

Metro Cities Annual Meeting – Mark Your Calendar!

Metro Cities will hold its Annual Meeting on Wednesday, April 23rd at the Roseville Oval Skating Center Banquet Room. The meeting will feature a social hour starting at 5:00 pm, followed by *Star Tribune* Publisher Steve Grove as our guest speaker, and a brief business meeting to elect Metro Cities Board officers and members. This is a great opportunity to meet and connect with peer city officials from across the region. RSVP to Jennifer Dorn at jennifer@metrocitiesmn.org. We hope to see you there!

Adult-Use Cannabis Update*Application Window Closes*

The latest license application window for adult-use cannabis businesses closed on March 16. The Office of Cannabis Management (OCM) is currently reviewing those applications and will announce dates for the capped license lotteries. As a reminder, although cannabis retailer licenses are capped and subject to a lottery, a municipality applying for a retail license will be guaranteed that license so long as they meet the minimum requirements. Click [HERE](#) for a chart produced by the OCM describing the various cannabis license types, the activities allowed under each license, and more.

Tribal Compacts

Legislators and other stakeholders are raising questions and concerns over what may be contained in the tribal compacts currently being negotiated by the Governor's office with tribal governments. Specific concerns are being raised about the potential for tribally owned and operated cannabis businesses located off tribal land and whether those businesses will be subject to state or local regulations and taxes. Compact negotiations are confidential and there is currently no concrete information on what will be contained in the final agreements or when they will be finalized.

OCM Bills Considered in Both Bodies

The OCM's finance and policy priorities were heard as a package of proposed legislation in the House and Senate Commerce Committees. Click [HERE](#) to view a document produced by the OCM that provides an overview of this package. One bill of note from Tuesday's hearing in the House not endorsed by the OCM, but authored by Rep. Stephenson, who was the chief author of the 2023 legislation legalizing adult-use cannabis, offers a narrow change in law impacting cities interested in municipal cannabis operations. Chapter 342 does not allow any entity to hold both a lower-potency hemp business license and an adult-use cannabis retailer license. Many cities that are interested in opening a municipal cannabis store also operate a municipal liquor store selling the hemp-derived beverages that have been legal for the last few years. [HF 1634](#) (Stephenson), if passed, would authorize municipalities to hold both license types. This bill was laid over in the House Commerce Committee. There is no Senate companion bill at the time of this newsletter.

Local Cannabis Aid Repeal Heard in Tax Committee

[SF 2374](#) (Rest), the governor's proposed tax bill, was heard and laid over by the Senate Tax Committee on Wednesday. Article 4, Sections 5, 6, and 7 would repeal the local government cannabis aid that is generated by the gross receipts tax on cannabis products. Metro Cities is opposed to this provision.

Local Role in Cannabis Regulation

The Office of Cannabis Management continues to provide information to local governments on how to prepare for cannabis in their communities. Cities are encouraged to fill out the [Delegation and Contact Form](#), which will help you prepare for two key roles a local government has in the licensing process:

1. Zoning compliance certification.
2. Local retail registration for businesses conducting retail sales.

Cannabis retailers are required to have a license and local retail registration. The delegation and contact form captures contact information regarding zoning authority and should be used to inform OCM of decisions to delegate local retail registration authority. Click [HERE](#) for more information on local government zoning authority, zoning compliance authority certification, and more.

Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

Bill to Modify Sacred Settlements Law Heard

On Monday, the House Elections Finance and Government Operations Committee heard [HF 1051](#), Robbins (R-Maple Grove), a bill that would modify the 2023 law that allows for religious institutions to provide permanent housing in micro units to homeless or low-income people on religious property. HF 1051 would clarify that cities may regulate micro units as rental single-family residences or rental multifamily residences. The bill also authorizes a city to adopt an administrative approval process for annual compliance checks with applicable laws and licensing requirements. Metro Cities [submitted a letter](#) in support of the legislation. The bill was laid over.

Contact Ania McDonnell at ania@metrocitiesmn.org or 651-215-4001 with any questions.

EMS Bills Heard in Senate Committee

A slate of bills regarding emergency medical services was heard in the Senate Health and Human Services Committee on Wednesday. This collection of bills attempts to improve the financial sustainability of EMS across the state. Some of the bills also address EMS workforce issues.

