



## **Metro Cities Board of Directors Openings**

The Metro Cities Board of Directors will have openings for terms beginning July 1. The 19-member Board is comprised of elected and appointed officials and must be balanced by city size and population. The Board oversees Metro Cities' operational budget, strategic goals, and legislative policies. The Board also appoints municipal officials to the regional Transportation Advisory Board (TAB) and Technical Advisory Committee (TAC). A nominating committee will meet in March to recommend officers and members for election at the April annual meeting. Interested applicants must submit a resume, cover letter and completed [application](#). For more information contact Patricia Nauman at [patricia@metrocitiesmn.org](mailto:patricia@metrocitiesmn.org). The deadline for applications is March 7, 2025.

## **Local Sales Taxes Bill Heard in Senate**

On Wednesday, the Senate Taxes Committee heard [SF 375](#)-Rest, which would allow certain local projects to be funded through a local sales tax without the need for special legislation. The bill reflects a series of meetings convened by Senator Rest with city organizations and other stakeholders last fall, to consider and review language for a bill this year.

Under the bill, certain projects would be able to be authorized by a resolution of the city council and a referendum on specific projects proposed to be funded. Eligible projects include community centers, criminal justice facilities, convention centers, sports complexes, and parks and trails. Proposed projects would require a public hearing and would need to demonstrate a regional benefit. Local governments could continue to seek special legislation for projects not identified as eligible in the legislation.

The bill contains a local sales tax equalization distribution that requires a metropolitan city imposing a sales tax to share 5% of the total amount of the tax, with contiguous qualifying cities. For greater Minnesota cities imposing a tax, the distribution would be provided to qualifying cities in the same county as the city imposing the tax. For projects funded through special legislation, the amount required to be shared would be 8%.

Metro Cities testified in support of allowing cities to impose local sales taxes for certain projects without special legislation, and acknowledged the bill language on equalization, noting that the association has historically supported equalization for cities through the local government aid formula. The equalization language was included in similar legislation last year and has generally been supported by legislators. A companion bill has not been introduced in the House.

Questions? Contact Patricia Nauman at 651-215-4002 or [patricia@metrocitiesmn.org](mailto:patricia@metrocitiesmn.org)

## **Metropolitan Council Governance Bill Passes House Committee**

The House Elections, Finance, and Governance Operations Committee heard and passed [HF 1329](#)-Koznick. The original bill initially proposed a council of governments model comprised of local officials to comprise the Metropolitan Council, but the bill was amended in committee by a

'delete-all' amendment maintaining appointments of members by the governor, staggering the terms of members, and modifying the statutory nominating committee, with seven county officials appointed by the Association of MN Counties and five city officials, appointed by Metro Cities, to recommend members for the Council. See the [DE2](#) here. After brief discussion and motions to table the bill and to refer it to the Transportation Committee, both of which failed, the bill was re-referred to the general register with a 6-5 vote, along party lines. Metro Cities' policies support staggered terms for Council members, and a majority of a nominating committee be comprised of local officials, with the majority of local officials being city officials, as most regionally set policies and requirements are implemented at the city level. There is no companion bill introduced at this point in the Senate.

### **Bill Proposes Funding for VOTER Account**

The House Elections, Finance, and Governance Operations Committee met on Wednesday, February 26th and heard [HF 977](#) by Frieberg (43B, DFL). This bill proposes to add \$5 million to the Voting Operations, Technology, and Election Resources (VOTER) Account for cities and counties to use to facilitate elections. Secretary of State Steve Simon testified in support of the bill along with Steve Gardener the Commissioner of Kandiyohi County and Micheal Stalberger of the Minnesota Association of County Officers (MACO). The bill was laid over.

The Senate companion, [SF 1430](#)-Carlson, was heard in the Elections committee on Thursday. Among the testifiers was the city clerk from Blaine and several county officials. After some questions on the eligible uses of funding from the VOTER account, the bill was laid over for possible inclusion in a senate omnibus elections bill. Click [HERE](#) to view a recently produced report from the Secretary of State's office that summarizes expenditures from the VOTER account.

