



## Recap of 2013 Legislative Actions Affecting the City of Lakeville

June 13, 2013

### **Municipal Revenue & Taxation**

#### **A. Levy Limits**

The Legislature and Governor approved a one-year levy limit of 3 percent. The levy limit includes a two-year look-back, and exempts debt service, voter approved, and natural disaster levies.

#### **B. Sales Tax on All Local Government Purchases**

The Legislature and Governor passed a bill that adds cities and counties to the list of purchasers eligible for a sales tax exemption on qualifying purchases. The tax bill retains current law to not extend the exemption to goods or services purchased as inputs to goods or services generally provided by a private business, such as those provided by liquor stores, utilities, golf courses, marinas, health and fitness centers, campgrounds, cafes and laundromats.

#### **C. Targeting Property Tax Relief Directly to Individuals**

The Legislature and Governor passed a variety of actions regarding property tax relief:

- LGA Reform: A new funding formula was adopted that adds 31 more cities to the list of cities that receive LGA. Lakeville will not receive LGA.
- LGA Funding: An additional \$80 million in FY 14-15; \$160 million in FY 16-17.
- County Aid: \$40 million in FY 14-15; \$80 million in FY 16-17.
- Renter's Credit: \$15.5 million in FY 14-15; \$33.6 million in FY 16-17, which equates to a 7.5 percent increase.
- The circuit breaker (now called the "Homestead Credit Refund") was funded at \$85.6 million in FY 14-15, which equates to a 25 percent increase.
- The Legislature also provides about \$34 million of additional refunds based upon a targeted notification program. Rather than notifying all homeowners of their eligibility for the Homestead Credit Refund, the program is limited to only notifying homeowners who qualify for \$1,000 of PTR or more.

### **Transportation**

#### **A. Transportation System Maintenance Funding**

1. Wheelage Tax – authority was granted to all 87 counties at \$10 per vehicle and up to \$20 per vehicle starting in 2018. Current law only allows metro counties to impose a \$5 wheelage tax.
2. Public Infrastructure Utility - Despite some efforts, a proposed bill to allow cities the ability to create a Street Improvement Utility was not passed.

### **Dan Patch Commuter Rail Corridor**

A bill was introduced to allow discussion and planning for commuter train service on the “Dan Patch Line” but did not pass.

## **Housing**

### **A. Residential Sprinkler Code Requirements**

A requirement to install fire sprinklers in new single-family and two-family homes failed and will not be adopted as part of the 2014 update of the International Residential Code.

### **B. Housing Improvement Areas (HIA)**

The sunset provisions for special service districts and housing improvement areas were extended to June 30, 2028. In addition, the authority to create housing improvement districts was granted to the Dakota County CDA.

## **General Legislation**

### **A. Sunday Off-sale Liquor Sales**

The bill to allow Sunday off-sale liquor sales did not pass.

### **B. Mandates & Local Authority**

The 2013 legislative session included the following mandates that may affect the City of Lakeville:

- **Selecting Solid Waste Collectors** – In cities or towns with more than one licensed hauler, the new law eliminates the 180-day process for adopting organized collection and replaces it with a 60-day negotiation period between a city and its licensed collectors. If the city does not meet an agreement with haulers during the 60-day period, city officials will have to establish a committee to evaluate options and hold a public hearing before implementing organized collection. A contract executed under the 60-day negotiation period must be effective for three to seven years. The city must provide public notice and hold at least one public hearing before implementing the agreement.
- **Employee Sick Leave Expansion** – Employees who work under a vacation/sick leave method of paid time off must be granted the use of a minimum of four weeks sick leave to care for an ailing relative, including caring for an adult child, spouse, parent, grandparent, or stepparent.

### **C. Data Requests for Citizens Contact Information**

The Data Practices Bill includes a provision that will classify individuals’ email addresses and phone numbers as private data, if they are submitted to cities to receive notifications or general information.

The new language will protect contact information used by cities and state agencies to send newsletters, crime data, agendas, meeting minutes, and other similar information sent to citizens who request such updates from their government. The content that is sent to citizens remains public data.