[SF 1688](#) (Seeberger) establishes three programs related to emergency medical services. The first is the Ambulance Service Cost Readiness grant program intended to cover capital and operational expenses related to maintaining ambulance services. The second program is the Emergency Medical Services Improvement Modernization, and Sustainability grant program through which political subdivisions can use funds to improve services or provide subgrants to licensed ambulance services, medical response units, or education programs. The last new grant program is the Rural Emergency Medical Services Uncompensated Care Pool Payment program which is targeted to ambulance services operating outside of the seven-county metropolitan area.

The funding mechanism in this bill is a new emergency medical services telecommunications fee. The bill directs \$32 million of the cell phone fee to the ambulance service cost readiness program, \$180 million to the emergency medical services improvement, modernization, and sustainability program, and \$8 million to the rural EMS uncompensated care pool payment program.

[SF 2128](#) (Seeberger) modifies requirements for community emergency technician (CEMT) certification and medical assistance coverage of CEMT services. [SF 1132](#) (Hoffman) establishes an ambulatory training staff grant program where participants can “earn while they learn.” [SF 1133](#) (Hoffman) expands reimbursement to licensed ambulance services for the necessary expenses of

certain ambulance attendants' initial emergency medical responder (EMR) and emergency medical technician (EMT) education, as well as continuing costs. [SF 1326](#) (Hauschild) increases medical assistance payment rates for ambulance services by 10 percent.

Finally, [SF 1080](#) (Hasuchild) takes the program from last year providing emergency aid to rural EMS providers and builds on it for future years. The A2 amendment adopted in committee excludes the metropolitan area and licensees who operate in the cities of Duluth, Mankato, St. Cloud, or Rochester. The amendment also excludes any licensee that is not operating at a deficit. All of these EMS-related bills were laid over for possible inclusion in a future omnibus bill.

Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

Local Government Background Checks Bill Heard

SF 286-Howe, which authorizes cities and counties to conduct background checks on applications for certain licenses, was heard and passed this week in the Senate Judiciary Committee. The bill would specifically authorize checks, including checking national criminal records on applicants looking to operate a business providing massage services or adult entertainment. The bill was passed and referred to the floor. The companion bill has passed the House.

Bill Changes Metro Sales Tax Geography

This week, the Senate Taxes Committee heard [SF 765](#), Draheim (R-Madison Lake) which would modify the definition of metropolitan area for the two metropolitan area sales taxes for transportation and housing. The bill would modify where the taxes are collected to exclude cities that are partially in and out of the seven-county metropolitan area. These cities that would be excluded are Cannon Falls, Northfield, Hanover, Rockford, and New Prague. The two metro area sales taxes would not apply to sales and purchases made in those cities. The bill was laid over for possible inclusion in an omnibus Taxes bill.

Bills Heard to Prohibit Cities from Banning Natural Gas

This week, the House Housing Finance and Policy committee heard two bills that would prohibit cities from banning natural gas or propane service. [HF 483](#), Lawrence (R-Princeton) would prohibit a city from banning a utility from connecting or reconnecting natural gas or propane to any building or supplying natural gas or propane to any building or utility customer. [HF 484](#), Mekeland (R-Clear Lake) would prohibit cities from banning natural gas as an energy source in a residential unit after July 1, 2025. The bills were laid over.

Solar on Public Buildings Grant Program: Round 3

Minnesota's third funding round of Solar on Public Buildings launches later this spring. [Join the webinar on Monday, April 7, 10:30-11:30am to learn more.](#)

The Department of Commerce will administer \$4.3M in grants to local governments in Xcel Energy electric service territory. Eligible applicants for this grant program are local units of government including a county, statutory or home rule charter city, town, or other local government jurisdiction.

Grants will be awarded for up to 70% of the project costs (dependent on the government's financial capacity) for a solar array that is built on or adjacent to a public building and is the lesser of 40kW system capacity or 120% of the building's annual energy consumption.

SMC Quarterly Convening: Spring 2025

The Minnesota Shared Mobility Collaborative is holding its quarterly convening on **Thursday, April 10**. The event will be held virtually via Zoom from 3:00 PM to 4:00 PM. This convening is entitled [Navigating the New Space—Understanding Changing Federal Priorities and the Impacts](#).

Join experts from the [Eno Center for Transportation](#), [Transportation for America](#), and the [National Association of City Transportation Officials](#) as they explore the evolving landscape of federal transportation policy. This webinar will examine recent shifts in priorities, funding, and regulations—and what these changes mean for cities, agencies, and transportation professionals.

