

2016 St. Louis County Legislative Priorities

2015 unresolved county issues under consideration in “pending” Omnibus Tax Bill Conference Committee:

- **PILT Funding Increase** - Payments for both county Tax-forfeited and State Administered lands would increase statewide by \$3,750,000 annually. \$700,000 of this funding increase would come to St. Louis County.
- **PILT Payments to Unorganized Townships** - A totally new payment, all of which would go to counties.
- **Outdoor Heritage Trust Account** - Requires all Outdoor Heritage Council and Legislative Commission on Minnesota Resources “purchases of land” to continue paying the property taxes levied on those lands. Basically 30 years of property taxes would be paid up-front into this new Trust Account at the time of purchase. The State Board of Investment will manage the Trust and each county will receive the equivalent property tax payment on those lands, annually, from the interest gained by the Trust. Actuarial tables verify the Trust will be sufficient to fund these payments into perpetuity.
- **Sparta Tax Forfeited Land Parcels** - Combine Personal Identification Numbers (PIN) of both buildings and land parcels in Sparta, (located between Gilbert and Eveleth) to avoid complicating problems with mining companies that own the land. \$1M in Senate bill is available to help facilitate the cost of removal of buildings, etc., on these lands.
- **Indian Child Welfare Act (ICWA)** - State takeover of non-federal funding share from counties. This nearly \$17M statewide assumption of current county costs would mean \$1.7M per year savings/property tax relief to St. Louis County.
- **County Program Aid (CPA) Increase** - Dozens of counties have fallen off the Tax Base Equalization Portion of the CPA formula due to recent skyrocketing agricultural land values. The Association of Minnesota Counties sponsored an interim CPA Work Group to help resolve the problem. The recommendations of that group for an extra \$25M - \$40M from the legislature will get all counties back on the formula, and generate enough money for a 12% increase in overall CPA for St. Louis County.

Other 2015 carryover items:

- **Maximize Taconite Production Tax Revenues** – Per County Board Resolution No. 15-189, the St. Louis County Board requests the State Legislature to examine various options for restoration of the recent \$0.05 per ton cut in Taconite Production Tax distribution to counties; and, further to mitigate or eliminate any negative impacts of reducing the Iron Range fiscal disparities distribution, if the taconite production tax is insufficient to service bonds.

- **Blandin Tax Court Case/Placeholder Appropriation** - Counties will soon appeal the Blandin Tax Court case to the Minnesota Supreme Court. If the lower court ruling is upheld, St. Louis and other neighboring counties could be liable for paying several million dollars to Blandin for overvaluation of its property. Recommendation is to pursue a legislative appropriation of at least \$10M which would serve as a placeholder, should counties lose the appeal in the Minnesota Supreme Court.

New initiatives for 2016:

- **Bonding Bill Initiatives** - Support the following projects:
 1. Northeast Regional Corrections Center \$2.8M in various capital improvements
 2. Arrowhead Economic Opportunity Agency/Range Mental Health Center Project
 3. Essentia Health Regional Wellness Center
 4. Support for other projects of State/Regional Significance: Bridge Bonding, Local Road Improvement Program, Port Development Assistance Program, etc.
- **Re-establish Out of Home Placement (OHP) State Aid Program** - The 2001 Omnibus Tax Act included a provision requiring the state to assume up to 30% of the non-federal OHP costs, beginning in FY 2004. Unfortunately, the severe “dot.com” recession hit, and the 2003 Legislature, in order to help balance the state’s budget, repealed this \$54M partial state takeover of county OHP costs.

(Minnesota pays only 14% of OHP costs, one of the two lowest state shares in the country. The policy decision made by the 2001 Legislature to begin a state takeover of county costs of OHP was correct and is still consistent with previous state takeovers. For example, in the early 1990s the State took over the county share of costs for several income maintenance programs, and by the end of the decade the court takeover began. In all three instances income maintenance, courts and out-of-home placements, the legislature realized state income and sale taxes are a much more functional way to pay for these mandated services rather than local property taxes.)

- **Amend 2012 St. Louis County Lakeshore Lease lot Legislation** - Several technical amendments are needed to help with the continued implementation of this legislation.
- **Wetland Banking on Tax Forfeited Lands** - The 1991 Wetland Conservation Act prohibits wetland banks on tax forfeited lands. Today, the logic that went into that decision is unclear. What is clear is that the statute is unfairly penalizing counties by preventing them from maximizing the value of their tax forfeited lands.
- **Electronic-Waste Program Updates** - The electronics recycling law needs to be amended so manufacturers share in more of the costs of e-waste. Most of these costs are falling on local governments. The St. Louis County Environmental Services Department is projecting e-waste costs will skyrocket from \$38,000 this year to over \$155,000 in 2016.

- **Corporate Adult Foster Care** - Per the Olmstead decision, pursue legislation that mandates a reduction of licensed beds in St. Louis County, or that stipulates that when a bed becomes vacant that has been occupied by an out of county resident, it is closed.
- **Child Foster Care** - Additional funding for child care assistance for child foster parents and restore emergency supplemental rates.
- **Minnesota Sex Offender Program (MSOP)** - Pursue legislation that stipulates individuals being discharged from MSOP are discharged to reside in the county of financial commitment.

Other legislative issues:

- Minerals Management Account
- Little Stone Dam
- Annual Tax Forfeited “Lands Bill”
- Expand Local Government Sales Tax Exemption
- Acceptable Indoor Decibel Levels in Public Settings (i.e. sporting events, arenas, etc.)

