for a hearing on Wednesday, February 11th in the House Property Tax and Local Finance Division.

The companion bill, SF 555 (Bonoff) was introduced in the Senate on Thursday.

SUBCOMMITTEE ON METROPOLITAN COUNCIL ACCOUNTABILITY AND TRANSPARENCY

On Thursday, the Subcommittee on Metropolitan Council Accountability and Transparency held its first meeting. The hearing was primarily an overview on the history of the Met Council's as well as an overview of the current governance structure. For more detailed information on this hearing, attached are notes and handouts from the meeting.

FISCAL DISPARITIES

On Wednesday, the House Property Tax and Local Finance Division held a hearing on Fiscal Disparities. Non-Partisan House Research staff provided a detailed overview on the history of the fiscal disparities program for the committee.

DUAL TRAINING GRANTS PROGRAM

SF5 (Bonoff) was heard in Senate Jobs, Agriculture, and Rural Development Committee on Monday. This bill would allow high school students to take vocational training in return for academic credit. It would include a partnership with local employers interested in providing training opportunities to students. The bill was passed and re-referred to the Higher Education and Workforce Development Committee.

The Higher Education and Workforce Development committee then heard the bill on Thursday, where it was then passed as amended and re-referred to the State and Local Government Committee. It is now scheduled for a hearing in State and Local Government Committee on Wednesday.

THIS OLD HOUSE/THIS OLD SHOP

On Tuesday, the Senate Tax Committee heard identical This Old House/This Old Shop bills, [SF 208](#) (Latz) and [SF 319](#) (Schmit). The initiatives would reinstitute a previous state program to support community reinvestment and improve aging structures.

This Old House was in place from 1993 to 2003 and was used in 86 of Minnesota's 87 counties. Under the bill, a residential homestead property at least 30 years old would receive a valuation exclusion on improvements that increase the market value over \$5,000. The exclusion would last for 10 years and be added back over two years for valuation increases under \$10,000 or added back over five years for valuation increases over \$10,000. The value exclusion would be lost if the property is sold, transferred or loses its homestead status.

This Old Shop would allow a value exclusion on improvements of commercial/industrial property that is at least 30 years old and has a market value up to \$2 million. The improvement must add 12 percent to the market value of the property. The exclusion would also last ten years and be added back over two years for valuation increases under \$40,000 or added back over five years for valuation increases over \$40,000.

The bill has also been introduced in the House, [HF 473](#) (Youakim), and will be heard in the House Property Tax and Local Government Finance Division next Wednesday.

CONSTRUCTION SALES TAX EXEMPTION

[HF531](#) (Swedzinski) is scheduled to be heard in the House Government Operations Committee next Tuesday morning. This bill simplifies the sales tax exemption for construction materials.

DNR GROUNDWATER REPORT

The DNR released a Groundwater Management Plan for the North and East Metro Groundwater Management Area this week. The plan can be viewed [here](#). The DNR is accepting comments on the plan until the end of March, and will host community outreach meetings in Woodbury, White Bear Lake and Blaine before the end of the month [here](#).