REQUEST FOR COUNCIL ACTION

Date: July 20, 2020 Item No.: 7.e

Department Approval

City Manager Approval

Michelle Betrick

Item Description:

Review 2021 Changes in Property Tax Base, Legislative Changes and discussion

on City Council 2021 Budget Goals

BACKGROUND

At the April 13, 2020 City Council meeting, the Council established a general timeline for the 2021 budget process including the following key dates:

2021 Budget Process Timeline	Date
Discussion on Preliminary Cash Reserve Levels	3/23/2020
Establish 2021 Budget Process Calendar	4/13/2020
Review General Budget & Legislative Impacts, Tax Base Changes	7/20/2020
Presentation of the 2021-2040 Capital Improvement Plan	7/20/2020
Discussion on City Council Budgetary Goals	7/20/2020
EDA Budget & Tax Levy Discussion	7/20/2020
Receive the 2021 City Manager Recommended Budget	8/10/2020
Receive Budget Recommendations from the Finance Commission	9/14/2020
Adopt Preliminary 2021 Budget, Tax Levy, & EDA Levy	9/21/2020
Review 2021 Proposed Utility Rates	11/9/2020
Review 2021 Fee Schedule [** NOTE - Prelim. Discussion on 9/21/20]	11/9/2020
Final Budget Hearing (Truth-in-Taxation Hearing)	11/23/2020
Adopt Final 2021 EDA TaxLevy	12/7/2020
Adopt Final 2021 Budget, Tax Levy, Utility Rates, & Fee Schedule	12/7/2020

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The next step in the 2021 Budget Process is to review the general budgetary impacts resulting from changes in the City's property values, the 2020 Legislative Session, and other contributing factors. They are discussed in separate sections below.

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<u>Impacts Due to Changes in Property Values & Tax Base</u>

The Ramsey County Assessor's Office posted its annual Report on Assessed Market Valuations to their website in April 2020. It is an interactive website and they are no longer issuing a printable report. Excerpts of data from the website are included as *Attachment A*. Highlights of the Report include:

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Roseville's overall market value (tax base) is projected to increase 7.6%

The median-valued, single-family home is projected to increase 2.9%; from \$272,700 to \$280,600

In the aggregate, the market value for the median single-family home rose slower (2.9%) than all other property types combined 7.6%). This means that holding all other factors constant, there will be a shift in the overall tax burden from single-family homeowners in 2021. A similar effect occurred in 2018, while the tax burden shifted in the opposite direction for taxes payable in 2019 and 2020.

For example, a 2021 tax levy increase of 5.3% will result in an estimated .72% tax increase on the median-valued single-family home or about \$9 per year.

Budgetary Impacts from the 2020 Legislative Session

The 2020 Legislative Session ended after the conclusion of the Regular Session on May 18, 2020 accompanied by a first special session from June 12-20, 2020. A second special session is expected in late July or early August.

The majority of legislative actions addressed COVID related items. Notably, the worker's compensation claims now have identified that certain occupations are presumed to have contracted COVID-19 at work. This applies to the City's public Safety employees. There was emergency small business assistance funding approved utilizing the federal coronavirus relief fund and other legislative actions were taken surrounding areas impacted by the coronavirus.

The second special session will hopefully produce a bonding bill that may be beneficial to the City of Roseville. A copy of the 2020 Law Summaries as prepared by the League of MN Cities is included in *Attachment B*. The document provides an excellent re-cap of the Regular Session and first special session. A revised version will be available after a second special session.

Budgetary Impacts from Other Considerations

In prior years, we have used this opportunity to provide a summary of the *potential* financial impacts of maintaining programs and services. This includes impacts associated with employee COLA's and wage steps, contractual obligations & professional services, and general inflationary costs.

Based on current projections, we expect nearly \$600,000 in added expenditures in our property tax-supported programs. This includes employee COLA's, healthcare increases, and other inflationary-type factors. The City will also see a decrease of about \$200,000 in revenue due to lower collections of special assessments, court fines, and other charges.

These impacts would result in a tax levy increase of approximately \$800,000 million or 3.6%. This increase does not factor in any new expenditures proposed as part of the 2021 budget. In other words, simply maintaining existing staff and service levels is projected to reduce the property tax levy by \$.91 per month for the typical single-family home. The impact on homeowners is smaller than the levy increase due to changing property values.

In addition to the tax levy impacts depicted above, continued emphasis on our water, sanitary sewer, and storm sewer infrastructure replacement programs is expected to drive utility rate increases for 2021 as well. More specific information regarding budgetary impacts will be addressed with the release of the 2021 City Manager Recommended Budget on August 10, 2020.

The City Council is asked to provide its goals & objectives for the 2021 Budget and Tax Levy. This is a critical step in the budget process as it will be used to guide the City Manager Recommended Budget, and will ensure more clear and timely communications with citizens and other property taxpayers.

 While these goals and objectives can be fairly broad in scope and still remain purposeful, greater impact will be created if the Council establishes more defined goals in three key areas:

- 1) **The desire for changes in programs or service levels** (i.e. are the condition of city streets or public safety-related services acceptable?)
- 2) **The need to establish new programs or initiatives** (i.e. are there any unmet needs that should be addressed?)
- 3) The acceptable level of property tax and fee impacts on homeowners (i.e. given the programs and services we aspire to, is the associated burden on homeowners acceptable?)

In establishing its budgetary goals, the Council is reminded that 2020 revenues and expenditures have been impacted due to the coronavirus pandemic. Specific areas that have seen reductions in revenue are the License Center and the Parks & Recreation programs. These areas also will see some decrease in expenditures which will help offset the revenue losses

Finally, Staff will remind the Council of the status of the *unrestricted* cash reserve levels in the City's discretionary operating funds as of $\underline{12/31/19}$ including the transfers of 'excess cash' into the newly-established Cash Reserve Fund.

Cash Reserve Levels: Unre	estricted Oper	ating Funds		
			Cash	
	12/31/2019	Less	Available	12/31/2019
	Cash	From	Cash	Reserve
Operating Fund	Reserves	<u>Donations</u>	Reserves	<u>Level</u>
General: Primary (a)	\$5,945,956	\$ (56,253)	\$5,889,703	35%
General: Cash Reserve Fund (b)	756,497		756,497	
Parks & Recreation	1,589,307	(311,607)	1,277,700	25%
Communications	160,316		160,316	30%
Information Technology	457,088		457,088	15%
License Center	527,572		527,572	15%
(a) Unrestricted cash only				
(b) Balance after 2019 transfers				
Cash Reserve Target Leve	1s			
	Target	Target		
Operating Fund	Low	<u>High</u>		
General (unrestricted portion)	35%	45%		
Parks & Recreation	25%	25%		
Communications	10%	30%		
Information Technology	10%	15%		
License Center	10%	15%		

The Council is reminded that the cash reserve levels depicted above represent a snapshot in time and are fluctuating on a daily basis. They are <u>not</u> an indication of what our reserve levels will be at year-end. As previously noted, the coronavirus closures and restrictions on programs may impact the 2020 year end fund reserves.

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With regard to the monies held in Cash Reserve Fund, the City Council can determine whether they want to redeploy the funds for budgetary purposes or retain for other priorities and service delivery.

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POLICY OBJECTIVE

- Establishing City Council budgetary goals fosters greater community awareness and understanding of the financial commitments necessary to provide programs and services. It also lays the foundation for the creation of a City Manager Recommended Budget.
- 105 FINANCIAL IMPACTS
- Not applicable.
- 107 STAFF RECOMMENDATION
- Not applicable.

109 REQUESTED COUNCIL ACTION

Staff is seeking comment and guidance on the preparation of the 2021 budget including City Council goals and objectives for the 2021 Budget & Tax Levy.

Prepared by: Michelle Pietrick, Finance Director

Attachments: A: Ramsey County Assessor Property Valuation Changes

B: 2020 Law Summaries from the League of MN Cities

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Market Summary

Ramsey County experienced steady growth in the 2019 residential real estate market. According to NorthstarMLS, the median sale price for residential property in Ramsey County was \$245,300 at the end of 2019, up from \$233,000 at year-end 2018.

With continued job growth, positive wage increases, attractive rates and rising rental rates a healthy real estate market should continue. In Ramsey County, foreclosures and short sales continue to fall. In 2019, foreclosures make up very little of the market.

The assessor's office continues to actively track all market activity and will continue to follow the prices determined by the market in 2020 for our 2021 assessment.

New Construction

In 2019, new home construction in Ramsey County was strong once again. Notable developments included the last phase of Rapp Farm in North Oaks and Wheaton Woods in Roseville. We are awaiting the development of the Ford Plant and the vacant land in Arden Hills.

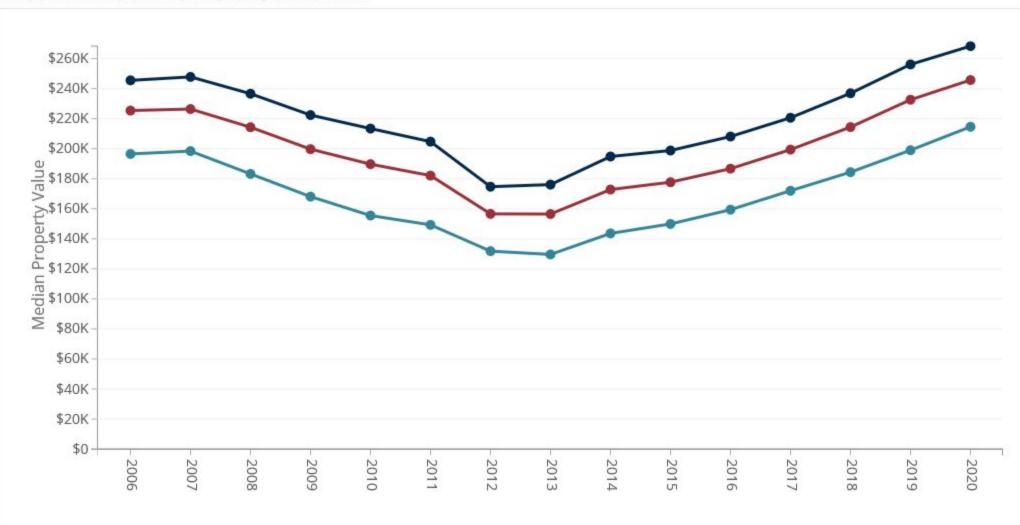
Median Property Value Over Time (Residential) 2006-2020

Median values exclude added improvement values, leased public property and vacant land.

Suburban

Countywide

City



Median Estimated Market Value

Percent Change by Jurisdiction

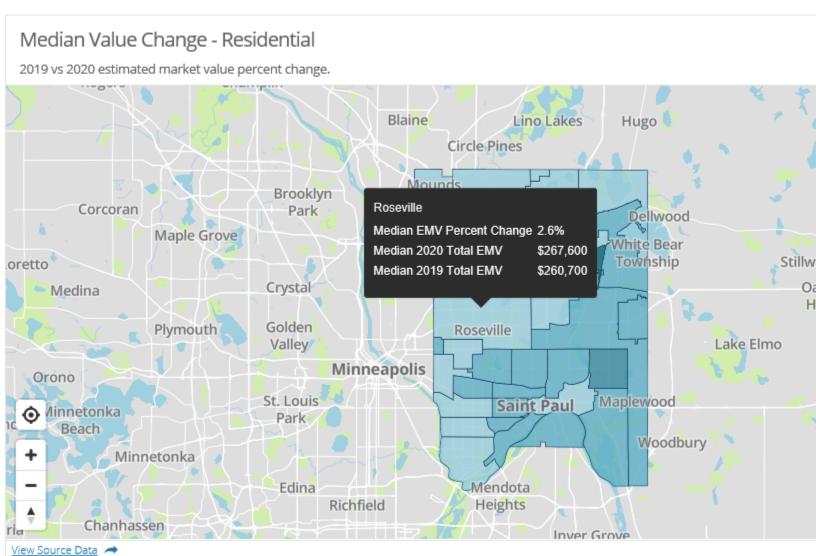
Jurisdiction Name	Jurisdiction Cod 1	Parcel Count 2019	Parcel Count 2020	Parcel Percent Ch :	Median 2019 Tota	Median 2020 Tota :	Median EMV Perc
Maplewood	57	11,356	11,352	-0.096	\$234,100	\$248,300	6.1%
Mounds View	59	3,235	3,244	0.3%	\$236,700	\$247,000	4.4%
New Brighton	63	6,418	6,351	-1.0%	\$266,000	\$283,600	6.6%
North Oaks	67	1,799	1,823	1.3%	\$634,200	\$656,800	3.6%
North St Paul	69	3,622	3,639	0.5%	\$213,650	\$229,000	7.2%
Roseville	79	11,208	11,211	0.0%	\$260,700	\$267,600	2.6%
St Anthony	81	607	607	0.0%	\$224,900	\$244,600	8.8%
Shoreview	83	9,543	9,547	0.0%	\$296,200	\$306,500	3.5%
Spring Lake Park	85	69	69	0.0%	\$192,000	\$201,600	5.0%
/adnais Heights	89	4,426	4,455	0.7%	\$262,600	\$280,000	6.6%
White Bear Lake	93	7,683	7,679	-0.196	\$239,800	\$251,900	5.0%

< Previous Next >

Showing records 23 to 33 out of 34

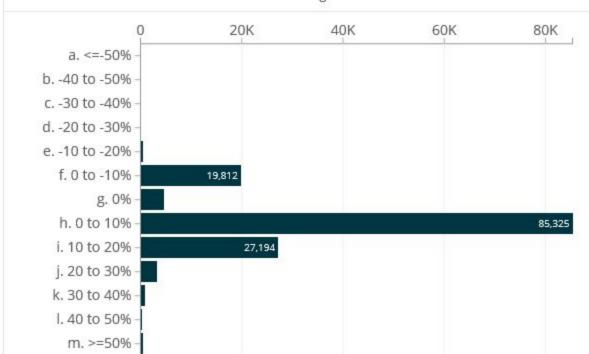
All Residential

Ramsey County experienced steady growth in the 2019 residential real estate market.



