

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. RSVP to Jennifer Dorn at jennifer@metrocitiesmn.org. Please join us – we hope to see you there!

Omnibus Budget Bills Update

This week, a variety of omnibus budget bills were heard in committees in advance of the third deadline for budget bills, which is noon today, Friday, April 11th. The Legislature will recess at noon on Friday, April 11th and reconvene on Tuesday, April 22nd.

Housing

This week, the Senate Finance Committee heard [SF 2298](#) – Port, the omnibus Senate Housing budget bill. The bill has a \$3 million dollar spending target for state housing programs. The bill was passed by the Finance Committee and referred to the Senate floor. View a detailed funding spreadsheet of the bill [HERE](#).

The House Housing Finance and Policy Committee heard HF 2445 – Igo, the omnibus Housing budget bill. The bill includes \$10 million in additional one-time funds for the Challenge program, \$500,000 provided for a statewide tenant education and hotline service, and the capital for the authorization of an additional \$100 million in Housing Infrastructure Bonds (HIBs). Metro Cities [submitted a letter](#) in support of funding for housing programs. View bill language [HERE](#), and the detailed spreadsheet [HERE](#).

During the hearing, an [amendment](#) was added to require that Minnesota Housing prioritize competitive development program awards (all Minnesota Housing programs) so as to award additional points to a city application that meets the following criteria:

- The city allows for the development of multifamily housing in at least 75 percent of the area within the city zoned as commercial.
- The city allows for duplexes, ADUs, or townhouses within 75 percent of the area within the city zoned for single-family and applies an identical administrative approval process to those properties that would apply to a single-family dwelling being developed on the same lot.
- The city does not have parking mandates greater than one stall per unit of housing for single family or multifamily developments.
- The city does not mandate lot sizes larger than one-eighth of an acre and;
- The city does not place aesthetic mandates on new home construction in single-family housing. This includes exterior finish materials or minimum garage square footage.

Metro Cities has significant concerns with the amendment language added. Tying state housing funding to onerous, strict, and potentially ambiguous scoring criteria would be consequential for cities in applying for funding for critical housing programs to address local housing needs in their communities. We will continue to monitor the bill and this amendment language as it moves forward. The bill was passed out of committee and was referred to the House Ways and Means Committee.

Economic Development

The Senate Economic Development Committee heard SF 1832 – Champion this week, the omnibus Jobs and Economic Development budget bill. The bill was passed and sent to the Senate Finance Committee. You can view the bill language [HERE](#), and a detailed spreadsheet [HERE](#). Metro Cities [submitted a letter](#) in support of the inclusion of funding for the Minnesota Investment Fund, Redevelopment Grant Program, Job Skills Partnership Program, and Job Creation Fund. The bill was passed out of committee and sent to the Senate Finance Committee.

The House Workforce, Labor, and Economic Development Finance and Policy Committee met on Thursday. However, the omnibus budget bill was not completed, so they moved a placeholder bill, [HF 2440](#) – Pinto, to the House Ways and Means Committee to meet the Friday deadline. The committee will return after the legislative break to hear bill language and take testimony and amendments on the bill.

Elections

[SF 3096](#) (Westlin), the senate elections budget omnibus bill was passed, as amended by the [A4 amendment](#). The budget bill includes \$200 thousand to match federal Help America Vote Act dollars. Click [HERE](#) for the budget spreadsheet. The budget bill was further amended to incorporate the contents of [SF 2384](#) (Westlin), the senate elections policy bill. This combined budget and policy bill was referred to the Finance committee.

[HF 1943](#) (Freiberg), the elections finance and government operations finance bill, was passed, [as amended](#), and referred to the Ways and Means committee. The bill includes some operating adjustments for the Secretary of State's office and the Campaign Finance Board. It also appropriates \$200 thousand to match federal Help America Vote Act dollars. It is expected that additional policy language will be added to this bill in the Ways and Means committee. Click [HERE](#) for the elections budget spreadsheet.

[HF 1378](#) (Freiberg), the omnibus elections policy bill was passed, [as amended](#), and referred to the floor last week and hasn't been taken up for a vote as of this newsletter. Click [HERE](#) for a summary of the bill, as amended.

Environment

[SF 2077](#) (Hawj), the senate environment and natural resources finance and policy bill was passed, [as amended](#), and referred to the finance committee. The bill contains funding for metropolitan area parks and a small amount for the ReLeaf program. The bill increases water appropriation permit fees and makes changes to scoring criteria for water infrastructure financial assistance programs. Click [HERE](#) for a summary of the delete everything amendment and [HERE](#) for the budget spreadsheet.

