



2023 Legislative Session

Overview



May 24, 2023 – Judd Schetnan, Government Affairs Director



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Budget bills



Transportation Finance



Funding allocations

- **Metro Mobility** \$55.976 million in FY24 and \$55.976 million in FY25
- **Transit Systems Operations** \$85.654 million in FY24
 - \$50 million for a Hennepin County grant for the Blue Line Extension (\$40 million available after FFGA is signed if before June 30, 2027)
 - \$3 million for highway BRT development in the Highway 169 and Highway 55 corridors
- **Transit Systems Operations** \$32.654 million in FY25
- **Transit Service Intervention Project grants** \$2 million in FY23
- **Change to the Motor Vehicle Sales Tax (MVST) allocation / formula**
 - Tax rate increased by .375% to 6.875%
 - Met Council share of MVST reduced slightly from 36% to 34.3%
 - Estimated Impact: ~\$1 million in new annual revenue
- **Regional Transit Capital bonds** finance fleet replacement and small capital projects. Authorization to the Council to issue bonds up to \$51.5 million in 2023 and \$53.045 million in 2024

Transportation Finance



New, sustainable revenue for regional transportation

- **¾ cent sales tax for metropolitan transportation**, starting October 1, 2023
 - 17% to counties
 - 83% to Metropolitan Council
 - 5% to active transportation (to be determined by TAB)
 - 95% to transit operations, maintenance, capital projects
- Expected revenue of \$300.333 million in FY24, \$465.462 million in FY25, \$479.886 million in FY26, and \$493.730 million in FY27
- The Council is prohibited from using sales tax revenue to pay for the Southwest Light Rail project until Metro Governance Task Force concludes in 2024
- Changes Guideways and Busways construction and operation funding agreements with counties

Metropolitan Governance Task Force



Study of governance of the Metropolitan Council

- **Metropolitan Governance Task Force** included in the transportation bill to study and make recommendations to the legislature on reform and governance of the Metropolitan Council.
 - The enacting legislation defines the task force membership and requires them to study the costs and benefits of several types of governance options for the Council.
 - The task force is required to submit findings and recommendations to the legislature by February 1, 2024.

Environment Finance



Investments in the region's water resources and regional parks

- **\$2 million for a White Bear Lake Work Group**
 - Develop community-based plan to
 - Ensure access to sufficient safe drinking water
 - Allow for municipal growth
 - Ensure sustainability of surface water and groundwater resources
- **\$2.75 million** for city of Newport inflow and infiltration
- **\$9 million** one-time funding to modernize regional parks and trails
 - Matched with \$6 million in Met Council funds
- **\$6 million** one-time general fund increase and \$1.5 million ongoing annual increase in lottery-in-lieu funds for regional parks and trails operations and maintenance (total O&M for the biennium is \$28.98 million)
- **\$1 million** for regional parks, and tree removal and replacement due to emerald ash borer

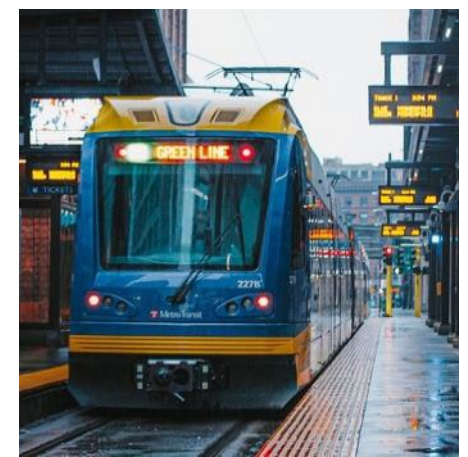
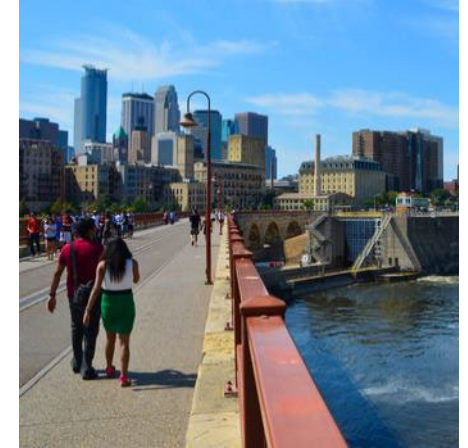
Legacy funding