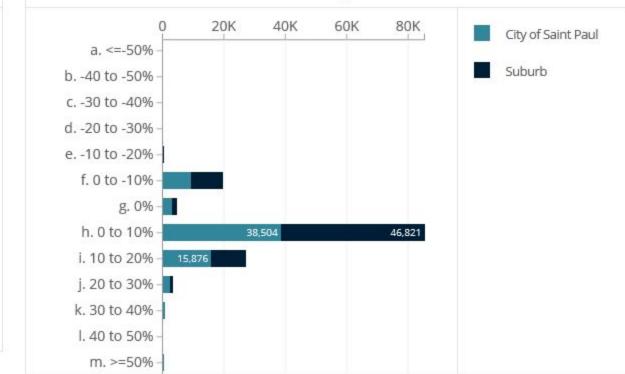
Percent Change – Residential Countywide

Distribution of Estimated Market Value Percent change from 2019 to 2020 Assessments.



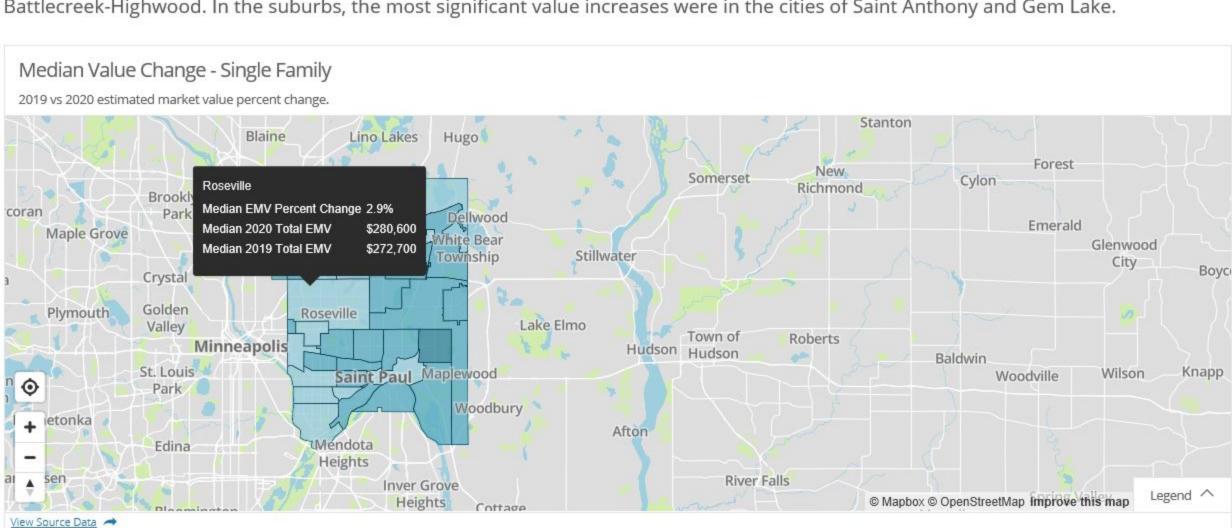
Percent Change - Residential Saint Paul and Suburbs

Distribution of Estimated Market Value Percent change from 2019 to 2020 Assessments.



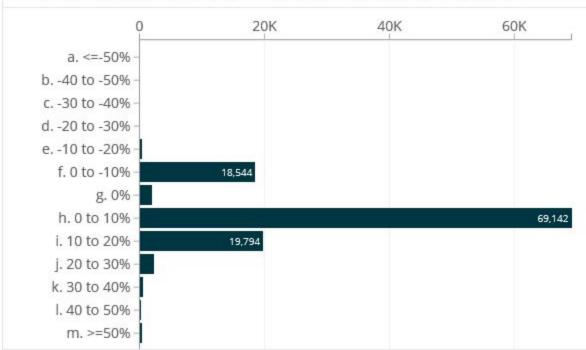
Single-Family

Median values of single-family homes increased most significantly in the Saint Paul neighborhoods of Greater East Side and Sunray Battlecreek-Highwood. In the suburbs, the most significant value increases were in the cities of Saint Anthony and Gem Lake.



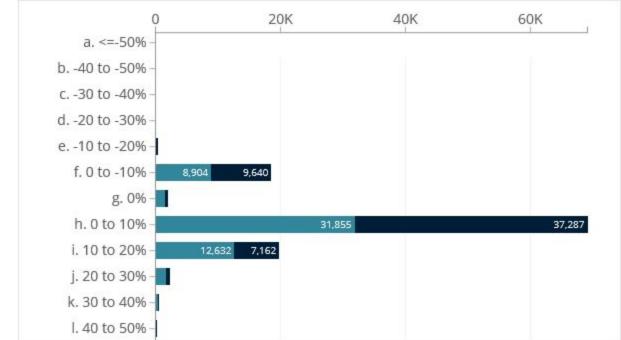
Percent Change – Single Family Countywide

Distribution of Estimated Market Value Percent change from 2019 to 2020 Assessments.



Percent Change – Single Family Saint Paul and Subuttonent A

Distribution of Estimated Market Value Percent change from 2019 to 2020 Assessments.



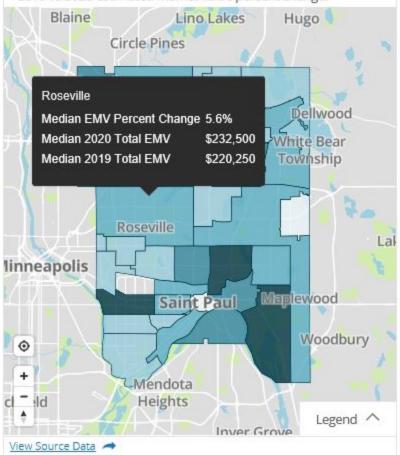
and drag to pan the chart

Townhomes, Condos and 2-3 Unit Homes

The townhome and condo markets continue to show steady growth in value and strong sale volume. Townhomes in the Sunray Battlecreek-Highwood, Payne Phalen, Union Park and West Side neighborhoods had the largest percentage increase in median value. Condos in the Payne-Phalen, Lauderdale, Sunray Battlecreek-Highwood and Roseville neighborhoods had the largest percentage of increase in median value.

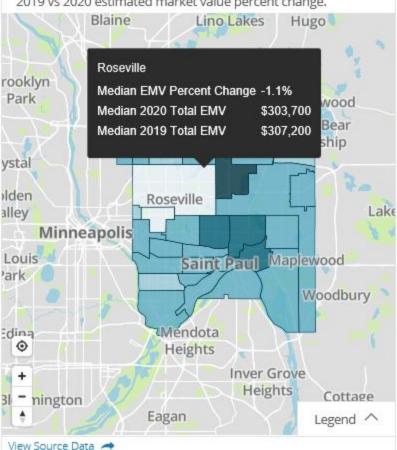
Median Value Change - Townhome

2019 vs 2020 estimated market value percent change.



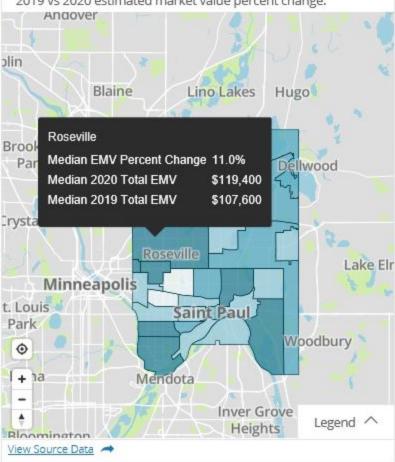
Attachment A Median Value Change - Res. 2-3 Unit

2019 vs 2020 estimated market value percent change.



Attachment A Median Value Change - Condo/Co-Op

2019 vs 2020 estimated market value percent change.





2020 Law Summaries

Preliminary Legislative Action

MINNESOTA SESSION LAWS 2020

INCLUDES REGULAR SESSION AND FIRST SPECIAL SESSION LAWS



Attachment E

Contents

Session 2020: Unprecedented Challenges Expose Fractured Leadership
LMC 2020 Law Summaries3
CIVIL AND CRIMINAL LAW 4
Court deadlines during peacetime emergency4
Search warrant requirement for electronic communication information
Electronic device location tracking warrants4
Scope of location tracking warrants expanded4
Stalking-by-mail and mail harassment changes4
COVID-19 RESPONSE 4
COVID-19 response provided4
Workers' compensation claims COVID-19 presumption for
specified employees5
DATA PRACTICES 6
Law enforcement use of unmanned aerial vehicles (drones) 6
ECONOMIC DEVELOPMENT
ELECTIONS
COVID-19 elections bill
EMPLOYMENT9
Minimum age for operating amusement rides and lawn
mowers modified
Law enforcement salary survey
ENVIRONMENT10
Minor and technical changes made related to noxious weed
management statutes
Lessard-Sams Outdoor Heritage funds allocated
Recycling solid waste tax exemption, trust fund grant avail-
ability adjusted for COVID-1910

GENERAL GOVERNMENT11
Medical exception to Open Meeting Law
Charter commission appointments and spending limit 11
Expanded authority for electronic signatures during
COVID-1911
HEALTH11
Prescription drug price transparency act
Raising the age for purchasing tobacco to 2111
HOUSING13
Modular home definition modification and relocation trust fund changes
LIQUOR AND TOBACCO13
Limited off-sale for restaurants closed by executive order . 13
Omnibus liquor bill
LOCAL LAWS15
Special legislation allowing increased members for North
Branch PUC
PENSIONS
Omnibus Pensions and Retirement Act
PUBLIC FINANCE
State disaster assistance account replenished
PUBLIC SAFETY18
Law enforcement use of unmanned aerial vehicles
Eyewitness identification policies required
Omnibus public safety and corrections policy act
TRANSPORTATION
Omnibus Transportation Policy Act
League of Minnesota Cities Intergovernmental Relations
Department
Dopar anone 21

Session 2020:

Unprecedented Challenges Expose Fractured Leadership

On Feb. 11, the Minnesota Legislature reconvened to begin the second half of its 91st biennial session. The session was expected to be short and focused on making tweaks to the biennial budget. Many stakeholders, including the League of Minnesota Cities, hoped the session would yield a robust omnibus capital investment bill.

COVID-19 creates disruption

By early March, it became clear the session would unfold differently than anyone could have predicted. As the coronavirus spread from continent to continent and eventually reached Minnesota, legislative leaders and Gov. Tim Walz (DFL) braced for the disruption the COVID-19 pandemic would bring.

On March 13, Gov. Walz issued Executive Order 20-01 declaring a peacetime emergency. The declaration was enacted through the governor's signature and ratified by the state's other four constitutional officers, the lieutenant governor, attorney general, state auditor, and secretary of state. It allowed his administration to quickly impose measures aimed at mitigating the COVID-19 health threat. These measures, which were issued through dozens of executive orders over the months that would follow, included shuttering certain businesses, closing schools, limiting social gatherings, and requiring Minnesotans who are not essential employees to stay home.

Meanwhile, on March 16, in response to concerns over the spread of COVID-19, the Legislature approved a concurrent resolution allowing the House and Senate to adjourn from floor sessions until April 14. Under the resolution, they could agree to convene hearings and floor sessions prior to April 14 with two days' notice to members. Legislative leaders announced any meeting convened during the break in normal operations would be restricted to issues around COVID-19 preparedness and response, "mission critical" measures such as a bonding bill, and any legislation that had bipartisan agreement.

