



Association of
Minnesota Counties

Legislative Policy Priorities

Adopted by AMC Board of Directors 12/8/19

2020

PRIORITIES

Environment and Natural Resources

Local Government Road Wetland Replacement Funding

The Local Road Wetland Replacement Program (LGRWRP) has been an integral part of the “no net loss” policy under the Wetlands Conservation Act (WCA) since 1996. The Board of Water and Soil Resources (BWSR) is required by law to replace wetlands lost as a result of eligible local road reconstruction or rehabilitation. Recently, the state has not been adequately funding the program, which now has a shortage of wetland mitigation and will soon be unable to fulfill its statutory obligation to local governments, resulting in increased costs and delays for public road projects.

General Government

Preserving Tax Base

A 2018 Minnesota Tax Court decision (*Enbridge v. Minnesota*) found that the Department of Revenue over assessed Enbridge Utility Company by more than \$2 billion from tax years 2013-2015. After a series of back-and-forth court appeals, the Minnesota Tax Court released an October decision which decreased total value for tax years 2012-2014 but increased Enbridge’s value for 2015-2016. While the dual findings were not the worst-case scenario, counties and local governments will still be on the hook for hundreds of thousands of dollars, if not millions, in tax refunds plus large interest payments—forcing counties to spend reserves or levy residents for a DOR-issued assessment. In addition, counties are witnessing a surge of contested property tax appeals by big box retailers using questionable comparables and assessment theories. Both developments threaten county budgets and erode tax bases, causing potential shifts to small businesses and residents.

AMC supports pursuing investments for generating wetland banking credits to be available for use by counties for local road projects.

AMC supports promoting legislation that preserves tax base in response to increased property tax appeals, utility tax refunds, and potential “dark store” assessing practices.



General Government

PILT Sustainability

PILT is a vital resource for counties with large amounts of state/federally-owned land. While a certain subset of PILT payments have received increases in funding, two important PILT categories (DNR-administered and county-administered) have remained stagnant, not keeping up with inflation or properly reimbursing local governments for lost tax base. In addition, a recently mandated re-assessment of acquired acres land values caused dramatic swings in PILT appropriations. Counties are asking for minor, technical changes to the PILT assessment rules that would decrease volatility in PILT payments.

AMC supports promoting a sustainable approach to Payment in Lieu of Taxes (PILT) funding that includes proposals to address instability in PILT payments for acquired acres lands.

Health and Human Services

Procurement/County-based Purchasing

County leaders take seriously the role to provide input in the existing managed care procurement process. Counties are uniquely positioned to provide valuable input in selecting the most appropriate health plans to meet the needs in communities. The existing process lacks transparency in how county input is evaluated and weighted, does not allow for a meaningful evaluation of plan performance, and makes no allowance for locally driven initiatives such as county-based purchasing.

AMC supports an improved procurement process that better reflects counties' voices and expertise.

Health and Human Services

Child Welfare—Reducing Disproportionality

Counties play a critical role in keeping children safe and helping families thrive. The number of children experiencing out of home care continues to increase in many counties throughout the state creating serious emotional tolls for families as well as additional fiscal costs to counties. As the state moves ahead to implement the requirements of the federal Family First Prevention Services Act, there are critical opportunities to reshape how the child welfare system supports families and prioritizes prevention and racial equity.

AMC supports a comprehensive approach to strengthen the state's child welfare system to reduce out of home placements and eliminate racial disproportionality in child welfare.

Health and Human Services

Protecting Counties from DHS Financial Errors

In a state supervised, county-administered system such as Minnesota, counties rely on the state to implement and communicate federal regulations, provide billing systems/ technologies, offer training, and oversee compliance with federal regulations. Counties should not be expected to be financially responsible for errors within these systems – in particular because counties are not at fault regarding these errors and have no ability to plan or prepare for these unexpected costs. Fixing the errors uncovered by DHS will take financial resources. Counties will prioritize working alongside DHS to get the state funding necessary to reimburse the federal government. Counties are committed to a health and human service system that delivers with integrity and meets the needs of Minnesotans.

AMC supports state funding to reimburse the federal government for any payment and billing miscalculations.

Health and Human Services

Mental Health and Substance Use Disorder Reform

Counties continue to experience significant gaps within the behavioral health continuum of care throughout the state. Multiple approaches are necessary to reduce the impact of substance abuse and mental illness in communities. One critical component in building a behavioral health system with fewer gaps is making sure a workforce can meet the treatment and service needs in communities. As the comprehensive substance use disorder reform rolls out, counties face a potential crisis in meeting the needs for assessing and accessing treatment for individuals seeking chemical dependency treatment. Counties want to be able to adapt current credentialing requirements to be able to make sure services are available, especially in rural counties.

AMC supports continuing efforts to build out a mental health and substance use treatment system that meets the needs in the community for adults and children.

Public Safety

Community Supervision

Minnesota's county-based probation systems have been underfunded for nearly two decades. Increased funds are needed to support the basic functions of this system. In addition, policy changes related to pre-trial assessment and supervised released supervision are likely to increase caseload pressure for local agencies as well as demanding additional community supports for justice involved individuals. Evidence based practices used in a community setting have been shown to reduce recidivism and increase public safety. The services provided by county probation agents are critical services for meeting the needs of our criminal justice system.

AMC supports increasing funds for community supervision, including core county probation functions that provide critical services for meeting the needs of our criminal justice system through evidence-based practices that focus on addressing criminogenic needs and reducing recidivism.

Transportation & Infrastructure

Transportation Funding

AMC worked closely with our members over the summer and fall to focus on what they think an ideal road and bridge funding package should include. While it is still a work in progress, the most significant finding was that they believe that revenue should come from multiple sources or an “all of the above” approach, including an increase to the tab free structure, a modest increase in the gas tax, MVST rate equalization, and full statutory dedication of the revenue from the auto parts sales tax. While conversations around transportation funding continue this session, AMC will be active in educating legislators and advocating for long-term funding that is comprehensive (multi-modal), balanced (regionally and between modes), sustainable (on-going funding), and dedicated (constitutionally for roads and statutorily for transit).

AMC supports continued comprehensive transportation funding that includes new revenue for roads, bridges, and transit.

Transportation & Infrastructure

Bonding for Local Road and Bridge Programs

While the 2018 bonding bill included significant investments for the local road and local bridge programs, there are many projects that are shovel-ready for when the programs are funded again. The 2018 Bridge Annual Report identified 9,565 deficient bridges on the local system. Local governments have prioritized over 900 deficient bridges for replacement over the next five years with an estimated total replacement cost of over \$500 million. MnDOT has requested funding at \$100 million in GO bonds for each the local road and the local bridge program. Both programs are funded from a variety of sources – local, state, and federal funding helps to improve infrastructure statewide – and these two programs have had enormous success over the years. MnDOT State Aid has done a great job maintaining regional balance across state when awarding funding and counties appreciate working with them on the administration of the programs.

AMC supports a robust bonding bill that includes funding for transportation-related programs, including the Local Road Improvement Program and the Local Bridge Replacement Program.

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