### **Housing Tax Credit Qualified Allocation Plan (QAP)**

The 2026-2027 Housing Tax Credit (HTC) Qualified Allocation Plan (QAP) was approved by Governor Walz last week. This plan sets the policy priorities and processes for Minnesota Housing for managing the federal Low-Income Housing Tax Credit Program and sets the overall funding priorities for Minnesota Housing's 2025 Multifamily Consolidated RFP. You can find more information and the final 2026-2027 QAP [HERE](#), and a summary of the public comments and changes [HERE](#). The changes will be reflected in the application materials and processes for the 2025 Multifamily Consolidated RFP and the 2026 Housing Tax Credit Round 1.

Some key changes to the QAP include:

- **Preservation:** Revised selection criteria for the preservation of developments with existing rental assistance to remove barriers at application, reduce upfront application costs, expand eligibility, and prioritize the needs of developments in distress and those with more severe critical physical needs.
- **Innovative Construction Techniques:** Created an Innovative Construction Techniques selection criterion, which incentivizes applicants to reduce construction costs and/or reduce the time a project is under construction.

- **Unacceptable Practices:** Revised the Unacceptable Practices section to simplify and streamline the penalty language so the potential penalties are consistent for each unacceptable practice. An unacceptable practice regarding violation of local, state, or federal laws was added. This will apply to any new or existing state or federal requirements, including prevailing wage and wage theft prevention. An unacceptable practice regarding violations of a new policy (to be set forth in the HTC Compliance Guide) requiring a 120-day written notice to the tenant for any rent increase in excess of 5% was also added.
- **Right of First Refusal:** Added a requirement that all HTC projects involving ownership by qualified nonprofit organizations grant a right of first refusal to the nonprofit to better protect and preserve the long-term affordability of HTC properties and to protect units from converting to market rate.

## **Housing Committee Hears Bill to Support First-Time Homebuyers**

On Tuesday, the House Housing Finance and Policy Committee heard [HF 177](#) and [HF 178](#), both authored by Representative Myers (R-Tonka Bay). These bills exempt the materials and supplies from sales and use taxes for the construction of new single-family homes, duplexes, and triplexes for first-time homebuyers. The bills provide the exemption as a refund to the first-time homebuyer for costs of materials, supplies, and equipment. During the hearing, the bills were amended to decrease the exemption from the first \$460,000 of construction, to the first \$165,000 of construction. Metro Cities [submitted a letter](#) in support of the bills, stating support for increasing affordability for first-time homebuyers, providing a refund directly to the homebuyer, and offering a creative tool to making housing more affordable for first-time homebuyers. The bills were passed and referred to the House Taxes Committee.

Contact Ania McDonnell at [ania@metrocitiesmn.org](mailto:ania@metrocitiesmn.org) for more information.

## **Local Government Cybersecurity Needs Discussed**

A bill establishing a state-funded local government cybersecurity grant program has now been heard in both the House and Senate. [SF 379](#) (Wiklund)/[HF 140](#) (Bahner) establishes a competitive grant program through which cities and other local governments can receive funding for cybersecurity hardware, software, and services.

This bill was amended in the House and Senate to include townships above 5,000 in population. If passed, the bill would authorize cybersecurity grants up to \$25,000 and would authorize the commissioner of information technology to award supplemental grants of up to 75% of the total cost of a proposed cybersecurity expenditure. The bill sets a cap of \$1 million per local government for awards under this grant program. The bill appropriates \$20 million from the general fund for the cybersecurity grant program. Both the House and Senate bills were laid over for possible inclusion in an omnibus State Government finance bill.

Contact Mike Lund at [michael@metrocitiesmn.org](mailto:michael@metrocitiesmn.org) or 651-215-4003 with any questions.

## Bills of Note

[HF 1334](#), Noor: Appropriates money for the High-rise Sprinkler System Program and modifies the requirements for qualifying for the program.