In very abrupt fashion, most in-person meetings were moved to virtual platforms like Skype, Zoom, and Teams, and the focus became advancing measures that would help address the health, economic, and social implications of the pandemic. When the Legislature reconvened on April 7, a week sooner than initially planned, the Capitol was closed to the public and most members participated remotely. They acted exclusively on pandemic-related measures, including a bill creating a presumption in the workers' compensation system for public safety and health care workers who contract COVID-19.

Regular session fizzles

The regular session continued into May with sporadic virtual committee hearings and floor sessions marked by social distancing and remote participation. The governor's executive orders, some of which were modified to address changing circumstances, remained in place. The economic fallout of COVID-19-related business closures became apparent with an updated budget forecast released by Minnesota Management and Budget on May 6. The state's budget outlook had crumbled from a \$1.5 billion surplus to a projected \$2.4 billion deficit in less than two months.

Republican leaders began demanding that the governor end the peacetime emergency in the name of economic stability. They held media events aimed at pressuring Gov. Walz to end the peacetime emergency or allow it to expire. Under Minnesota law, a peacetime emergency may last up to 30 days. The governor has the authority to extend a peacetime emergency beyond 30 days unless the Legislature votes to end it. Both chambers need to vote down the extension to block it. Senate Republicans, who hold the majority in that body, voted repeatedly to end the peacetime emergency while DFL members, who control the House, voted down motions to end the emergency.

As these debates took place, issues like passing capital investment, housing, and tax bills fell to the wayside. In the final days of session, the House and Senate worked on separate proposals to distribute the estimated \$667 million in the federal Coronavirus Relief Fund (CRF) dollars to cities, counties, and townships. The CRF distribution was another issue that was left unresolved. Legislators also failed to authorize the use of mail balloting statewide for the upcoming August primary or November general election despite elections administrators' concern about safely conducting elections during the COVID-19 outbreak. Cities are struggling to recruit and retain election judges and secure polling places as the pandemic continues.

Ultimately, the session adjourned *sine die* at midnight on May 18, with the Legislature and governor having accomplished little over the preceding months. The expectation was that the governor would reconvene the Legislature in a special session on or around June 12, when the existing peacetime emergency would expire. If the Legislature is not in session, and the governor wants to extend the peacetime emergency beyond 30 days, the governor must call the Legislature into special session to give them the opportunity to end the peacetime emergency.

George Floyd killed by police

On May 25, one week after the conclusion of the regular session, George Floyd, an unarmed Black man from St. Louis Park, was killed while in police custody in Minneapolis. The horrific event, involving an officer kneeling on Floyd's neck for nearly eight minutes, was captured on video and broadcast around the world.

Public outrage over Floyd's death led to peaceful and violent protests, the latter of which resulted in looting and extensive damage to public property and private businesses. Gov. Walz activated Minnesota's National Guard to help local law enforcement and the State Patrol restore order in Minneapolis and St. Paul. Outrage over Floyd's death also resulted in renewed calls for policy changes aimed at police reform and ending systemic racism. With a special session approaching, a group of legislators belonging to the People of Color and Indigenous (POCI) Caucus called for urgent action on a comprehensive police reform package.

First special session accomplishes nothing

As expected, Gov. Walz called the Legislature into a special session that began June 12. Senate leaders called for the session to be short and succinct. Majority Leader Paul Gazelka (R-Nisswa) stated the Senate would remain convened for no more than one week. He stayed true to his word, and the Senate adjourned the special session *sine die* in the wee hours of June 20. Unfortunately, the seven-plus days that elapsed yielded virtually no resolutions on the issues at hand.

One of the failed measures that received the most attention — and was of particular interest to cities — was a plan to distribute federal funds to cities, counties, and townships for pandemic-related expenses. Despite an agreement among all four caucuses on distributing federal CRF money — now revised upward to \$841 million — to local governments, the Legislature failed to pass the bill before adjourning the special session. This was particularly frustrating to Senate leadership, who claimed Gov. Walz changed the terms of the agreement.

Making meaningful changes to laws governing police conduct, training, and oversight was also a focal point. However, proposals that emerged from the House and Senate did not align. The House package was very comprehensive and included measures aimed at addressing systemic racism, while the Senate bills focused on police training, officer mental health, and reporting requirements. Despite the flurry of offers exchanged on the last night of the special session, no police reform measures reached the governor's desk.

Passage of a capital investment bill, which was expected to be a priority in the special session, was hardly discussed. Neither the House nor the Senate took up a capital investment bill in earnest, and there were few reports of capital investment legislation being part of the negotiations between leaders.

In the end, the special session yielded 10 new chapters of law, the majority of which were technical changes or corrections to existing laws.

Governor orders CRF distribution

Gov. Walz announced on June 25 that he would use his authority to distribute \$841 million in CRF federal funds to cities, counties, and townships for coronavirus-related expenses. The governor used the framework of the legislative agreement debated in the special session, and is distributing the funds via the Legislative Advisory Commission process allowed by state law.

Under the governor's action, the Department of Revenue (DOR) will distribute a portion of the state's allocation from the CRF, which was created by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The funds may be used for COVID-19-related costs that occur between March 1, 2020, and Nov. 15, 2020.

Uncertainty prevails

Gov. Walz is expected to call the Legislature into another special session on or around July 13. He must call a special session within 30 days of the Legislature adjourning the most recent session if he wants to keep the peacetime emergency declaration in place. The probability of the Legislature taking up bills that were left unfinished during the regular and first special sessions is unclear and will largely depend upon the status of negotiations on those issues

If a future 2020 special session yields new chapters of law that are relevant to cities, the 2020 Law Summaries will be updated to reflect action.

LMC 2020 Law Summaries

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

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

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

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

GC=Gary Carlson, IGR Director (651) 281-1255 or gcarlson@lmc.org

AF=Anne Finn, Assistant IGR Director (651) 281-1263 or **afinn@lmc.org**

CJ=Craig Johnson, IGR Representative (651) 281-1259 or cjohnson@lmc.org

IK=Irene Kao, IGR Counsel (651) 281-1260 or ikao@lmc.org

DL=Daniel Lightfoot, IGR Representative (651) 281-1295 or **dlightfoot@lmc.org**

AL=Ann Lindstrom, IGR Representative (651) 281-1261 or alindstrom@lmc.org



Court deadlines during peacetime emergency

Chapter 74 (HF 4556*/SF 4462) is the omnibus COVID-19 policy bill. Article 1, section 16 allows statutory deadlines governing proceedings in district and appellate courts, including statutes of limitations, to be suspended during the COVID-19 peacetime emergency. This includes any statutorily authorized extensions and lasts for 60 days after the end of the peacetime emergency declaration. However, a court is not prevented from holding a hearing, requiring an appearance, or issuing an order during the peacetime emergency if a judge determines that individual circumstances relevant to public safety, personal safety, or other emergency matters require action in a specific case. Effective April 16, 2020, and expires 60 days after the end of the peacetime emergency declaration or Feb. 16, 2021, whichever is earlier, and applies to all deadlines that had not expired as of March 13, 2020, or were triggered on or after that date. (IK)

Search warrant requirement for electronic communication information

Chapter 82 (HF 3012/SF 3072*) is the omnibus data privacy bill. Section 4 creates a new statute, Minn. Stat. § 626.085, and requires government entities to obtain a search warrant before requiring the disclosure of "electronic communication information." "Electronic communication information" is defined as "any information about an electronic communication or the use of an electronic communication service, limited to the contents of electronic communications and precise or approximate location of the sender or recipients at any point during the communication." A search warrant is not required (1) if consent is given or (2) if exigent circumstances exist where there is a danger to an individual's life or physical safety. The new statute also includes requirements for notice, filing, sealing, and reporting on these warrants. Effective Aug. 1, 2020. (IK)

Electronic device location tracking warrants

Chapter 82 (HF 3012/SF 3072*) is the omnibus data privacy bill. Sections 6 and 13 amend Minn. Stat. §§ 626A.08, subd. 2 and 626A.37, subd. 4 respectively, and exempt location tracking warrants from requirements for (1) the sealing and disclosure of a warrant for wire, electronic, or oral communications and (2) the sealing of a warrant for a pen register, trap and trace device, or mobile tracking device, and instead location tracking warrants are governed by Minn. Stat. § 626A.42, subd. 4. Effective May 17, 2020. (IK)

Scope of location tracking warrants expanded

Chapter 82 (HF 3012/SF 3072*) is the omnibus data privacy bill. Sections 14-17 amend Minn. Stat. § 626A.42 and

expand the scope of location tracking warrants to include "unique identifiers," which are defined as "any numeric or alphanumeric string that is associated with a single entity or account within an electronic communication application or service." *Effective Aug. 1, 2020.* **(IK)**

Stalking-by-mail and mail harassment changes

Chapter 96 (HF 4137*/SF 4065) addresses the statute at issue in the Minnesota Supreme Court case, *Matter of Welfare of A.J.B.*, 929 N.W.2d 840 (Minn. 2019), where the Court found this statute to be facially overbroad and thus unconstitutional. The statutory changes include:

- Harassment crimes. Minn. Stat. § 609.749, subd. 2 is amended to establish the mental state of the intent to kill, injure, harass, or intimidate another person as an element of the crime of harassment. It also establishes a causation element by requiring harassing conduct that (1) places another in reasonable fear of substantial bodily harm, (2) places another in reasonable fear that the person's family or household members will be subject to substantial bodily harm, or (3) causes or would reasonably be expected to cause substantial emotional distress. There are also new definitions for "family or household members" and "substantial emotional distress."
- **Obscene call crime.** Minn. Stat. § 609.79, subd. 1 is amended to establish the same elements above of an actor's mental state and causation in the crime of repeatedly mailing another.

Effective Aug. 1, 2020, and applies to crimes committed on or after that date. (**IK**)



COVID-19 RESPONSE

COVID-19 response provided

Chapter 71 (HF 4531*/SF 4451) is aimed at providing financial relief, authorizing deadline extensions, and modifying the work of state agencies under the pandemic-related peacetime emergency. Most notably, the measure includes a \$200 million General Fund appropriation to create a COVID-19 Fund that Minnesota Management and Budget may draw upon to help state agencies respond to the outbreak. Summarized are funding and policy provisions that may be of interest to cities.

- **Funding provided.** The measure contains the following funding provisions:
 - \$30 million to create an account for small business emergency loans at the Department of Employment and Economic Development, codifying provisions in an existing executive order;
 - \$29.96 million for a grant program to support licensed childcare providers, who, in part, agree to care for the children of healthcare and other emergency workers;

- \$26.54 million in emergency services grants, of which \$15.21 million is intended to provide additional shelter space; \$5 million is to purchase hygiene, sanitation, and cleaning supplies; and \$6.33 million is for staffing;
- \$11 million to help Minnesota's 11 tribal nations address the crisis;
- \$10 million to the small business emergency loan account to guarantee loans from private banks to small employers;
- \$9 million in one-time funding for the state's food shelf program, at least \$3 million of which must be used to help regional food banks make specialized responses to community needs;
- \$6.2 million to provide financial assistance to veterans and surviving spouses in need of assistance as a result of COVID-19;
- \$5.53 million to provide housing support relief for low-income seniors and individuals under 65 with disabilities by temporarily increasing limits and rates for room and board and supplementary services – the program helps pay for rent, food, household supplies, and other necessities;
- \$2.4 million to continue reissuing driver's licenses and complete other motor vehicle transactions.
- **Policy provisions.** The package also includes numerous policy provisions of interest to cities:
 - Transfers \$20 million from the Minnesota 21st Century Fund and \$10 million from the Minnesota Investment Revolving loan fund to fund the Small Business Emergency Loan Program outlined in Executive Order 20-15.
 - Allows for municipalities with uncommitted money from the repayment of Minnesota Investment Fund (MIF) loans to use uncommitted funds to make loans to retail stores, services providers, and hospitality businesses until the end of fiscal year 2020 and requires a report from any municipality who uses the exception to report how the funds were used to the legislature by Feb. 15, 2021.
 - Retools small business loan guarantee program, which
 was unfunded since 2012 to provide state loan guarantees of 80% of a loan up to \$200,000 made to a small
 business by a lender within 12 months of the declaration of COVID-19.
 - Broad authorization for the Commissioner of the Department of Commerce to delay, stay, or waive licensing and investigation deadlines. This could be applied to prevent expiration of municipal electrical utility staff certifications and licensure and to delay continuing education requirements.
 - Extends the expiration date for driver's licenses, Minnesota identification cards, and disability parking certificates and permits so they expire two months after the peacetime public health emergencies declared by the Governor during 2020.