[HF 2439](#) (Heintzeman), the house environment and natural resources finance and policy bill was passed, [as amended](#), and referred to the Ways and Means committee. The bill contains base

funding for the metropolitan regional parks and trails. Click [HERE](#) for a summary of the bill and [HERE](#) for the budget spreadsheet.

Legacy

[HF 2563](#) (Vang), the House Legacy finance bill was passed, [as amended](#), and referred to the Ways and Means Committee. The bill includes funding for Metropolitan regional parks and trails. Testifiers representing metropolitan parks, state parks, and greater Minnesota parks all raised concerns about a nonprofit organization having some funding come out of the parks and trails fund. Click [HERE](#) to view the House Legacy spreadsheet.

State and Local Government

[SF 3045](#) (Xiong), the senate state and local government finance and policy bill was passed, [as amended](#), and referred to the finance committee. The bill contains several provisions of note for cities. The bill amends the Open meeting to allow unlimited remote participation in meetings without making one's location accessible to the public (removing the three times per year cap). The bill also repeals a section of state law that currently prohibits cities and other local governments from banning stores from providing disposable plastic or paper bags. The [A6 Amendment](#) adds language regarding public meeting posting requirements in a qualified local paper. Click [HERE](#) for the budget spreadsheet.

[HF 2098](#) (Freiberg), the omnibus local government policy bill is waiting to be voted on by the full House. This includes changes to parts of Minnesota law that deals with investigation or complaint data that is made public and the definition of "public official" (including those working for the Metropolitan Council) in that context. The House bill also contains language regarding public notice requirements for cities when no qualified newspaper is available (Art. 1, Sec. 3). The bill contains language that requires cities to provide a copy of the attorney general's landlord-tenant guide to landlords being issued a rental license or having a license renewed (Art. 1, Sec. 6).

Public Safety

[SF 1098](#) (Latz), the Senate judiciary and public safety omnibus bill was laid over, [as amended](#), and is expected to be combined with the committee's omnibus budget bill on Friday, 4/11. The budget bill is [SF 1417](#) (Latz). Click [HERE](#) to view a spreadsheet detailing the chair's budget recommendations. SF 1417 is expected to be passed to the Finance committee on 4/11.

[HF 2432](#) (Novotny/Moller), the House public safety budget bill was passed, [as amended](#), and referred to the Ways and Means committee on 4/9. The delete everything amendment includes funding for officer training reimbursement, radio and other equipment grants, and necessary funding for the maintenance of the statewide Allied Radio Matrix for Emergency Response (ARMER) system. An amendment was adopted deleting language in the bill that convenes an advisory panel that would be charged with making recommendations for potential legislation related to the disclosure of certain evidence and use of Brady-Giglio lists. Click [HERE](#) for the associated budget spreadsheet for HF 2432.

[HF 1354](#) (Moller), the omnibus public safety policy bill is waiting to be considered on the House floor.

Transportation

[SF 2082](#) (Dibble), the omnibus transportation finance and policy bill was passed, [as amended](#), and referred to the finance committee on 4/10. The delete everything amendment includes several provisions of note for cities. The bill appropriates federal funds for state road construction,

authorizes \$100 million in trunk highway bonds, increases the base for the corridors of commerce program, cuts the base general fund appropriation for transit in the metropolitan council and temporarily decreases the percentage of auto parts sales tax revenue allocated to the Highway User Tax Distribution Fund, which impacts municipal state aid amounts.

The bill also earmarks funding from the metropolitan regional sales tax for improvements to the Washington Avenue Bridge and several Transportation Management Organizations (TMOs). Finally, the bill includes modified language from a bill addressing state-aid engineering design standards and the variance request process. Additional amendments considered will be engrossed by the time the bill is heard in the Finance committee. Click [HERE](#) for the transportation budget spreadsheet.

[HF 2438](#) (Koznick), the omnibus transportation finance and policy bill is expected to be passed, [as amended](#), and referred to Taxes on 4/11. The delete everything amendment includes, increases for state road construction funding, funding for the Corridors of Commerce program, \$15 million each year for Transportation Economic Development Program, \$10 million in FY2026 for the Local Government Road Wetland Replacement Program, and compensation for deputy registrars and driver's license agents completing no-fee transactions. The bill also cuts general fund appropriations for metropolitan area transit operations. The bill delays the implementation of greenhouse gas emissions reduction legislation passed in the previous biennium.