[HF 1340](#), Lee/[SF 1799](#), Mohamed: Bill modifies current law to allow use of housing infrastructure bonds on adaptive reuse developments.

[HF 1345](#), Rarick: Bill increases the allowable number of statutory city public utility commission members.

[HF 1347](#), Koznick/[SF 1788](#), Carlson: Bill appropriates \$20 million for metropolitan cities inflow and infiltration grants.

[HF 1354](#), Moller: Bill limits the scope of videos made available by the BCA for officer-involved death investigations.

[HF 1356](#), Smith: Bill allows for certain municipalities over 100,000 in population to extend zoning authority to unincorporated territory.

[HF 1360](#), Koegel: Bill establishes the empowering small Minnesota communities program.

[HF 1364](#), Heintzeman: Bill appropriates \$15 million for the local road wetland replacement program.

[HF 1369](#), Heintzman/[SF 1527](#), Eichorn: Bill requires photo ID to register to vote and to vote.

[HF 1370](#), Heintzeman/[SF 1447](#), Hoffman: Bill appropriates funds from the clean water fund and the parks and trails fund.

[HF 1375](#), Duran: Bill repeals the peace officer grievance arbitration selection procedure.

[HF 1396](#), Witte/[SF 1524](#), Dibble: Bill expands the permitted uses of unmanned aerial vehicles by law enforcement.

[HF 1397](#), Witte: Bill makes the use of sign and release warrants optional.

[HF 1417](#), Norris/[SF 1775](#), Kunesh: Bill appropriates funding for the manufactured home park infrastructure grants and loans.

[HF 1463](#), Allen: Bill appropriates \$25 million in FY26 and FY27 for town roads and \$10 million in FY26 and FY27 for town bridges.

[HF 1475](#), Gordon/[SF 1243](#), Koran: Bill abolishes the Metropolitan Council.

[HF 1477](#), Nadeau/[SF 1130](#), Hoffman: Bill repeals preemption of local rental ordinances for group homes and adds language prohibiting the use of such ordinances to exclude or prohibit group homes in a city.

[HF 1482](#), Hansen, R./[SF 506](#), Hawj: Bill appropriates money from the environment and natural resources trust fund.

[HF 1488](#), Howard/[SF 33](#), Rest: Bill modifies the requirements for class 4d(1) low-income rental housing.

[HF 1489](#), Howard/[SF 915](#), Mohamed: Bill appropriates funding for state bonds for public housing rehabilitation.

[HF 1494](#), Quam: Bill establishes process for provisional balloting.

[HF 1496](#), Quam: Bill requires voter verification before mail delivery of an absentee ballot.

[HF 1513](#), Quam/[SF 1166](#), Koran: Bill requires photo ID to register to vote and to vote; creates a voter identification card; establishes a provisional balloting system, and more.

[HF 1525](#), Knudsen/[SF 1767](#), Utke: Bill permits home-based businesses in residential dwellings.

[HF 1548](#), Kozlowski/[SF 1800](#), Mohamed: Bill authorizes housing and redevelopment authorities to establish local housing trust funds.

[HF 1564](#), Jordan: Bill appropriates \$22,550,000 for metropolitan regional parks and trails.

[HF 1593](#), Murphy/[SF 1582](#), Green: Bill allows local government noncompliance with unfunded mandates imposed by the state.

[HF 1596](#), Acomb: Bill identifies members of the Metropolitan Council as “public officials”.

[HF 1601](#), Hussein: Bill authorizes local governments to prohibit or restrict the possession of dangerous weapons, ammunition, or explosives in local government-owned or leased buildings and land.

[HF 1605](#), Stephenson/[SF 1652](#) Abeler: Bill limits rental increases in areas that receive low-income housing tax credits.

[HF 1617](#), Altendorf: Bill changes deadlines for testing voting systems.

[HF 1629](#), Finke: Bill creates a right to house youth for residential tenants.