- Directs the Department of Public Safety to work with law enforcement agencies to ensure awareness about license expiration date extensions and to publicize information on the expiration date extensions to the general public.
- Authorizes the Superintendent of the Bureau of Criminal Apprehension to delay submission of fingerprints as part of background checks for "essential workers" during peacetime emergencies declared by the Governor. Provides a gross misdemeanor penalty for "essential workers" who provide false information as part of a background check while the fingerprint requirement is suspended. Requires the Superintendent to report to the legislature on the exercise of this emergency power.

Effective March 29, 2020. (AF)

Workers' compensation claims COVID-19 presumption for specified employees

Chapter 72 (HF 4537*/SF 4458) adds several provisions to Minn. Stat. § 176.011, subd. 15. It provides a presumption that an employee who contracts COVID-19 has an occupational disease arising out of and in the course of employment if the employee is employed in one of the occupations specified and has a confirmed case of COVID-19.

- List of covered occupations provided. The covered occupations for the presumption include: licensed peace officers; firefighters; paramedics; nurses, healthcare workers, correction officers, and security counselors employed by the state or a political subdivision at a corrections, detention, or secure treatment facility; emergency medical technicians; healthcare providers, nurses, and assistive employees employed in a healthcare, home care, or long-term care setting, with direct COVID-19 patient care or ancillary work in COVID-19 patient units; and workers who are required to provide childcare to first responders and healthcare workers under Executive Orders 20-02 and 20-19.
- Positive test required. An employee's contraction of COVID-19 must be confirmed by a positive laboratory or diagnosed and documented by the employee's licensed physician, licensed physician's assistant, or licensed advanced practice registered nurse (APRN), based on the employee's symptoms. It requires a copy of the positive test or documentation to be provided to the employer or insurer.
- **Presumption rebuttal provided.** Once the presumption is established by an employee, the presumption can only be rebutted if the employer or insurer shows the employment was not a direct cause of the disease.
- Date of injury defined. The "date of injury" for an employee who has contracted COVID-19 is the earliest date that the employee was unable to work: (1) due to a diagnosis of COVID-19; or (2) due to symptoms that were later diagnosed as COVID-19.

- Rights of employees not included in presumption provided. An employee who has contracted COVID-19, but who is not entitled to the presumption, is not excluded from claiming another occupational disease or from claiming a personal injury.
- **Report required.** The Commissioner of the Department of Labor and Industry is required to provide a detailed report on COVID-19 workers' compensation claims to the Workers' Compensation Advisory Council and the legislature by Jan. 15, 2021.
- **Sunset provided.** The presumption sunsets on May 1, 2021.

Effective April 8, 2020. (AF)



DATA PRACTICES

Law enforcement use of unmanned aerial vehicles (drones)

Chapter 82 (HF 3012/SF 3072*) is the omnibus data privacy bill. Sections 1, 2, and 5 address law enforcement use of unmanned aerial vehicles (UAVs or drones), which is now governed by a new statute, Minn. Stat. § 626.19.

- Public benefit data application. Section 1 amends Minn. Stat. § 13.82, subd. 15 to include UAV data into the public benefit law, allowing a law enforcement agency to make public otherwise nonpublic UAV data if the agency determines the access will aid the law enforcement process, promote public safety, or dispel widespread rumor or unrest.
- **Governance of UAV data.** Section 2 creates a new subdivision, Minn. Stat. § 13.82, subd. 32 to specify that data collected, created, or maintained through the use of a drone is governed by Minn. Stat. § 626.19.
- **Application; definitions.** Section 5, subd. 1 provides that Minn. Stat. § 626.19 applies to any UAV data collected, created, or maintained by a law enforcement agency. Definitions include "government entity," "law enforcement agency," "unmanned vehicle," and "terrorist attack."
- Search warrant requirement. Section 5, subd. 2 provides that except as provided for in subd. 3, a law enforcement agency must obtain a search warrant before using a UAV.
- Exceptions to search warrant requirement. Section 5, subd. 3 does not require a search warrant when a UAV is used:
 - During or in the aftermath of an emergency situation that involves the risk of death or bodily harm to a person;
 - Over a public event where there is heightened risk to the safety of participants or bystanders;
 - To counter the risk of a terrorist attack by a specific individual or organization;

- To prevent the loss of life and property in natural or man-made disasters and to facilitate post-recovery efforts;
- To conduct a threat assessment in anticipation of a specific event;
- To collect information from a public area if there is a reasonable suspicion of criminal activity;
- To collect information for crash-reconstruction purposes after a serious or deadly collision occurring on a public road;
- Over a public area for officer training or public relations purposes; and
- For a non-law enforcement purpose at the written request of a government entity. The government entity must specify the reason for the request and proposed period of use.
- Limitations on UAV use. Section 5, subd. 4 requires law enforcement agencies to comply with Federal Aviation Administration requirements and guidelines and prohibits (1) deploying a UAV with facial recognition or other biometric-matching technology unless authorized by a warrant, (2) equipping a UAV with weapons, or (3) collecting data on public protests or demonstrations unless authorized by a warrant or under an exception in subd. 3.
- **Documentation requirement.** Section 5, subd. 5 requires law enforcement agencies to document each use of a UAV, including providing a case number and the factual basis for each use. Documentation must also include what statutory exception under subd. 3 applies if a warrant was not obtained.
- Data classification. Section 5, subd. 6(a) classifies data collected by a UAV as private data on individuals or nonpublic data. Exceptions include:
 - If the data subject requests a copy of the recording, data on other individuals who do not consent to its release must be redacted;
 - Disclosure as necessary in an emergency situation that involves the risk of death or bodily harm to a person;
 - Disclosure to the government entity making a request for UAV use for non-law-enforcement purposes;
 - If UAV data are criminal investigative data, this data is governed by Minn. Stat. § 13.82, subd. 7; and
 - Classification under other provisions of Minn. Stat. ch. 13 are retained.
- **No Tennessen warning.** Section 5, subd. 6(b) specifies that no Tennessen warning is required for data collected by a UAV.
- **Retention period.** Section 5, subd. 6(c) requires law enforcement agencies to delete the data collected no later than seven days after collection, unless the data is part of an active criminal investigation.

- Evidence. Section 5, subd. 7 prohibits admissibility of information obtained or collected in violation of Minn. Stat. § 626.19 in a criminal, administrative, or civil proceeding.
- **Remedies.** Section 5, subd. 8 provides an aggrieved party may bring a civil action to prevent or remedy a violation of Minn. Stat. § 626.19.
- **Public comment.** Section 5, subd. 9 requires law enforcement agencies to provide an opportunity for public comment before purchasing or using a UAV, which must be accepted electronically or by mail. The city council must also provide an opportunity for public comment at a regularly scheduled meeting.
- Written policies. Section 5, subd. 10 requires that prior to the operation of a UAV, the chief law enforcement officer must establish and enforce a written policy governing its use, including requests for use from government entities. Public comment and input on written policies must meet the requirements described in subd. 9. Written policies must be posted on the law enforcement agency's website, if the agency has a website.
- Notice; disclosure of warrant. Section 5, subd. 11 requires service of a warrant within 90 days of the court unsealing the warrant and requires that the warrant be filed with the court administrator within ten days of expiration of the warrant. The prosecutor may request that the warrant, supporting affidavits, and order granting the request not be filed. An order must be issued granting the request, in whole or in part, if the court finds reasonable grounds exist that filing the warrant may cause the search to be unsuccessful, create a substantial risk of injury to an innocent person, or severely hamper an ongoing investigation.
- **Reporting.** Section 5, subd. 12 requires law enforcement agencies that maintain or use a UAV submit a report to the Commissioner of Public Safety by Jan. 15 of each year with the following information from the preceding calendar year:
 - Number of times a UAV was deployed without a search warrant, including dates of deployment and authorized exception under subd. 3; and
 - Total cost of the agency's UAV program.

The Commissioner of Public Safety, judiciary, and state court administrator are also required to provide annual reports related to the use of UAVs.

Effective Aug. 1, 2020, except that law enforcement agencies must adopt written policies by Feb. 15, 2021. (IK)



ECONOMIC DEVELOPMENT

Emergency small business assistance program for businesses impacted by COVID-19

First Special Session Chapter 1 (HF 5*/SF 2) creates a program to appropriate federal coronavirus relief funds to make grants available to certain small businesses impacted by COVID-19. It amends 2020 Minn. Laws Ch. 71 by appropriating \$60 million from the state share of the federal coronavirus relief fund to the Commissioner of the Department of Employment and Economic Development for grants to eligible small businesses employing up to 50 full-time workers up to \$10,000. In fiscal year 2020, \$2.5 million is also appropriated from the loan guarantee trust fund, which is available until June 30, 2021. The total of \$62.5 million is allocated as follows: \$31.25 million is provided to the Minnesota Initiative Foundations to provide grants to small businesses in greater Minnesota and \$31.25 million is provided to approved lenders for grants to small businesses in the seven-county metropolitan area. The \$62.5 million must also meet the following requirements:

- \$18 million for businesses employing six full-time workers or less;
- \$10 million for minority business enterprises;
- \$2.5 million for veteran-owned businesses;
- \$2.5 million for women-owned business; and
- A minimum of \$2.5 million for owners of permanent retail space and food markets with an ethnic cultural emphasis.

Effective July 17, 2020. (DL)



COVID-19 elections bill

Chapter 77 (HF 3429*/SF 3494) provides special procedures for the safe and secure conduct of the 2020 state primary and state general elections during the COVID-19 outbreak. It includes the appropriation of funds for administration, security, accessibility, training, public health and safety in conducting the elections.

- Special procedures for the safe and secure conduct of 2020 state primary and state general elections. Section 1, subd.1 applies only to the state primary and state general elections conducted in 2020. Section 1, subd. 2 outlines local authority allowing a city, by ordinance or resolution to:
 - Designate polling places after the deadline required by Minn. Stat. § 204B.16, subd. 1, but no later than July 1, 2020;
 - Train and designate employees of a healthcare facility or hospital to administer the absentee voting process under Minn. Stat. § 203B.11; and

- Extend the period during which absentee ballots are processed to include no more than two days following the date of the election. If more ballots are to be processed after the election, the county must submit a report to the Secretary of State as soon as practicable, but no more than four hours after the period ends, the number of absentee ballots remaining to be counted after the 24-hour period prescribed in Minn. Stat. § 203B.121, subd. 5(c).
- Schools as polling places. Section 1, subd. 2 clarifies that the governing body of a municipality must only use a school as a polling place when no other public or private location is reasonably available for use as a polling place. Nothing in subd. 2 prohibits a local election official from responding to the outbreak of COVID-19 by exercising powers granted by the Minnesota Election Law to address emergency situations that prevent the safe, secure, and full operation of a polling place on election day.
- **Processing absentee ballots.** Section 1, subd. 3 allows for the county auditor or municipal clerk, and the applicable ballot board, to begin processing absentee ballots 14 days prior to the date of the election. After the close of business on the 14th day before the election, a voter whose record indicates that an absentee ballot has been accepted must not be permitted to cast another ballot at that election.
- Accepting electronic filings. Section 1, subd. 4 allows a filing officer to accept electronic mail, facsimile, or other electronic submissions of any of the following:
 - An affidavit of candidacy under Minn. Stat. § 204B.06, including any applicable filing fees;
 - A nominating petition under Minn. Stats. §§ 204B.07 or 204B.08, including petition signatures collected electronically; and
 - A request that a write-in candidate's votes be counted, consistent with Minn. Stat. § 204B.09, subd. 3, or other applicable law.
- Nomination of 2020 presidential electors and alternates. Section 2 provides that notwithstanding Minn. Stat. § 208.03, the chairs of each major political party may submit the names of presidential electors and alternates nominated to be elected at the 2020 state general election no fewer than 67 days prior to the date of the election.
- Help America Vote Act appropriations and transfer; federal consolidated appropriations act. Section 3, subd. 1 appropriates \$7.4 million in fiscal year 2020 from the Help America Vote Act (HAVA) account to the Secretary of State for purposes authorized by subd. 4. Subd. 2 appropriates a state match of \$1.5 million in fiscal year 2020 from the general fund to the HAVA account to the Secretary of State for purposes authorized by subd. 4. Subd. 3 specifies that any interest