Speakers include:

- Philip Plotch, Principal Researcher and Senior Fellow, Eno Center for Transportation
- Beth Osborne, Director, Transportation for America
- Josh Naramore, Senior Program Manager for Policy, National Association of City Transportation Officials (NACTO)

The webinar is free to attend, but [registration is required](#). Once you have registered, you will receive an email confirmation with a Zoom link. The link should not be shared with others; it is unique to you.

Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

Broadband Franchising Bill to be Heard in Senate

Today, Friday March 21st, the Senate Agriculture, Veterans, Broadband, and Rural Development Committee will be hearing [SF 2045](#), Rest (DFL-New Hope) which would allow for local governments to require franchise fees from a provider furnishing broadband, and to receive compensation for the use of the public right-of-way. Metro Cities [submitted a letter](#) in support of the bill. We will continue to provide updates on this legislation as it progresses.

Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

Bills of Note

[HF 2381](#), Norris/[SF 2691](#), Boldon: Bill provides standards for rent and utility payments, fees, and charges in manufactured home parks and requires certain safety inspections.

[HF 2386](#), O'Driscoll: Bill makes changes to the length of time city employees have to opt into retirement plans and adjusts retirement plan matching fund rates.

[HF 2392](#), Schultz/[SF 2304](#), Rasmusson: Bill requires photo ID to register and vote, establishes a system of provisional balloting, and includes several other elections provisions.

[HF 2428](#), Virnig/[SF 2232](#), Koran: Bill allows health care professionals to deliver absentee ballots in the case the election judge is deemed medically unable to do so themselves.

[HF 2432](#), Novotny/[SF 1417](#), Latz: Bill contains various public safety provisions.

[HF 2438](#), Koznick/[SF 2082](#), Dibble: Transportation budget bill – appropriates \$3.4 million in FY26 and FY27 for trunk highway projects.

[HF 2442](#), Acomb/[SF 2393](#), Frentz: Omnibus commerce budget bill – allocates \$37 million in FY26 and \$40 million in FY27 for Office of Cannabis Management grants, \$14 million in FY26 and FY27 for home weatherization projects, and makes adjustments to the requirements for cannabis testing facility licenses.

[HF 2448](#), Stier: Bill prohibits local governments from banning flavored tobacco products.

[HF 2450](#), Skraba/[SF 29](#), Nelson: Bill appropriates \$25 million in bond proceeds for the small cities assistance program.

[HF 2453](#), Heintzman/[SF 2442](#), Weber: Bill requires political subdivisions to establish water quality standards that allow using untreated rainwater or stormwater for outdoor purposes.

[HF 2461](#), Norris/[SF 2681](#), Kunesh: Bill transfers \$10 million into the housing development fund.

[HF 2474](#), Tabke: Bill modifies provisions related to absentee voting rules.

[HF 2480](#), Howard/[SF 2659](#), Port: Bill authorizes housing and redevelopment authorities to create public corporations for the purpose of purchasing, owning, and operating properties converted under the federal Rental Assistance Demonstration program.

[HF 2492](#), Igo/[SF 2829](#), Lucero, Bill requires that bills that would increase the cost of residential construction or remodeling by \$3,000 or more per unit must be referred to legislative committees with jurisdiction over housing finance and policy.

[HF 2496](#), Frazier: Bill modifies provisions related to school resource officers.

[HF 2505](#), Jones/[SF 2162](#), Dibble: Bill authorizes local road authorities to adopt design elements without state-aid engineering and design variances.

[HF 2507](#), Momanyi-Hiltsley/[SF 2423](#), Champion: Bill establishes the African American workforce and affordable homeownership development program.

[HF 2525](#), Duran: Bill establishes a public safety officer hearing protection program.

[HF 2526](#), Duran: Bill expands the list of exceptions in which local officials can receive gifts.

[HF 2550](#), Jones: Bill requires local governments to allocate one percent of a road project's cost for distribution to businesses impacted by the project.

[HF 2569](#), Momanyi-Hiltsley: Bill modifies spatial separation requirement for certain residential programs and assisted living facilities. The bill also requires notice to local municipalities after issuing licenses for certain residential settings.