Homeowners Association Preemption Language Removed from Senate Bill

On Friday, April 4th, the Senate Judiciary and Public Safety Committee heard [SF 1750](#) – Lucero, a policy bill to update and amend statutes related to Homeowners Associations (HOA) and Common Interest Communities. The bill included a local government preemption section with concerning language that would prohibit cities from conditioning the approval of a permit related to the residential development of an HOA on the inclusion of any service, feature, or common property that requires the creation of an HOA, or on the creation of an HOA. Metro Cities [submitted a letter](#) to the committee citing concerns with this language. During the hearing, the bill was [amended](#) to remove the local government preemption section altogether. The bill was passed and sent to the Senate Floor. The House version of this bill, [HF 1268](#) – Bahner, continues to include the local government preemption language.

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

Tenant Landlord Guide Bill Passes off House Floor

On Monday, [HF 1471](#) – Momanyi-Hiltsley, was heard on the House floor. This bill would require a city to provide a copy of the Attorney General's landlord tenant guide to a landlord when they apply for or renew a rental license with either a physical copy or an electronic copy. The companion bill has not been heard in the Senate. The bill passed 91-39.

MN Housing 2025 Single Family RFP Open

The Single Family Request for Proposals (RFP) through Minnesota Housing Finance Agency is a competitive application process that provides funding to increase the supply of affordable, owner-occupied, single-family homes. The application for this RFP is due on Thursday, July 10th at noon. You can visit [HERE](#) for application information and materials. Minnesota Housing will be hosting an information session on Wednesday, April 23rd to learn more about the application process and eligible uses. You can register for the session [HERE](#).

Legislative Audit Commission Discusses Report on Southwest Light Rail

On Monday, the Legislative Audit Commission met to hear a presentation on the Office of the Legislative Auditor (OLA) investigation into the Metropolitan Councils Southwest Light Rail Corridor construction. The presentation can be viewed [HERE](#). The six main issues identified involved inconsistencies in variances when comparing change order cost estimates, failure to monitor the subcontractor effectively, failure of the subcontractor to accurately report its use of DBEs, the councils lack of internal controls for reconciliation, failure to accurately monitor the removal and disposal of contaminated soils, and a lack of physical security in laydown areas.

Metropolitan Council Chair Charlie Zelle stated that several issues have been rectified, including the internal controls and contaminated soils issues. Mr. Zelle also stated that subsequent investigations showed no overpayments to Lunda-McCrossan and that all truckloads of contaminated soils have been reconciliated. The committee discussed various concerns and moving the management of the remainder of the project to MnDOT.

Bills of Note

[HF 3121](#), Koegel: Bill requires public notice of all major highway projects and must establish a community advisory assembly for each project comprised of one county commissioner, one mayor, at least three city councilors, a member from the Association of Metropolitan Municipalities and/or one member from the League of Minnesota Cities.

[HF 3146](#), Gomez: Bill bans government use of facial recognition software for criminal charges.

[HF 3149](#), Engen: Bill repeals the political contribution refund program.

[HF 3156](#), Jones/[SF 3199](#), Pha: Bill restricts local government regulations on residential developments by religious organizations.

[HF 3160](#), Lawrence/[SF 3362](#), Mathews: Bill allows some individuals under the age of 18 to vote in a primary election or presidential nomination primary.

[HF 3166](#), Gomez: Bill makes school district approval a condition of establishing an economic development district.

[HF 3173](#), Davis/[SF 3253](#), Bahr: Bill prohibits outgoing local officials from voting to issue a new obligation of the municipality.

[HF 3179](#), Jones: Bill requires some municipal buildings to meet certain energy performance standards.

[HF 3184](#), Jordan: Bill repeals the prohibition on bag bans by cities.

[HF 3186](#), Lee/[SF 2935](#), Hoffman: Bill requires a water utility to submit a water access report.

[SF 3301](#), Wesenberg/[HF 3115](#), Roach: Bill phases out income taxes.

[SF 3315](#), Lieske: Bill requires voters who register to vote on election day to cast provisional ballots.

[SF 3320](#), Johnson Stewart/[HF 3007](#), Fischer: Bill provides guidance on the evaluation and permitting of projects that require large water appropriations.

[SF 3346](#), Clark/[HF 3148](#), Hollins: Bill authorizes cities of the first class to issue a social district license.

[SF 3348](#), Clark/[HF 2987](#), Smith: Bill establishes fair lending regulations on lenders to cannabis businesses.

[SF 3359](#), Howe/[HF 2809](#), Hudson: Bill establishes the crime of residential protesting at the residence or dwelling of any person unless the residence or dwelling is used as a business.

[SF 3367](#), Carlson/[HF 2992](#), Rehm: Bill appropriates money for certain traffic safety initiatives.

[SF 3371](#), Johnson Stewart/[HF 1817](#), Kraft: Bill amends certain requirements governing EV and plug-in hybrid vehicle surcharges.

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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