



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. Please join us – we hope to see you there!

Senate Hearing of Local Preemption Bills Canceled

The Senate State and Local Government Committee was scheduled to consider four zoning preemption bills on Tuesday afternoon, but the hearing was canceled Tuesday morning. Ahead of the hearing, many cities shared with legislators their concerns with the bills, and city associations provided a [joint letter](#) to members of the committee. The bills contain significant preemption of local authority over zoning and land use, usurp local planning and investment that goes into local housing needs and eliminates local processes that provide for public input. Metro Cities will provide further updates on bills as more information is available.

Questions? Contact Ania McDonnell at ania@metrocitiesmn.org or 651-215-4001.

Proposal Eliminates Local Affordable Housing Aid (LAHA) for Cities

On Thursday, a bill addressing the housing tax credit contribution ([HF 2976](#) – Port (DFL-Burnsville)) was amended to eliminate the allocation of the metropolitan sales tax currently distributed to cities through the Local Affordable Housing Aid (LAHA) and redistributes the city allocation to metropolitan counties. Under the amendment, which was adopted, cities would receive no LAHA funding. The amendment was not posted prior to the hearing, and no testimony was taken. The bill was laid over. Metro Cities will continue to monitor this issue and provide further updates and information.

Questions? Contact Ania McDonnell at ania@metrocitiesmn.org or 651-215-4001.

Rental Licensing for Community Residential Programs Heard

[HF 1477](#) (Nadeau) was heard in the House Human Services Committee on Thursday. Legislation passed in 2024 exempted community residential settings and assisted living facilities with licensed capacities of six or fewer residents from local rental licensing regulations. HF 1477, as introduced, would restore the ability of cities to apply rental ordinance regulations to group homes and assisted living facilities. The bill also adds statutory language prohibiting local governments from imposing licensing regulations on group homes more restrictive than those imposed on other residential facilities. Finally, language is included stating that the ability to impose rental licensing regulations on these group homes and assisted living facilities must not be used to exclude or prohibit them in a community.

An [A2 Amendment](#) adopted by the committee provides for certain non-concentration standards for assisted living facilities and group homes to prevent over clustering in one part of a community. The amendment also establishes a process where cities can file a complaint with the appropriate

state agency (DHS or MDH) alleging a residential program's violation of local laws, regulations, standards, ordinances, and codes for fire safety, building, and zoning requirements. The bill requires the agency to initiate an inquiry within ten working days.

Testifiers included city officials as well as representatives from the home and community-based service provider industry. Click [HERE](#) to view the written testimony submitted for this hearing. The bill was laid over. The Senate companion, SF 1130 (Hoffman) has not received a hearing.

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

Underutilized Buildings Adaptive Reuse Tax Credit Bill Heard in Senate

This week, the Senate Taxes Committee heard [SF 768](#) – Mohamed (DFL- Minneapolis). The bill would provide for a refundable tax credit or grant to support the adaptive reuse of underutilized buildings for up to thirty percent of the total cost of adaptive reuse expenses through the Department of Employment and Economic Development. Metro Cities [submitted a letter](#) in support and support from a wide variety of stakeholders was expressed during the hearing. This bill was laid over for possible inclusion in an omnibus Senate Tax bill.

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

Bill to Authorize Emergency Shelter Facilities as Permitted Use

On Wednesday, the House Elections and Government Operations Committee heard [HF 1299](#) – Rehrauer (DFL-Coon Rapids) which authorizes emergency shelter facilities as a permitted use on any lot zoned for the development of multifamily residential housing, commercial uses, or industrial uses. Representative Davis (R-Merrifield) offered an [amendment](#) which would allow for cities to require a conditional use or special use permit to ensure proper maintenance and operation of the facility in order to protect the health and safety of residents of the facility, however the committee did not adopt the amendment. The bill was laid over. Metro Cities will continue to monitor this legislation.

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

Cannabis Rules Submitted for Final Review

This week, the MN Office of Cannabis Management announced it has submitted its proposed rules governing legal adult-use cannabis for final approval. OCM posted its formal draft for public comment for 30 days from Jan. 13 to Feb. 12. The draft rules sent to the administrative law judge are available [HERE](#) on the OCM's rulemaking website. The OCM can begin issuing cannabis business licenses once the rules are formally adopted. The administrative law judge has 14 days to approve, approve with changes, or disapprove the draft rules. Successful applicants seeking an uncapped license type will receive their license shortly after rules are officially adopted. Qualified applicants in the four license types that are capped (cultivator, mezzobusiness, manufacturer, and retailer) will be subject to lotteries conducted later this year.

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

Legacy Omnibus Bill Heard in Senate

[SF 2865](#) (Hawj), the omnibus legacy finance bill, was passed, [as amended](#), and referred to the Senate Finance Committee on Thursday. The bill spends a biennial total of \$162 million from the Outdoor Heritage Fund, \$303 million from the Clean Water Fund, \$130 million from the Parks & Trails Fund, and \$179 million from the Arts & Cultural Heritage Fund. Click [HERE](#) to view a

detailed budget spreadsheet associated with the delete everything amendment adopted on Thursday.

The bill contains several items of note for communities in the metropolitan region. Article 2 (Clean Water) contains \$1.375 million in each year of the 2026-2027 biennium for the Metropolitan Council to support communities implementing projects that address emerging drinking water supply threats and overall water sustainability. This article also includes funding for grants to assist municipalities in the metropolitan area with implementing water demand reduction measures to ensure the reliability and protection of drinking water supplies. Article 3 (Parks & Trails) includes \$24.29 million in FY 2026 and \$27.2 million in FY 2027 for the regional parks system.