Clean water fund

- **\$2.25 million** for the Council's Water Supply Sustainability Support program, which supports projects that address emerging drinking water supply threats.
- **\$1.5 million** for the Council's Water Demand Reduction Grant Program, which provides grants for projects that encourage implementation of water demand reduction measures by municipalities in the metro area.

Parks and trails fund

- **\$28.572 million** in FY2024 and **\$25.524 million** in FY2025 for the Metropolitan Regional Parks System
 - Continues the 40/40/20 split
 - Met Council matches the 10% statutorily directed to land acquisition with \$2 of regional funds for every \$3 of state funds.
 - Park implementing agencies match 25% of total acquisition costs.



Capital Investment



Investments in regional infrastructure

- **\$72 million** for arterial bus rapid transit.
 - Advances three projects: the METRO F Line – Central Avenue Corridor; G Line – Rice/Robert corridor; and H Line – Como/Maryland corridor,
- **\$7 million** for the Apple Valley 147th Street Transit Station
 - Construct a skyway bridge over Cedar Avenue. Existing METRO Red Line station was constructed to be compatible with a future skyway bridge
- **\$12 million** to address inflow and infiltration (I/I) into the regional wastewater system
- **\$16.62 million** for regional parks and trails infrastructure, matched with \$11.08 million in Met Council funds
 - Total investment of \$27.7 million