- earned on the amounts appropriated under subds. 1 and 2 is appropriated from the HAVA account to the Secretary of State for purposes authorized in subd. 4. Subd. 4 outlines authorized uses of the funds for:
- Modernizing, securing, and updating the statewide voter registration system and for cybersecurity upgrades as authorized by federal law;
- Improving accessibility;
- Preparing training materials and training local election officials;
- Implementing security improvements for election systems:
- Funding other activities to improve the security of elections; and
- Any activities authorized by section 4, subd. 4. Subd. 5 prohibits the use of funds for any purpose not authorized by the federal Consolidated Appropriations Act and requires that the Secretary of State and any political subdivision receiving a grant must cooperate with any audits related to the use of the funds conducted by the United States Election Assistance Commission, Office of the Inspector General. Subd. 6 provides appropriations in section 3 are onetime and available until Dec. 21, 2024.
- Help America Vote Act appropriation and transfer; federal CARES Act. Section 4, subd. 1 appropriates \$6.9 million in fiscal year 2020 from the HAVA account to the Secretary of State for the purposes authorized by subd. 4. Subd. 2 appropriates a state match of \$1.4 million in fiscal year 2021 from the general fund to the HAVA account for purposes authorized by subd. 4 if, as of July 1, 2020, a state match is required to secure the amount made available to the state under the federal Coronavirus Aid, Relief and Economic Security (CARES) Act, Public Law 116-136. If, as of July 1, 2020, a state match is not required, the transfer and appropriation must not be made. If the requirement of a state match is waived after July 1, 2020, any unspent amounts are canceled to the general fund. Subd. 3 provides that any interest earned on the amounts appropriated under subds. 1 and 2 is appropriated from the HAVA account to the Secretary of State for the purposes authorized in subd. 4. Subd. 4 outlines authorized uses of the funds for the following purposes:
 - Ensuring the health and safety of election officials and in-person voters, including the purchase of sanitation and disinfectant supplies;
 - Public outreach and preparations for implementing social distancing guidelines related to voting, including additional signs and staff;
 - Facilitation, support, and preparation for increased absentee voting, including voter education materials, printing, and postage;
 - Preparation of training materials and administration of additional training of local election officials;

- Preparation of new polling place locations;
- Purchasing an electronic roster system meeting the technology requirements of Minn. Stat. § 201.225, subd. 2 along with equipment necessary to support the system; and
- Issuing grants authorized by the local grant program established in subd. 6, and administering that program. Subd. 5 prohibits the use of funds for not authorized by the federal CARES Act and requires that the Secretary of State and any political subdivision receiving a grant must cooperate with any audits related to the use of the funds conducted by the United States Election Assistance Commission, Office of the Inspector General.
- **Grants for political subdivisions.** Section 4, subd. 6 states that the Secretary of State must administer grants to political subdivisions to support the activities authorized in subd. 4. The Secretary of State may make a grant only after receiving an application from the county auditor or municipal clerk responsible for administering the election within that political subdivision. The application must contain the following information:
 - The date the application is submitted;
 - The name of the political subdivision requesting the grant;
 - The name and title of the individual who prepared the application;
 - A description of the purpose of the grant request;
 - The political subdivision's anticipated cost for efforts to prevent, prepare for, and respond to the COVID-19 outbreak at the 2020 state primary and state general elections;
 - The total number of registered voters, as of the date of the application, in each precinct within the political subdivision;
 - The total amount of the grant requested;
 - A certified statement by the official responsible for the application that the grant will be used only for purposes authorized in subdivision 4; and
 - Any other information required by the Secretary of State

A political subdivision is eligible to receive a grant of no more than 75% of the total cost of purchasing an electronic roster system and necessary support equipment and no more than 80% of the total cost of any other activities authorized under subd. 4. The Secretary of State must establish a deadline for receipt of grant applications, a procedure for awarding and distributing grants consistent with this subdivision, and a process for verifying the proper use of the grants after distribution. In evaluating an application, the Secretary of State must consider only the information set forth in the application and is not subject to Minn. Stat. Ch. 14 (Administrative Procedure Act). If the Secretary of State determines that the application has been fully and properly completed, and there is a sufficient balance available to fund the grant, either in whole or in part, the Sec-

retary of State may approve the application. No later than Jan. 15, 2021, the Secretary of State must submit a report to the legislative committees with jurisdiction over elections policy and state government finance on the use of funds appropriated by this section. The report must detail the state's use of the funds and identify each jurisdiction receiving a grant and the amount of each grant awarded. Subd. 7 stipulates that the appropriations provided in this section are onetime and available until March 27, 2022. *Effective May 13, 2020.* **(AL)**



EMPLOYMENT

Minimum age for operating amusement rides and lawn mowers modified

Chapter 98 (HF 3720/SF 3358*) allows minors of at least 16 years of age to be employed to operate amusement rides and certain lawn care equipment.

- Minors allowed to operate amusement rides. Section 1 adds a subdivision to Minn. Stat. § 181A.04. It allows minors of at least 16 years of age, to be employed in the operation of amusement rides or loading and unloading of passengers from amusement rides. "Operation of an amusement ride" does not include maintenance, testing, repair, erection, or dismantling of an amusement ride. The amusement rides to be operated by minors 16 or 17 years of age must be located in a fixed site amusement park. Effective Aug. 1, 2020.
- · Minors allowed to be employed to operate lawn care equipment. Section 2 creates a new statute, Minn. Stat. § 181A.116. It allows minors of at least 16 years of age to be employed to operate lawn care equipment. "Lawn care equipment" means lawn trimmers, weed cutters, and machines designed to cut grass and weeds that meet safety specifications of the American National Standards Institute/Outdoor Power Equipment Institute's (ANSI/OPEI) B71.1 2017 definition of pedestrian-controlled mowers and ride-on mowers. A 16- or 17-year-old employed under this section must, prior to operating lawn care equipment, be trained in the safe operation of each type of lawn care equipment listed and wear personal protective equipment including, but not limited to, safety glasses, hearing protection, gloves, safety vest, and work boots, as necessary, at all times when operating the lawn care equipment.
- Employer responsibilities for minors employed to operate lawn care equipment. An employer employing a 16- or 17-year-old under this section must ensure that lawn care equipment operators that are ages 16 or 17 follow all safety rules and instructions provided in the equipment's operator manual, including prohibiting the operation of lawn care equipment on a slope greater than is recommended by the operator's manual.

- Employers must also ensure required safety equipment is in place and operational on all lawn care equipment, including roll-over protection, seat belts, operator presence control systems, interlocks, guards, and shields.
- Limitations of minors employed to operate lawn care equipment. The exception under this section is limited to minors who are directly employed by a golf course, resort, or municipality to perform lawn care on golf courses, resort grounds, and municipal grounds; and minors who are directly employed by a rental property owner and the minor performs lawn care on the owner's rental property.

Effective May 28, 2020. (AF)

Law enforcement salary survey

Chapter 100 (HF 462*/SF 1014) is the omnibus transportation policy act. Section 20 adds a subdivision to Minn. Stat. § 299D.03. It requires that by Jan. 1 of 2021, 2023, 2027, and 2031, the Legislative Auditor must conduct a compensation and benefit survey of law enforcement officers in every police department in a city with a population in excess of 25,000, located in a metropolitan county that is represented by a union certified by the Bureau of Mediation Services; or in a city of the first class. The State Patrol must also be included in the survey. The Legislative Auditor must also include in the survey all benefits, including insurance, retirement, and pension benefits. The Legislative Auditor must include contributions from both the employee and employer when determining benefits. The Legislative Auditor must compile the survey results into a report. The report must show each department separately. The Legislative Auditor must transmit the survey report to the chairs and ranking minority members of the House of Representatives and Senate committees with jurisdiction over the State Patrol budget. It is the legislature's intent to use the information in this study to compare salaries between the identified police departments and the State Patrol and to make appropriate increases to patrol trooper salaries. Effective May 28, 2020.



Minor and technical changes made related to noxious weed management statutes

Chapter 89 (HF 4285*/SF 4223) is the omnibus agriculture policy bill. It includes provisions in Article 3 to update terminology and procedures used by the state, allows cooperative weed management plans between responsible governmental units, and adds two additional University of Minnesota members to the noxious weed advisory committee, all of which are found in Minn. Stat. ch. 18. Effective Aug. 1, 2020. **(CJ)**

Lessard-Sams Outdoor Heritage funds allocated

Chapter 104 (HF 2682*/SF 2732) is the annual appropriation of funds from the Lessard-Sams Outdoor Heritage Fund for hunting, fishing, and habitat purposes. The bill allocates approximately \$118 million for specifically identified projects related to the outdoors. It also requires that meetings of the Lessard-Sams Outdoor Heritage Council be streamed for live viewing and be stored on the state website for later viewing as well, unless the location makes that not practicable. Effective July 1, 2020, with a few specified provisions with different enactment dates. (CJ)

Recycling solid waste tax exemption, trust fund grant availability adjusted for COVID-19

First Special Session Chapter 4 (HF 37*/SF 48) creates session law that addresses environmental issues that have been identified under the COVID-19 public health state of emergency.

- Higher percentage of recycling and compost disposal allowed. Section 1, subd. 1 authorizes the Commissioners of the Department of Revenue and the Minnesota Pollution Control Agency to suspend the requirement that less than 15 percent of mixed municipal solid waste received by recycling or composting facilities be disposed of, rather than recycled or composted, as long as the need for that exception was triggered by operational changes implemented to address the COVID-19 pandemic. *Effective June 19*, 2020.
- Solid waste tax exemption maintained. Section 1, subd. 2 allows those materials to retain their exemption from the solid waste management tax, even if they needed to be disposed of in a landfill or at a resource recovery facility. Effective for recyclable materials delivered to a disposal facility or resource recovery facility after April 1, 2020.
- LCCMR grant expenditure deadline extended. Section 2 extends the time available to expend grant funds received through the Legislative-Citizen Commission on Minnesota Resources (LCCMR) process from the Environment and Natural Resources Trust Fund that would previously have expired on June 30, 2020, to be available until June 30, 2021. To use this extension, a recipient must notify the LCCMR and modify the applicable work plan. Section 2 is effective June 19, 2020. Effective dates vary and are noted by section. (CJ)



Medical exception to Open Meeting Law

Chapter 74 (HF 4556*/SF 4462) is the omnibus COVID-19 policy bill. Article 1, section 1 amends the interactive TV provision of the Open Meeting Law, Minn. Stat. § 13D.02. The new law allows participation in meetings by interactive TV (such as Skype or Zoom) without making an elected official's location public when a health care professional advises that elected official against being in public due to personal or family medical reasons. This allowance is only when a national security or peacetime emergency has been declared under Minn. Stat. § 12.31 and can be used up to 60 days after the emergency has been lifted. An elected official may only use this exception and the current military exception for a total of three times in a calendar year. Also, whenever the interactive TV exception is generally used for meetings, votes must be conducted by roll call and be recorded in the minutes. Effective April 16, 2020. (IK)

Charter commission appointments and spending limit

Chapter 87 (HF 3483/SF 3298*) amends Minn. Stat. § 410.05 to modify the process of appointing new or reappointing existing charter commission members by extending the timeframe for a chief district court judge to make an appointment from 30 days to 60 days and removes the option that a city council fill a vacancy if the chief district court judge fails to appoint within the 60 days. Minn. Stat. § 410.06 is also amended to increase the limit on annual charter commission expenses required to be reimbursed by the city, which was last raised for first-class cities in 1961 and for all other cities in 1947. Under current law, the limit is \$10,000 for the cities of Minneapolis, St. Paul, Duluth, and Rochester and \$1,500 for all other cities. Under the new law, the charter commission reimbursable expense limit is a sliding schedule calculated as .07% of the city's current certified general property tax levy with a minimum of \$1,500 and a maximum of \$20,000. A city retains the authority to reimburse charter commission expenses in excess of the calculated limit. Effective Aug. 1, 2020. (GC)

Expanded authority for electronic signatures during COVID-19

Chapter 92 (HF 4605*/SF 4525) allows cities, counties, and townships to accept certain documents, signatures, or filings electronically, by mail, or facsimile during the COVID-19 health pandemic regardless of any other law, rule, or ordinance otherwise. This allowance is for:

 Planning and zoning applications and permits under Minn. Stat. chs. 394 and 462;

- Land use documents under Minn. Stat. ch. 505;
- Documents requiring the signature of a licensed architect, licensed engineer, licensed land surveyor, licensed landscape architect, licensed geoscientist, or certified interior designer under Minn. Stat. § 326.03, subd. 3, and Minn. Stat. § 326.12, subd. 3;
- Applications for birth and death certificates under Minn.
 Stat § 144.225; and
- Recording a notary commission under Minn. Stat. § 359.061.

Effective May 17, 2020, and expires Jan. 6, 2021, or 60 days after the peacetime public health emergency is terminated, whichever is earlier. (**IK**)



Prescription drug price transparency act

Chapter 78 (HF 1246/SF 1098*) requires drug manufacturers to report specified information on drug prices and costs to the Commissioner of the Department of Health for prescription drugs whose price increases exceed certain limits, and new prescription drugs and newly acquired prescription drugs whose price exceeds certain dollar thresholds beginning Oct. 1, 2021. The Commissioner is also directed to post certain information on drug prices and report annually by Jan. 15 each year, beginning Jan. 15, 2022, to the legislature on issues related to drug pricing and spending. *Effective July 1, 2020.* (AL)

Raising the age for purchasing tobacco to 21

Chapter 88 (HF 331*/SF 463) adds charter schools to the prohibition of tobacco in schools and increases the tobacco sale age to 21 to conform to federal law. Penalties are also modified for selling, providing, or furnishing these items, and for purchasing or attempting to purchase these items if under age 21. Alternative penalties are required to be established for certain violations. Other changes are made to the Clean Indoor Air Act and statutes governing the sale of tobacco and related products.