[HF 2574](#), Hollins/[SF 2824](#), Pappas: Bill authorizes the cities of St Paul and Minneapolis to use certain increment to convert vacant or underused commercial or industrial buildings to residential

purposes, and modifies the calculation of certain increment and findings required for a district converting vacant or underused property.

[HF 2584](#), Lee. F: Bill establishes an aid program for local governments impacted by emerald ash borer.

[HF 2595](#), Freiberg: Bill modifies certain election judge provisions.

[HF 2596](#), Freiberg: Bill modifies certain special election timing.

[HF 2614](#), Mekeland/[SF 2655](#), Rasmusson: Bill prohibits cities and counties from requiring or incentivizing the creation of homeowners associations, and prohibits certain governing bodies from requiring terms not required under state law in homeowners association documents.

[HF 2618](#), Bahner: Bill requires plain-language explanations for condo associations and homeowners associations and appropriates funding for the creation of a guide to explain the laws governing common interest communities and homeowners associations.

[HF 2620](#), Finke: Bill appropriates \$10 million for emerald ash borer response and community tree-planting grants.

[HF 2621](#), Finke: Bill appropriates \$3 million for tree-planting grants in the metropolitan region.

[SF 2606](#), Limmer/[HF 2357](#), Nadeau: Bill modifies certain allocation requirements for the corridors of commerce program.

[SF 2621](#), Mohamed: Bill proposes an amendment to the Minnesota Constitution to increase the sales tax rate by three-eighths of one percent and dedicating the receipts for housing purposes.

[SF 2631](#), Pratt/[HF 2231](#), Harder: Bill allows for online publishing by cities to satisfy statutory requirements when no qualified newspaper is available.

[SF 2635](#), Xiong/[HF 1854](#), Fischer: Bill provides rights to tenants when a landlord has received funding to assist with renovations of a residential rental unit.

[SF 2664](#), Mathews/[HF 1707](#), Mekeland: Bill requires local government and tribal approval for all solar projects.

[SF 2694](#), Koran/[HF 1663](#), Quam: Bill requires city officials in cities of the first, second, or third class to file a statement of economic interest with the Campaign Finance and Public Disclosure Board.

[SF 2696](#), Koran/[HF 1495](#), Quam: Bill permits certain candidates, candidate representatives, and political parties to observe the work of ballot boards and recounts.

[SF 2697](#), Koran/[HF 1800](#), Quam: Bill makes several changes to election administration law.

[SF 2698](#), Koran/[HF 1494](#), Quam: Bill establishes process for provisional balloting.

[SF 2699](#), Koran/[HF 1850](#), Gordon: Bill prohibits an entity with jurisdiction over a public water supply from fluoridating water if the water contains naturally occurring fluoride.

[SF 2702](#), Koran/[HF 2343](#), Quam: Bill changes date of the state primary from August to May and changes the dates of primaries conducted by political subdivisions in certain circumstances.

[SF 2709](#), Kreun: Bill appropriates money for anti-scale fencing, pedestrian doors, and vehicle gates.

[SF 2738](#), Clark: Bill prohibits minimum parking mandates.

[SF 2742](#), Port: Bill requires a report on the affordable housing industry, sets a maximum compliance period for certain low-income tax credit commitment requirements, and requires the commissioner of the Minnesota Housing Finance Agency to identify avenues for potential regulatory relief to affordable housing providers.

[SF 2745](#), Latz: Bill establishes a regional housing navigator program.

[SF 2746](#), Latz: Bill requires law enforcement agencies to trace and report on recovered or confiscated firearms.

[SF 2757](#), Maye Quade: Bill creates grant programs for local governments to pay for certain costs of federal action and appropriates funding.

[SF 2836](#), Rasmusson/[HF 2013](#), Nash: Bill limits city regulations on certain residential development.

[SF 2846](#), Boldon/[HF 2361](#), Lee, K.: Bill requires notice at a closed polling place until the occurrence of a presidential election or redistricting.

[SF 2850](#), Lieske/[HF 2154](#), Roach: Bill prohibits the use of cameras for traffic safety enforcement.

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.

If you'd like to sign up to receive Metro Cities News, please email newsletter@metrocitiesmn.org and provide the following: Name, Title, Employer and Email address. Thank you!

Metro Cities (Association of Metropolitan Municipalities)
145 University Ave W, St. Paul, MN 55103-2044
Phone 651-215-4000 · Fax 651-281-1299 · www.MetroCitiesMN.org