[HF 1630](#), Sencer-Mura/[SF 1972](#), Fateh: Bill changes definition of “highway purposes” for use of trunk highway funds.

[HF 1634](#), Stephenson: Bill allows municipalities that establish, own, or operate a municipal cannabis store to also hold a lower-potency hemp edible retailer license.

[HF 1636](#), Lee, F.: Bill modifies the scope of certain local plant pest control resolutions and ordinances.

[HF 1644](#), Reyer/[SF 1732](#), Boldon: Bill establishes a grant program for family supportive housing.

[HF 1648](#), Hussein/[SF 1685](#), Clark: Bill modifies written lease requirements, among other tenant protection provisions.

[HF 1664](#), Quam: Bill requires ballot board activity to be livestreamed.

[HF 1673](#), Howard: Bill establishes an Accessible Housing Task Force.

[HF 1707](#), Mekeland: Bill requires local government and Tribal approval for all solar projects.

[HF 1731](#), Engen: Bill allows local governments to opt out of the Metropolitan Council's regulatory jurisdiction.

[SF 1771](#), Green/[HF 1241](#), Joy: Bill repeals the Minnesota Paid Leave Law.

[SF 1793](#), Housley/[HF 260](#), Johnson, W.: A bill for an act relating to employment; exempting small employers from the Minnesota Paid Leave Law until January 1, 2028.

[SF 1800](#), Mohamed/[HF 1548](#), Kozlowski: Bill authorizes housing and redevelopment authorities to establish local housing trust funds.

[SF 1801](#), Mohamed: Bill modifies payment provisions of the state rental assistance program.

[SF 1804](#), Boldon: Bill authorizes local jurisdictions to adopt ranked choice voting for local races.

[SF 1815](#), Mann: Bill authorizes local jurisdictions to adopt ranked choice voting for local races.

[SF 1836](#), Johnson Stewart/[HF 1509](#), Jones: Bill limits authority to issue certain citations to pedestrians.

[SF 1892](#), Clark: Bill authorizes local jurisdictions to adopt ranked choice voting for local races.

[SF 1895](#), Mohamed/[HF 1334](#), Noor: Bill modifies the high-rise sprinkler system grant program and appropriates funding.

[SF 1904](#), Johnson Stewart: Bill allows EVs to use high-occupancy and dynamic shoulder lanes without a fee.

[SF 1906](#), Nelson/[HF 1067](#), Dotseth: Bill allows for fund from the Minnesota housing tax credit account to count as the matching requirement for the workforce housing development program.

[SF 1913](#), Boldon: Bill establishes a locally controlled housing fund.

[SF 1926](#), Seeberger/[HF 120](#), Huot: Bill modifies the intensive comprehensive law enforcement education and training program and appropriates \$5 million.

[SF 1991](#), Draheim/[HF 1135](#), Elkins: Bill dictates how much land a municipality can dedicate to a street and requires that records be kept and made available to the public upon request for any land dedication.

[SF 1992](#), Draheim/[HF 1136](#), Elkins: Bill requires that agencies process building permits within 60 days or they must refund any permitting fees.

[SF 1993](#), Draheim/[HF 1137](#), Elkins: Bill dictates that cost per square foot valuation of new housing units are determined by the commissioner for the purposes of setting building permit fees by municipalities.

[SF 1999](#), Clark/[HF 1299](#), Rehrauer: Bill allows for emergency shelter facilities to be constructed in certain zoning districts.

[SF 2005](#), Johnson Stewart/[HF 422](#), Koegel: Bill bonds for \$20 million for the safe routes to school program and the active transportation program.

[SF 2024](#), Carlson: Bill authorizes counties to establish pools of election judges by random selection; and allows counties and cities to require appointed registered voters to serve as election judges.

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**Metro Cities News** is emailed periodically to Metro Cities member mayors, councilmembers, city managers/administrators, and city staff to keep officials and staff abreast of important metro city issues.

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