- Tobacco products prohibited in public schools. Section 1 amends Minn. Stat. § 144.4165 by removing a reference to the term "tobacco product" and strikes language that prohibits persons under 18 from possessing tobacco, tobacco products and electronic delivery devices at public schools.
- Tobacco products shops. Section 2 amends Minn. Stat. § 144.4167, subd. 4 to amend the definition of a tobacco products shop that allows sampling of tobacco products as a shop that a person under age 21 cannot enter at any time.
- Suspension; illegal purchase of alcohol or tobacco. Section 3 amends Minn. Stat. § 171.171 by striking a clause referring to a petty misdemeanor penalty for

- using false identification to purchase tobacco. The section also provides that if a person lends a license or other identification to a person under 21 for certain purchases, the Commissioner of the Department of Public Safety must suspend the lender's license, and modifies the purchases covered by this clause to include tobacco, a tobacco-related device, an electronic delivery device, or a nicotine or lobelia delivery product.
- Administrative penalties for sales and furnishing; licenses. Section 4 amends Minn. Stat. § 461.12, subd. 2 to change the age at or above which a person can purchase tobacco, tobacco-related devices, electronic delivery devices, and nicotine delivery devices from 18 to 21. Penalties now also apply to giving or furnishing these items, in addition to selling these items, which is in current law. Penalties are also increased for selling, giving, or furnishing to a person under age 21, and allows a license to be revoked for a third or subsequent violation.
- Administrative penalties for sales and furnishings; individuals. Section 5 amends Minn. Stat. § 461.12, subd. 3 to make the \$50 penalty apply to giving or furnishing tobacco, tobacco-related devices, electronic delivery devices, or nicotine or lobelia delivery products to an underage person, in addition to selling these items, which is in current law. It also changes the age at or above which an individual can buy these items from another individual from 18 to 21 and makes imposition of the administrative penalty optional rather than mandatory.
- Alternative penalties for use of false identification; persons under age 21. Section 6 amends Minn. Stat. § 461.12, subd. 4, which is a subdivision allowing local units of government to consult with interested persons to develop alternative penalties for using a false identification to buy tobacco, tobacco-related devices, electronic delivery devices, or nicotine or lobelia delivery products. These changes include: changing references from "children" or "minors" to "persons under the age of 21 years"; listing the types of false identification that a person uses that may subject them to penalties; and providing that the penalties must be alternative civil penalties and prohibits alternative penalties from including fines or monetary penalties.
- Compliance checks. Section 7 amends Minn. Stat. § 461.12, subd. 5 to change the age of persons involved in compliance checks from over age 15 but under age 18 to at least 17 but under age 21. A person under age 18 is not required to get a parent's prior written consent to participate in compliance checks. It also specifies that the age requirements for participating in compliance checks do not affect the age requirements in federal law for federally required compliance checks.

- **Defense.** Section 8 amends Minn. Stat. § 461.12, subd. 6, which is a subdivision establishing an affirmative defense to a charge of selling tobacco or related items to an underage person. It changes the age at which a person can purchase tobacco or related items from 18 to 21.
- Ban on self-service sales; exceptions. Section 9 amends Minn. Stat. § 461.18 to change the age at which a person can enter a tobacco products store from 18 to 21. This section clarifies that the prohibition of the sale of tobacco products and related items from vending machines does not apply to vending machines in locations that cannot be entered by persons under age 21, rather than under age 18 as was previous law.
- Age verification and signage required. Section 10 adds new language to Minn. Stat. § 461.22, subds. 1 and 2 to require signage at all locations where tobacco, tobacco-related devices, electronic delivery devices, and nicotine or lobelia delivery products are sold that selling these products to a person under age 21 is illegal and that staff must verify the age of any person under age 30 who wants to purchase. Subd. 2 requires that a retail seller of tobacco products must verify that a person seeking to buy tobacco products is at least 21 and that verification is not required if the purchaser appears to be age 30 or older.
- Sale of tobacco to person under age 21. Section 11 makes several changes to Minn. Stat. § 609.685.
 - **Definitions.** Subdivision 1 modifies the description of items and definitions of "tobacco" and "electronic delivery devices."
- **Penalty to sell or furnish.** Subd. 1a changes the penalty from a misdemeanor to a petty misdemeanor for a first violation if a person gives or furnishes tobacco or related items to those under 21. The penalty is also lowered for a subsequent violation from a gross misdemeanor to a misdemeanor.
- **Use of false identification.** Subd. 2 changes the penalty from a misdemeanor to an alternative civil penalty if a person under 21 buys or attempts to buy tobacco or a related item with a false identification.
- Alternative penalties. Sub. 2a directs law enforcement and court system representatives to consult with interested persons to develop alternative civil penalties for persons under 21 and lists options for alternative civil penalties, which cannot include fines or monetary penalties.
- **Petty misdemeanor.** Subd. 3 strikes language establishing a petty misdemeanor penalty for a person under age 18 who possesses or purchases tobacco or related items.
- **Effect on local ordinances.** Subd. 4 makes conforming changes since subd. 3 was stricken.

- Exceptions. Subd. 5 allows an American Indian to furnish tobacco to another American Indian under 21, rather than under 18 as was current law, if furnished as part of a traditional American Indian spiritual or cultural ceremony, and exempts persons under 21, rather than under 18 as was current law, from the penalties in this section if the person buys or attempts to buy tobacco or related items for training, education, research, or enforcement.
- **Seizure of false identification.** Subd. 6 changes a term from "retailer" to "licensee."
- Sale of nicotine delivery products to person under age 21. Section 12 amends Minn. Stat. § 609.6855.
 - **Penalty to sell or furnish.** Subd. 1 changes the penalty from a misdemeanor to a petty misdemeanor for a first violation if a person gives or furnishes a product containing or delivering nicotine to a person under age 21. But it is permissible to sell a product containing or delivering nicotine or lobelia to a person under age 21 if the product is a drug, device, or combination product authorized for sale by the U.S. Food and Drug Administration.
 - **Use of false identification.** Subd. 2 changes the penalty from a misdemeanor to an alternative civil penalty if a person under 21 buys or attempts to buy a nicotine or lobelia delivery product, but penalties do not apply if a person under age 21 buys or attempts to buy these products for training, education, research, or enforcement purposes.
 - Alternative penalties. Subd. 3 strikes language establishing a penalty for a person under age 18 who possesses or purchase a nicotine or lobelia delivery product. It also directs law enforcement and court system representatives to consult with interested persons to develop alternative civil penalties for persons under 21 and lists options for alternative civil penalties, which cannot include fines or monetary penalties.

Effective Aug. 1, 2020. (AL)



HOUSING

Modular home definition modification and relocation trust fund changes

Chapter 99 (HF 3625/SF 3443*) amends Minn. Stat. § 327.31, subd. 23 to change the definition of "modular home" from a single-family dwelling to a "one- or two-family dwelling" and amends Minn. Stat. § 327C.095, subd. 12 to change the payment deadline to the manufactured home relocation trust fund from Nov. 30 to Oct. 31. Effective Aug. 1, 2020. (DL)



LIQUOR AND TOBACCO

Limited off-sale for restaurants closed by executive order

Chapter 75 (HF 4562/SF 4489*) allows a qualifying licensee to offer off-sales of malt liquor, hard seltzer, cider, and wine with a prepared food takeout order, without obtaining an additional license, subject to certain limitations.

- Limitations. The limitations include:
 - Any sale of malt liquor, hard seltzer, cider, or wine is made in conjunction with and is incidental to the sale of prepared food for takeout;
 - The alcoholic beverages are sold in their original, unopened packaging;
 - No more than 72 ounces in total of malt liquor, hard seltzer, and cider; and 750 milliliters of wine may be sold per prepared food takeout order;
 - The qualifying licensee must confirm that the person picking up the prepared food takeout order is at least 21 years of age as provided by Minn. Stat. § 340A.503, subd. 6; and
 - The qualifying licensee must notify the insurer providing insurance coverage required by Minn. Stat. § 340A.409 that it is making off-sales under this section.

All laws and rules relating to the off-sale of liquor under Minn. Stat. § ch. 340A, not inconsistent with this section, apply to the sales allowed by this section including, but not limited, to Minn. Stat. §§ 340A.502–504.

- **No delivery allowed.** No delivery of alcoholic beverages is authorized and the governing body of a municipality may elect to prohibit the off-sale of alcoholic beverages authorized by this law.
- "Qualified licensee" definition. For purposes of this section, "qualifying licensee" means a restaurant holding an on-sale intoxicating liquor license issued under Minn. Stat. § 340A.404, subd. 1(a)(2), or subd. 6(a), or a restaurant holding an on-sale wine license issued under Minn. Stat. § 340A.404, subd. 5.
- No changes to licensed brewers. Nothing in this section affects or modifies the ability of a licensed brewer to make off-sales of alcoholic beverages under the law.
- Expiration. This authority expires when the closure of restaurants as set forth in Executive Order 20-04, as modified and extended by Executive Orders 20-18 and 20-33, or any subsequent order, expires or is terminated or rescinded.

Effective April 18, 2020. (AL)

Omnibus liquor bill

Chapter 103 (HF 2290/SF 2130*) is the 2020 omnibus liquor bill. It includes some miscellaneous liquor law provisions and authorizes several local liquor licenses.

- Additional events at ballparks or stadiums. Section 1 amends Minn. Stat. § 340A.404, subd. 1 by adding "and any other events" to item (d). A city may issue an on-sale wine license and on-sale malt liquor license to a person who is the owner of a summer collegiate league baseball team or to a person holding a concessions or management contract with the owner for beverage sales at a ball park or stadium located within the city. The additional language includes other events in addition to baseball games.
- City of Minneapolis concessions or catering contracts. Section 2 amends Minn. Stat. § 340A.404, subd. 2 to allow the city of Minneapolis to issue one or more on-sale intoxicating liquor licenses to any entity holding a concessions or catering contract with the Minneapolis Park and Recreation Board for use on the premises of the Downtown Commons Park, the Minneapolis Sculpture Garden, or at Boom Island Park. The licenses authorized by this subdivision may be used for space specified within the park property, provided all such space is included in the description of the licensed premises on the approved license application. The licenses authorize sales on the dates on the approved license application. Effective upon approval by the Minneapolis City Council and in compliance with Minn. Stat. § 645.021.
- Sunday delivery of alcohol to on-sale licensee prohibited. Section 3 amends Minn. Stat. § 340A.504, subd. 4 by adding "or on-sale" to clarify that no delivery of alcohol to an off-sale or on-sale licensee may be made by a wholesaler or accepted by an off-sale or on-sale licensee on a Sunday.
- Airport Commission authority to set hours of sale. Section 4 amends Minn. Stat. § 340A.5041 to allow the Metropolitan Airports Commission to set hours of sale at on-sale locations within the security areas of the Lindbergh and Humphrey Terminals.
- Reporting of pension obligations. Section 5 amends Minn. Stat. § 340A.602 to clarify that costs related to pension obligations of municipal liquor store employees, as required by Statement 68 of the Governmental Accounting Standards Board, should not be regarded in the report of the operations of a municipal liquor store showing a net loss prior to interfund transfer.
- Local liquor licenses. Sections 6-19 are local licensing authorizations.
 - City of St. Paul licenses. Section 6 amends the authority of the city of St. Paul to issue a temporary on-sale intoxicating liquor license to Twin Cities in Motion for the Twin Cities Marathon for both days of the weekend that the marathon is held instead of one day.
 - **Sartell special license.** Section 7 authorizes the city of Sartell to issue an on-sale intoxicating liquor license to a person or entity holding a concessions or

- management contract with the city or its agent for the city-owned facility known as St. Cloud Orthopedics Field.
- Chaska Athletic Park. Section 8 authorizes the city of Chaska to issue an on-sale liquor license for events occurring each year between May 1 and Aug. 30 at the Athletic Park located at 725 West 1st Street in the city of Chaska.
- St. Paul Food Hall. Section 9 authorizes the city of St. Paul to issue an on-sale intoxicating liquor license for an anchor tenant or umbrella operator for a distinct, compact, and contiguous premises which contains restaurants and closes by midnight. The license may allow service and consumption anywhere within the defined premises as long as consumption of licensed beverages sold by the license holder is within the food establishment area or common areas within the licensed premises.
- **Baudette Arena Association.** Section 10 authorizes Lake of the Woods County to issue temporary licenses for the Baudette Arena Association.
- Maple Lake Ice Fishing Derby, Inc. Section 11 authorizes Wright County to issue a temporary onsale license to the Maple Lake Ice Fishing Derby, Inc. The authority to issue and approve the on-sale license under this section expires May 1, 2022.
- City of Forest Lake, Castlewood Golf Course. Section 12 authorizes the City of Forest Lake to issue an on-sale intoxicating liquor license for the Castlewood Golf Course located at 7050 Scandia Trail North in the city of Forest Lake and owned by the city. The city is deemed the licensee.
- Junior Hockey Leagues. Sections 13, 14, and 15 authorize the cities of St. Cloud, Austin, and Rochester to issue on-sale wine licenses and on-sale malt liquor licenses to a person who is the owner of a junior hockey league team or to a person holding a concessions or management contract with the city or the team owner for beverage sales at the St. Cloud Municipal Ice Arena, the Riverside Arena in Austin, and the Rochester Recreation Center.
- City of Pierz Golf Course. Section 16 authorizes the City of Pierz to issue an on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license for the city-owned Pierz Golf Course. The city is deemed the licensee.
- City of Pemberton Community Center. Section 17 authorizes the City of Pemberton to issue an onsale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license for the city-owned Pemberton Community Center. The city is deemed the licensee.