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

Housing Infrastructure Bonds Legislation Heard in House Housing

This week, the House Housing Committee heard [HF 1141](#) – Howard (DFL-Richfield) which would provide for the capital for an additional \$400 million in Housing Infrastructure Bonds (HIBs). The committee also heard [HF 999](#) – Agbaje (DFL- Minneapolis) which would update and provide additional funding to the Community-Based First Generation Homebuyers Downpayment Assistance Program. Metro Cities [submitted a letter](#) in support of both of the bills. The bills were laid over for the possible inclusion in an omnibus Housing bill.

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

Bills of Note

[HF 2629](#), Stier/[SF 765](#), Draheim: Bill excludes certain cities from the regional sales taxes for housing and transportation.

[HF 2653](#), Jacob/[SF 617](#), Drazkowski: Bill awards fees and expenses to a prevailing party if the municipality's position was not substantially justified.

[HF 2675](#), Koznick: Bill prohibits the Metropolitan Council from issuing certificates of participation in certain situations and requires host counties to fund specified aspects of guideways.

[HF 2680](#), Stier/[SF 2709](#), Kreun: Bill appropriates money for anti-scale fencing, pedestrian doors, and vehicle gates.

[HF 2686](#), Altendorf/[SF 1468](#), Drazkowski: Bill requires local approval for commercial and intercity rail projects.

[HF 2687](#), Agbaje: Bill restricts the ownership of single-family homes for corporate entities, provides for increased deed tax rates on conveyances of single-family homes to corporate owners, dedicates the state portion of revenues from the increased deed tax rates for the workforce and affordable homeownership program, and creates a statewide landlord database.

[HF 2693](#), Agbaje: Bill establishes a locally controlled housing fund and modifies allowable uses of housing infrastructure bonds.

[HF 2701](#), Smith/[SF 2701](#), Dibble: Bill requires the OCM to review all verified social equity applicants before reviewing general licensing applications.

[HF 2736](#), Frazier/[SF 2613](#), Latz: Bill eliminates mandatory minimum fine for school bus stop-signal arm violations.

[HF 2740](#), Howard/[SF 2742](#), Port: Bill requires a report on the affordable housing industry and requires the commissioner of the Minnesota Housing Finance Agency to identify avenues for potential regulatory relief to affordable housing providers.

[HF 2815](#), Altendorf/[SF 698](#), Lucero: Bill prohibits local governments from enforcing federal vaccine passports.

[HF 2848](#), Koegel: Bill modifies certain reporting requirements for local transportation funds.

[HF 2858](#), Acomb/[SF 1904](#), Johnson Stewart: Bill allows EVs to use high-occupancy and dynamic shoulder lanes without a fee.

[HF 2859](#), Acomb: Bill authorizes local units of governments to adopt a speed limit ordinance for e-bikes in certain areas.

[HF 2861](#), Curran/[SF 3099](#), Seeberger: Bill appropriates \$1 million to the Metropolitan Council for groundwater management areas and comprehensive planning.

[HF 2865](#), Kozlowski/[SF 982](#), Boldon: Bill appropriates funding for the economic development and housing challenge program.

[HF 2870](#), Freiberg: Bill makes various changes to election administration law.

[HF 2884](#), Altendorf/[SF 717](#), Lucero: Bill prohibits governmental entities from enforcing mandatory vaccines or vaccine passports.

[HF 2900](#), Howard/[SF 2757](#), Maye Quade: Bill establishes grant programs for local governments to pay for certain costs of federal action and appropriates funding.

[HF 2901](#), Rehrauer/[SF 2976](#), Port: Bill expands allowable uses of funds in the Minnesota housing tax credit contribution account to include funding supportive services in supportive housing.

[HF 2928](#), Acomb: Bill includes several provisions regarding data centers.

[SF 2889](#), Champion/[HF 2279](#), Vang: Bill renames the Office of Broadband Development to the Office of Broadband Development and Digital Equity, modifies the duties and reporting requirements of the office, expands the state's broadband goals, and establishes a multifamily dwelling grant program.

[SF 2935](#), Hoffman: Bill requires public water supplies and publicly owned treatment works to annually report on water access policies.

[SF 2961](#), Hawj/[HF 2620](#), Finke: Bill appropriates \$10 million for emerald ash borer response and community tree-planting grants.

[SF 2962](#), Hawj/[HF 2621](#), Finke: Bill appropriates \$3 million for tree-planting grants in the metropolitan region.

[SF 2976](#), Port: Bill expands allowable uses of funds in the Minnesota housing tax credit contribution account to include funding supportive services in supportive housing.

Referred to the Committee on Housing and Homelessness Prevention.

[SF 3006](#), Hoffman/[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.

[SF 3041](#), Coleman: Bill requires the Metropolitan Council to allocate \$15 million of the regional sales tax revenue for active transportation to the University of Minnesota to construct suicide deterrent barriers on the Washington Ave Bridge.

[SF 3095](#), Hoffman: Bill requires Internet service providers to provide low-cost broadband Internet to low-income Minnesotans.

[SF 3096](#), Westlin/[HF 2595](#), Freiberg: Bill modifies certain election judge provisions.

[SF 3097](#), Carlson/[HF 2596](#), Freiberg: Bill modifies certain special election timing.

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