Taxes

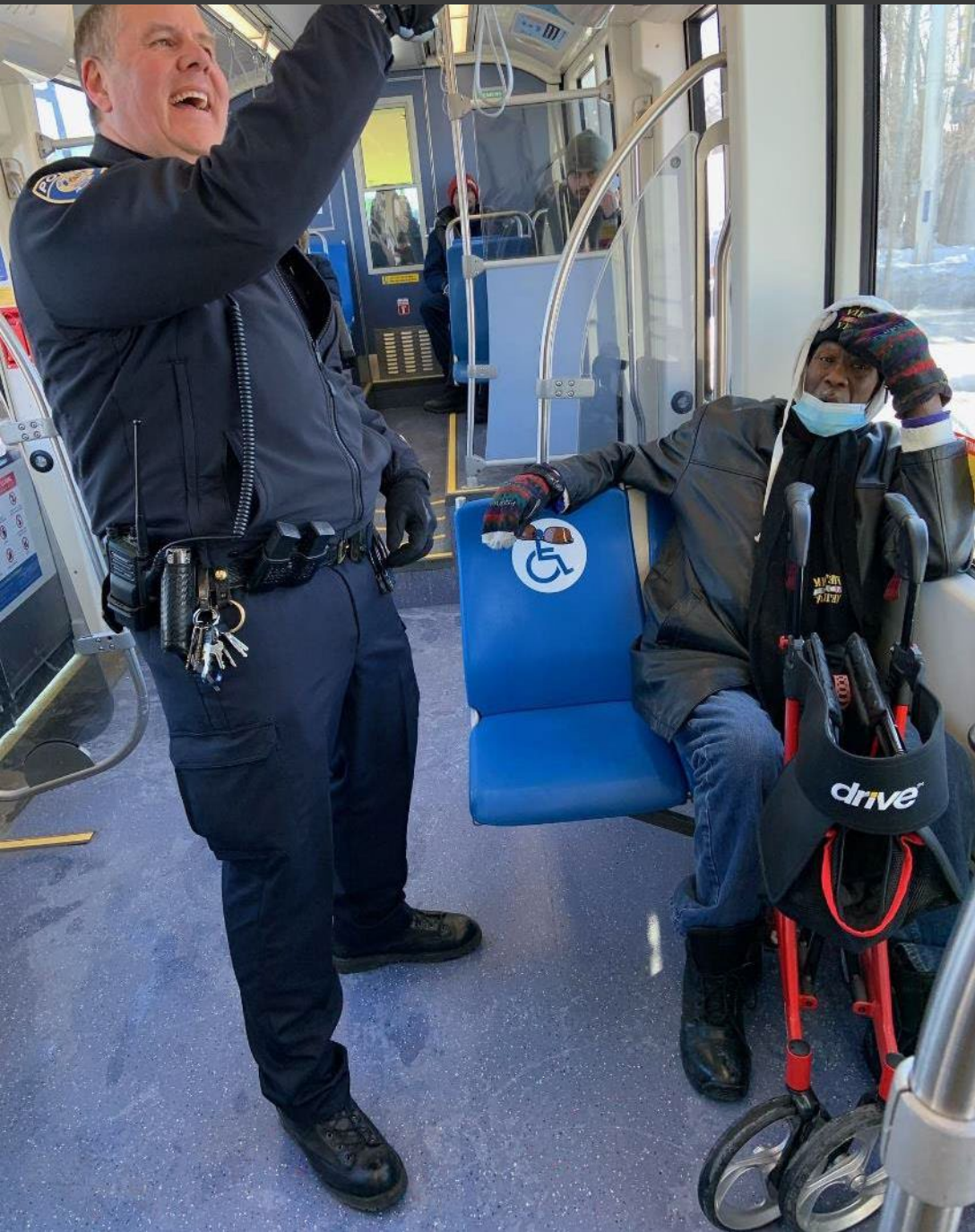
Fiscal disparities

- **Fiscal disparities definition update** changes the definition for fiscal disparities to match the definition for the Met Council's 7 county metro area jurisdiction (agency initiative)

Policy highlights



Transportation policy changes



- Transit safety initiatives
 - Administrative Citations (agency initiative)
 - Transit Rider Investment Program (TRIP)
 - Transit Service Intervention Project
 - Code of Conduct
- Climate Mitigation and Adaptation
 - Transportation
 - Regional Development Guide and Comprehensive Plans
- MNDOT assistance for light rail construction
- Metro Transit Cleaning and Repair Standards
- Reporting for SWLRT expenditures
- Commuter Rail Extension Assessment
- SWLRT Expenditure Limitations (CRRSAA)

Transportation policy changes



- Blue Line Extension Engagement Meetings and Route Alignment consultation
- Transit Signal Priority System Planning
- Midtown Greenway Extension Planning
- Metro Mobility Enhancement Pilot Program
- Transit Fare Elimination and Reduction Pilot Program
- Transit programs and passes modernization (agency initiative)
- Dan Patch and Rochester rail line repealers
- Transit data privacy clarification (agency initiative)

Environment and Legacy Policy



Wastewater and parks policy changes

- Annual metro communities wastewater cost report
- Requirement for regional parks implementing agencies to provide free access to parks at least four days each year