- City of Roseville Cedarholm Golf Course. Section 18 authorizes the City of Roseville to issue an on-sale intoxicating liquor license for the cityowned Roseville Cedarholm Golf Course located at 2323 Hamline Avenue North. The city is deemed the licensee.
- Minnesota Lakes Maritime Society. Section 19 authorizes the City of Alexandria to issue temporary licenses to the Minnesota Lakes Maritime Society, doing business as the Legacy of the Lakes Museum, without regard to the restriction set forth in Minn. Stat. § 340A.410, subd. 10(b).

Local liquor licenses in sections 2 and 6-19 are effective upon approval by the county boards or city councils in each jurisdiction and in compliance with Minn. Stat. § 645.021. All other provisions effective May 28, 2020. (AL)



LOCAL LAWS

Special legislation allowing increased members for North Branch PUC

Chapter 102 (HF 3242/SF 3020*) allows the City of North Branch to increase their public utility commission membership from three to five members. The change was requested by the city. Effective the day following approval by the city council and in compliance with Minn. Stat. § 645.021. (CJ)



PENSIONS

Omnibus Pensions and Retirement Act

Chapter 108 (HF 3903/SF 3808*) is the Omnibus Pensions and Retirement Act. Summarized below are provisions that may be of interest to cities.

- City of St. Paul and St. Paul School District contributions to multiemployer plans modified. Article 2 resolves an issue related to the City of St. Paul and the St. Paul School District. It was discovered that the city and St. Paul School District were contributing to both the Public Employees Retirement Association (PERA) General Plan for its union employees and to union-sponsored multiemployer retirement plans. State law prohibits contributing to both, unless the state law includes an exception from the general prohibition.
 - Employees excluded from PERA definition modified. Article 2, section 1 amends Minn. Stat. § 353.01, subd. 2b. It revises the definition of employees who are excluded from PERA coverage by combining all the clauses dealing with employees in a variety of building and construction trades into one clause. It prospectively excludes trades employees hired on or after July 1, 2020, by the City of St. Paul or St. Paul

- School District from participation in PERA. Laborers, plumbers, pipefitters, and operating engineers are excepted from the exclusion for trades employees.
- Contributions to certain multiemployer plans authorized. Article 2, section 2 creates Minn. Stat. § 356.27. It authorizes the City of St. Paul and the St. Paul School District to make contributions to certain multiemployer plans on behalf of employees in the building and construction trades. Trades employees hired before July 1, 2020 who have been participating in the PERA General Plan and a multiemployer plan, are grandfathered and will be permitted to continue to participate in both PERA and their multiemployer plan. Trades employees hired on or after July 1, 2020 are not permitted to participate in PERA. The city and school district are required to annually report to the Legislative Commission on Pensions and Retirement the number of grandfathered trades employees for whom these employers are still making contributions to PERA.
- **Requirement repealed.** Article 2, section 3 repeals a requirement that has not been complied with for many years, if ever, which is that any change in benefits or employer contributions to a supplemental plan will not take effect unless approved by the legislature. "Supplemental plans" include multiemployer plans, school district 403(b) plans, municipal 457(b) plans, and other retirement plans sponsored by public employers that are not one of the statewide plans. *Effective May 28, 2020.*
- Phase-out of enhanced augmentation under PERA when a medical facility privatizes provided. Article 3 revises Minn. Stat. ch. 353F, which provides additional benefits to employees whose PERA coverage ends when their employer changes from a governmental subdivision to a nonprofit or for-profit corporation. Affected employers include hospitals, nursing homes, and other medical facilities. The article phases out enhanced augmentation for these employees. Beginning July 1, 2020, the augmentation rate for all previously privatized employees is reduced to 2% and is eliminated entirely effective Jan. 1, 2024. Effective May 28, 2020.
- State auditor reporting requirements for pension plans modified. Article 4 revises Minn. Stat. ch. 356. It updates and clarifies the requirements for reporting to the State Auditor by public pension plans that do not fully invest their assets with the State Board of Investment (SBI). It also removes redundant reporting requirements for the SBI. Generally, the updated reporting requirements apply to the Bloomington Fire Department Relief Association, the St. Paul Teachers Retirement Fund Association, and volunteer firefighter relief associations that are not fully invested through the SBI. Effective May 28, 2020.

- **PERA administrative changes provided.** Article 6 makes administrative changes to Minn. Stat. ch. 353, as requested by PERA, as follows:
 - Clarifies the definition of a "seasonal employee;"
 - Clarifies that a member who purchases service credit for a period of military service is permitted to purchase service credit for less than the entire period of military service if the period is longer than one year and that such purchases must be in increments of six months;
 - Clarifies the date as of which a member or survivor is able to be considered as having begun to receive a retirement annuity, bounce-back annuity, or survivor annuity, where the member or survivor does not file an application for benefits immediately upon the retirement or death;
 - Clarifies language in the Phased Retirement Option (PRO) and states that a member wishing to use the PRO must continue working in the same position for the same employer as the member had prior to entering into the PRO;
 - Clarifies the graded vesting requirements for the PERA Police and Fire Plan;
 - Makes a number of modifications to the PERA Police and Fire Plan disability provisions including clarifying that a member is not required to terminate service before being eligible to apply for a disability benefit and making retroactive corrections to reflect actual operation in compliance with federal law; and
 - Repeals a provision permitting members to suspend or reduce their annuity payments for a period of time. *Effective July 1, 2020*.
- Administrative changes to the PERA Statewide Volunteer Firefighter (SVF) Plan. Article 7 makes administrative changes to Minn. Stat. ch. 353G, as requested by the PERA Statewide Volunteer Firefighter Plan Advisory Committee, as follows:
 - Provides that the definition of "governing body" is the governing body of a municipality or independent nonprofit firefighting corporation or, in the case of a joint powers entity, the governing bodies of the municipalities associated with the joint powers entity;
 - Establishes a process for a governing body to elect coverage by the SVF when there is no existing volunteer fire relief association;
 - Modifies the process for transferring coverage from a volunteer fire relief association to the SVF;
 - Establishes procedures for approval when the approving body is a joint powers entity;
 - Permits the calculation of a lump-sum pension amount using months rather than years if it is provided for in the relief association's bylaws;

- Clarifies that a deferred member of a former relief association is eligible for the benefit the member would have received from the former relief association, even though the benefit will be paid from the SVF;
- Permits a fire chief to initiate a benefit increase under the lump-sum division of the SVF, not just the governing body of the municipality, as under current law; and
- Changes the official name of the SVF from "voluntary statewide volunteer firefighter retirement" plan or fund to "statewide volunteer firefighter plan" or "statewide volunteer firefighter fund," as applicable. *Effective May 28, 2020*.
- Credit for service for Maplewood firefighter provided. Article 9 is a 2020 Session Law that permits a former firefighter employed by the city of Maplewood to purchase service credit under the PERA Police and Fire Plan for a period of approximately 7 months when he should have been participating in the plan, but had not been enrolled by the City. If the member pays the missed employee contributions with interest, the City must pay the missed employer contributions with interest, and PERA will credit the service. Effective May 28, 2020.
- Increase in the maximum lump-sum pension amount for volunteer firefighters provided. Article 10 amends Minn. Stat. § 424A.02, subd. 3. It increases the maximum lump-sum pension amount that is multiplied by years of service to compute lump sum benefits under a defined benefit relief association. The maximum is increased from \$10,000 to \$15,000 and incremental amounts are added between \$10,000 and \$15,000. The article also repeals Laws 2018, chapter 211, article 14, section 29, which permits Plymouth to increase its lump-sum amount up to \$12,500. The section is repealed because the new maximum lump-sum amount is higher than the current \$12,500 maximum available to Plymouth. Effective Jan. 1, 2021.
- Authorized allocation of fire state aid modified. Article 11 contains the recommendations of the Fire State Aid Work Group to permit a municipality to allocate (or split) its fire state aid between its career firefighters and its volunteer firefighters, but only if the amount allocated to the career firefighters is agreed to by the relief association. Under current law, if a municipality is affiliated with a relief association, any fire state aid the municipality receives must be sent to the relief association. This remains true regardless of whether the municipality also has full-time or career firefighters covered by the Public Employees Retirement Association (PERA) Police and Fire Plan.

- **Distribution of aid according to agreement required.** Article 11, section 1 amends Minn. Stat. § 477B.04, subd. 3. It requires a municipality affiliated with a relief association to distribute fire state aid in accordance with an aid allocation agreement if one exists. *Effective for aids payable in 2021 and thereafter.*
- Split fire state aid allocation authorized. Article 11, section 2 creates Minn. Stat. § 477B.042. It authorizes municipalities to allocate fire state aid between their affiliated volunteer firefighter relief association and their career firefighters if there is an aid allocation agreement between the municipality and the relief association. It requires that any aid allocated to career firefighters must be used to pay PERA employer contributions within 18 months of the transfer or be returned to the relief association. It describes the requirements for an acceptable aid allocation agreement. It provides for the termination of an aid allocation agreement by the mutual consent of the municipality and the relief association or by either party upon a 50% or more change in the fire state aid transmitted to the municipality by the state. It establishes a requirement that aid allocation agreements must be filed with the state auditor. Effective for aids payable in 2021 and thereafter.
- Hibbing and Austin allocation agreements grandfathered. Article 11, section 3 is a 2020 Session Law that grandfathers the fire state aid allocation arrangements of the cities of Hibbing and Austin. Hibbing is allocating fire state aid under a court ordered settlement agreement and a 1980 session law. Austin is allocating fire state aid under a session law passed in 2019. Both cities are permitted to continue their current arrangement until such time as their arrangement changes. At that point, the cities would be required to comply with sections 1 and 2 as described above. Effective May 28, 2020.
- Eagan allocation authorized. Article 11, section 4 is a 2020 Session Law that permits the City of Eagan to allocate fire state aid paid in 2020 pursuant to an aid allocation agreement. The authority to do so expires June 30, 2022. Effective May 28 and applies retroactively from Jan. 1, 2020.
- Relief association dissolution and retirement plan termination provided. Article 12 is legislation resulting from the recommendations of the Conversions and Dissolutions Work Group.
 - **Definitions provided.** Article 12, sections 1-14 add subdivisions to Minn. Stat. § 424B.01 to include new definitions for "defined benefit plan" and "defined contribution plan;" "municipality," which addresses municipalities that are part of a joint powers agreement; "required contribution;" and "retiree in pay status."

- Dissolution and retirement plan termination procedure specified. Article 12, section 15 creates Minn. Stat. § 424B.22. It consists of 12 subdivisions providing a new set of procedures and requirements for dissolving a relief association and terminating its retirement plan. Steps in the process include fully vesting all members in their retirement benefits; authority to increase the lump sum amount or monthly benefit amount to reduce any surplus and pay the surplus to firefighters in the form of larger retirement benefits. ("Surplus" is defined in Section 14 as the amount by which assets exceed liabilities.); a requirement that the board of trustees transfer any remaining surplus to the affiliated municipality up to the amount of required contributions made by the municipality during the preceding 10 years, and thereafter split any remaining surplus equally between the relief association and the municipality; and a requirement that payment of all retirement benefits within 210 days of the effective date of plan termination, thereby allowing firefighters to receive their benefits immediately, rather than waiting until they reach age 50.
- Current law repealed. Article 12, section 16 repeals Minn. Stat. § 424B.20 and Minn. Stat. § 424B.21, current law on dissolution of relief associations. *Effective May 28, 2020.*
- Brooklyn Park Firefighters' Relief Association dissolution and plan termination provided. Article 13 is a 2020 Session Law that provides for the dissolution of the Brooklyn Park Firefighters' Relief Association and the termination of the retirement plan administered by the relief association. The relief association is required to fully vest all accounts in the relief association retirement plan and make immediate distributions of accounts, among other requirements. Effective the day after compliance with the local approval requirements in Minn. Stat. § 645.021, which require approval by the Brooklyn Park City Council and the filing of the council's resolution with the Secretary of State.
- Ramsey Volunteer Firefighters' Relief Association division authorized. Article 14 is a 2020 Session Law that provides for the division of the Ramsey Firefighters' Relief Association. The cities of Ramsey and Nowthen are in the process of terminating a joint powers agreement by which fire services were provided through one fire department. Effective May 28, 2020.
- Volunteer Firefighter Relief Associations conversions from defined benefit plan to defined contribution plan provided. Article 15 is also the result of recommendations from the Conversions and Dissolutions Work Group (the first is Article 12 pertaining to dissolutions and retirement plan terminations).

- **Definitions provided.** Article 15, sections 1-12 add subdivisions to Minn. Stat. § 424B.01. They provide new definitions to supplement definitions already provided in the section.
- Conversions from defined benefit plan to defined contribution plan process specified. Article 15, section 13 creates Minn. Stat. § 424B.13. It consists of 10 subdivisions that provide a procedure and requirements for converting a defined benefit relief association to a defined contribution relief association. The new procedures include a requirement that all retirement benefits under the defined benefit plan become fully vested and authority to allocate any surplus among the new accounts in the defined contribution plan. Effective May 28, 2020.
- State Auditor's Volunteer Firefighter Working Group recommendations. Article 16 contains the recommendations of State Auditor's Volunteer Fire Relief Association Working Group.
 - **Time to dispute shortened.** Article 16, section 1 amends Minn. Stat. § 424A.003 by revising the period of time in which a firefighter can dispute the fire chief's annual service credit certification from 60 days to 21 days. *Effective Jan. 1, 2021*.
 - **Technical term modified.** Article 16, section 2 amends Minn. Stat. § 424A.014, subd. 1 by replacing the term "governmental auditing standards" with "auditing standards" in a section describing required audited financial statements. *Effective May 28, 2020.*
 - Defined contribution requirement for inactive members modified. Article 16, section 3 amends Minn. Stat. § 424A.016, subd. 4 by modifying the requirements for defined contribution plans to require that defined contribution plans credit inactive members with investment gains or losses. Effective Aug. 1, 2020.
 - Defined contribution requirement for deferred members modified. Article 16, section 4 amends Minn. Stat. § 424A.016, subd. 6 by modifying the requirements for defined contribution plans to require that defined contribution plans credit deferred members with investment gains or losses. Effective May 28, 2020.
 - **Benefits based on service clarified.** Article 16, section 5 amends Minn. Stat. § 424A.03 by clarifying provisions that require pension and retirement benefits to be based on service, not compensation. *Effective May* 28, 2020.
 - Lump-sum relief technical changes provided. Article 16, section 6 makes technical changes to Minn. Stat. § 424A.092, subd. 1. Effective May 28, 2020.
 - Accrued liability determination modified. Article 16, section 7 amends Minn. Stat. § 424A.092, subd. 2. It provides that starting with calculations performed in

2021, accrued liability will be determined based on a method and factors to be updated and maintained in the Appendix to the Pension Commission's Standards for Actuarial Work, allowing the Legislative Commission on Pensions and Retirement to revise the table without needing to pass legislation. *Effective May 28*, 2020

Effective dates vary and are noted by section. (AF)



PUBLIC FINANCE

State disaster assistance account replenished

Chapter 68 (HF 3633/SF 3564*) transfers \$30 million to the state disaster assistance contingency account. That fund is used to meet local match requirements for federal disaster assistance, as well as for other state disaster assistance purposes found in Minn. Stat. § 12.221, subd. 6. *Effective May 18, 2020.* **(CJ)**



Law enforcement use of unmanned aerial vehicles See summary under Data Practices.

Eyewitness identification policies required

Chapter 90 (HF 627*/SF 1256) creates Minn. Stat. § 626.8433. It requires law enforcement policies on best practices for eyewitness identifications.

- Statewide model policy required. Subd. 1 provides that by Nov. 1, 2020, the Peace Officer Standards and Training (POST) Board, in consultation with stakeholders, must develop a model policy that articulates best practices in eyewitness identification and promotes uniform practices statewide. The POST Board must distribute this model policy to all chief law enforcement officers. At a minimum, the policy must require that:
 - A person administering a live or photographic lineup be unaware of the suspect's identity, or if that is not practical, the administrator use a photographic lineup that prevents the administrator from seeing which member of the photographic lineup is being viewed by the eyewitness at a given time;
 - Before the procedure, the eyewitness be instructed that the perpetrator may or may not be in the lineup;
 - Non-suspect "fillers" used in the lineup be substantially similar to the eyewitness' description of the perpetrator; and
 - Immediately after an identification is made, the eyewitness provide a statement in the eyewitness' own words that articulates the level of the eyewitness' confidence in the identification.

- Agency policies required. Subd. 2 provides that by Feb. 1, 2021, the chief law enforcement officers of every state and local law enforcement agency shall adopt and implement a written policy on eyewitness identification practices that is identical to or substantially similar to the model policy developed under subd. 1.
- Admissibility of evidence not impacted. Subd. 3 provides that nothing in this section is intended to preclude the admissibility of any relevant evidence or to affect the standards governing the admissibility of evidence under the United States or Minnesota Constitution.

Effective Aug. 1, 2020. (AF)

Omnibus public safety and corrections policy act Chapter 110 (HF 3391/SF 3258*) is the omnibus public safety and corrections policy act. Summarized below are provisions that may be of interest to cities.

- Conservation officer limitation removed. Section 1 amends Minn. Stat. § 169A.03, subd. 18. It removes limitations on when a conservation officer qualifies as a "peace officer" under the driving while intoxicated (DWI) chapter. Under current law, conservation officers only have the authority to enforce provisions of the DWI chapter against individuals who are hunting, or operating off-road recreational vehicles or motorboats while under the influence of alcohol, drugs, or an intoxicating substance. Effective Aug. 1, 2020.
- Unmanned aerial vehicle prohibition provided. Section 5 creates Minn. Stat. § 243.552. It creates the misdemeanor crime of operating a drone in the airspace above a state prison or other property controlled by the Commissioner of the Department of Corrections. It assesses a gross misdemeanor penalty to those who operate a drone in violation of this new law while using the drone to record images or to introduce items that are not contraband into a prison without authorization. *Effective Aug. 1, 2020.*
- Local match temporarily suspended for youth intervention program grants. Section 7 is a 2020 Session Law. It eliminates the local match requirement for youth intervention program grants made in calendar year 2020 before the Governor's declaration of a peacetime emergency if grant recipients suspended or severely limited programming in response to the peacetime emergency. The Office of Justice Programs is required to report on the number of grant recipients who either met or were unable to meet the local match requirement in 2020. Effective May 28, 2020.

Effective dates vary and are noted by section. (AF)



Omnibus Transportation Policy Act

Chapter 100 (HF 462*/SF 1014) is the omnibus transportation policy act. Summarized below are provisions that may be of interest to cities.

- Notification by road authority to private road owner required. Section 1 adds a provision to Minn. Stat. § 160.05, subd. 1. It provides that before a road authority may make any repairs or conduct any work on a private road, the road authority must notify the owner of the road of the intent to make repairs or conduct work on the private road. The notice must be sent to the owner by certified mail. The notice must specify the segment of road that is the subject of the notice and state the duration of the repairs or work. It does not apply to a road segment for which: (1) repair or work started before Aug. 1, 2020 or (2) a road authority has continuously maintained since before Aug. 1, 2020. Effective Aug. 1, 2020.
- Escort vehicles for overdimensional loads requirements provided. Section 11 creates Minn. Stat. § 169.812. It provides requirements related to escort vehicles for overdimensional loads.
 - Escorts based on width regulations provided. The section provides that no escort vehicle is required if the width of an overdimensional load is 15 feet or less as measured at the bottom of the load or is 16 feet or less as measured at the top of the load. Only one rear escort vehicle is required on a multilane divided roadway if the width of an overdimensional load is more than 15 feet as measured at the bottom of the load or is more than 16 feet as measured at the top of the load. Only one lead escort vehicle and one rear escort vehicle is required on any undivided roadway if the width of an overdimensional load is more than 15 feet as measured at the bottom of the load or is more than 16 feet as measured at the top of the load. Only one lead licensed peace officer is required when any part of an overdimensional load or a vehicle transporting an overdimensional load extends beyond the left of the centerline on an undivided roadway. The Commissioner of the Department of Transportation may require additional escorts when deemed necessary to protect public safety or to ensure against undue damage to the road foundations, surfaces, or structures. The Commissioner must specify in the permit (1) the number of additional escorts required and (2) whether the operators of the escort vehicles must be licensed peace officers or may be escort drivers.
 - Escorts based on length regulations provided.

 When a vehicle transporting an overdimensional load is operated on a multilane divided roadway, only one

rear escort vehicle is required if the overdimensional load has an overall length exceeding 110 feet, or only one lead escort vehicle and one rear escort vehicle is required if the overdimensional load has an overall length exceeding 150 feet. One lead escort vehicle and one rear escort vehicle is required on any undivided roadway if the overall length of the overdimensional load exceeds 110 feet. The Commissioner of the Department of Transportation may require additional escorts when deemed necessary to protect public safety or to ensure against undue damage to the road foundations, surfaces, or structures. The Commissioner must specify in the permit (1) the number of additional escorts required and (2) whether the operators of the escort vehicles must be licensed peace officers or may be escort drivers. Effective May 28, 2020.

- Mental health identifier authorized. Section 15 adds a subdivision to Minn. Stat. § 171.07. It provides that upon the written request of the applicant, the Commissioner of the Department of Public Safety must issue a driver's license or Minnesota identification card bearing a graphic or written identifier for a mental health condition. The applicant must submit the written request for the identifier at the time the photograph or electronically produced image is taken. The Commissioner must not include any specific medical information on the driver's license or Minnesota identification card. *Effective Aug. 1, 2020.*
- Law enforcement salary survey. Section 20 requires the Legislative Auditor conduct a compensation and benefit survey of law enforcement officers. See summary under Employment.

Effective dates vary and are noted by section. (AF)

League of Minnesota Cities Intergovernmental Relations Department

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

IGR staff members and legislative issues:

Gary Carlson

Intergovernmental Relations Director (651) 281–1255 gcarlson@lmc.org www.twitter.com/garyncarlson

Legislative issues:

- · Aid to cities
- Economic development
- Pensions and retirement
- · Public finance
- Taxes
- Tax increment financing (TIF)
- · Workers' compensation

Anne Finn

Assistant Intergovernmental Relations Director (651) 281–1263 afinn@lmc.org www.twitter.com/annemfinn

Legislative issues:

- · Emergency management
- Employment and human resources
- · Public safety
- State bonding
- Transportation

Ted Bengtson

IGR Administrative Coordinator (651) 281-1242 tbengtson@lmc.org www.twitter.com/tbengtsonLMC

Legislative issues:

- General
- Member relations

Craig Johnson

Intergovernmental Relations Representative (651) 281–1259 cjohnson@lmc.org www.twitter.com/cajohnson_1

Legislative issues:

- Energy
- Environment
- Land use and annexation
- Local/tribal relations
- State bonding
- Sustainable development
- Wastewater, drinking water, and stormwater

Irene Kao

Intergovernmental Relations Counsel (651) 281–1260 ikao@lmc.org www.twitter.com/irenewkao

Legislative issues:

- Building codes
- Civil liability
- Data practices and Open Meeting Law
- Employment law
- Land use, zoning, and annexation

Daniel Lightfoot

Intergovernmental Relations
Representative
(651) 281-1295
dlightfoot@lmc.org
www.twitter.com/DFLightfoot

Legislative issues:

- Broadband
- Cable/franchising
- Housing
- Telecommunications & information technology
- Wireless infrastructure

Ann Lindstrom

Intergovernmental Relations Representative (651) 281–1261 alindstrom@lmc.org www.twitter.com/AnnRL

Legislative issues:

- Elections
- Employment and human resources
- Federal relations and advocacy
- Local/state regulation and licensing
- Preemption



League of Minnesota Cities 145 University Avenue West St. Paul, MN 55103-2044

TEL: (651) 281-1200

(800) 925-1122

TDD: (651) 281-1290 FAX: (651) 281-1299 WEB: www.lmc.org