Community Development and Housing

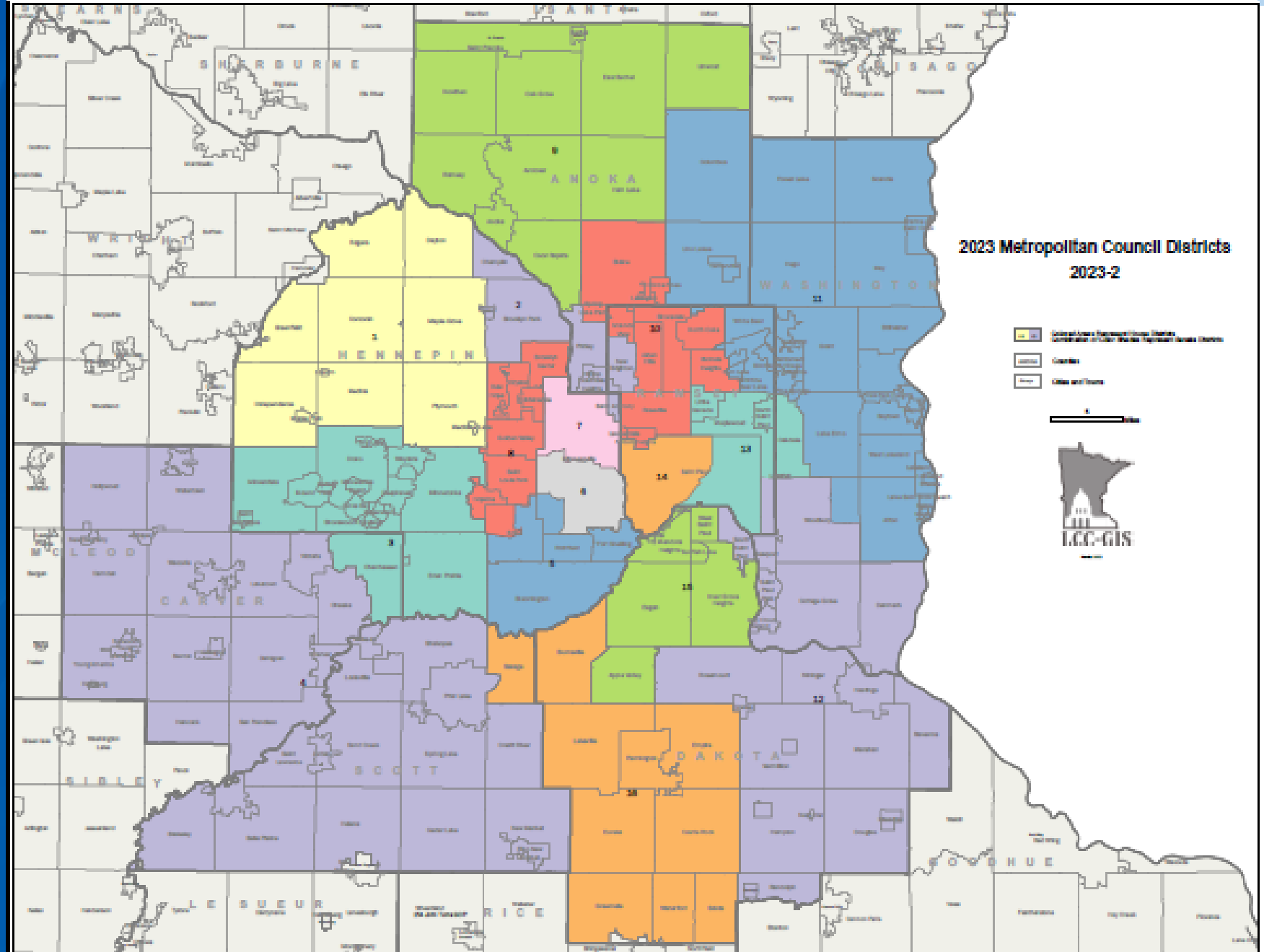


- **New ¼ cent sales tax for housing in the metropolitan region** will be imposed by the Metropolitan Council and distributed to:
 - 25 percent to the state rent assistance account
 - 25 percent to the metropolitan city aid account
 - 50 percent to the metropolitan county aid account
- **Updates to landlord and tenant law**

Met Council redistricting

MN Statute 473.123
Subd. 3a. Redistricting.

The legislature shall redraw the boundaries of the council districts after each decennial federal census so that each district has substantially equal population. Redistricting is effective in the year ending in the numeral "3." Within 60 days after a redistricting plan takes effect, the governor shall appoint members from the newly drawn districts to serve terms as provided under subdivision 2a.





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