

Proposed Local Preemption Language Fails in Senate Committee

On Thursday, the Senate State and Local Government Committee heard HF 2309 – Rehrauer, and Senator Port (DFL-Burnsville) and Senator Rasmusson (R-Fergus Falls) presented [an amendment](#) with various local preemption provisions relating to land use, permitting and local public processes. Metro Cities [submitted a letter](#) in opposition to the amendment. The amendment proposed to:

- Prohibited cities from conditioning approval of a residential building permit, conditional use permit, residential subdivision development, or planned unit development on the creation of a homeowner's association.
- Required cities to follow an administrative review process for any proposed residential development in a zoning district permitting residential buildings in accordance with processes in section 15.99. The language stipulates that failure to deny a request within the time limit will be considered an approval.
- Required cities to approve or deny a request based on the city's comprehensive plan, zoning requirements, and subdivision regulations. Public hearings would be prohibited. A city could not require more than two community meetings unless the project involves a parcel in a historic district.
- Prohibited local parking mandates greater than one stall per residential unit.
- Prohibited cities from imposing residential design standards beyond the state building code for any residential development.

There was significant debate among members on the bill, including the need for affordable housing, state and local roles, giving undue influence for developers, and other issues. The amendment ultimately failed on a 6-5 vote, and one 'pass' vote. Thank you to all city officials who registered concerns with your local legislators about the amendment. Metro Cities provided written testimony opposing the language, and continues to express the importance of local decision making, local approaches for housing, and maintaining local democratic processes.

Please contact Ania McDonnell at ania@metrocitiesmn.org with any questions.

Omnibus Bill Updates

Omnibus budget bills have continued to be processed this week as the Legislature nears the required adjournment date for the regular session. The Governor, House and Senate announced overall budget targets a few weeks ago, but as of yet, there is not a global budget agreement. Omnibus tax and bonding bills have yet to be released. Below are updates on various omnibus bills of interest to Metro Cities.

Adult-Use Cannabis

[SF 2370](#) (Dibble), the omnibus adult-use cannabis bill was passed, as amended, by the Senate on 4/28 with a vote of 34 to 32. Click [HERE](#) for a summary of the Senate bill. The House companion, [HF 1615](#) (Stephenson), is expected to be heard on the House floor Monday, 5/5. Click [HERE](#) for a summary of the House bill. Both bills authorize municipalities to hold both a lower-potency hemp business license and an adult-use cannabis retailer license.

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

Environment and Natural Resources

[SF 2077](#) (Hawj), the environment and natural resources bill was passed, as amended, by the Senate on 4/29 with a vote of 35 to 30. The bill contains funding for metropolitan area parks and a small amount for the ReLeaf program. Earlier this week, the finance committee amended out all the policy-only provisions, leaving only those provisions with a fiscal impact. Click [HERE](#) for a summary of the bill and [HERE](#) for the budget spreadsheet.

[SF 2781](#) (Hawj), the environment and natural resources policy bill was passed, as amended by the environment, climate and legacy committee and referred to the finance committee. The only amendment adopted contained all policy provisions stripped out of the finance bill. Section 19 of Article 1 requires the PCA to award extra points to municipal applications for financial assistance for projects that will address emerging contaminants. Section 25 authorizes the clean water revolving fund to be used to provide principal forgiveness or grants, where permissible under federal law. The same section authorizes a greater amount of costs to be paid for by the fund for projects that address contaminants of emerging concern. Section 28 contains language regarding aggregate resources assessment as part of comprehensive plans. Click [HERE](#) for a summary of the policy bill. The House companion is expected to be heard on the floor Monday, 5/5.

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

Housing

This week, the House version of the omnibus Housing Finance bill, [SF 2298](#) – Igo, was heard on the House floor. The bill includes \$10 million in additional one-time funding for the Challenge program, \$500,000 for a tenant education and hotline service, and authorization of an additional \$100 million in Housing Infrastructure Bonds (HIBs).

The bill initially proposed to prioritize competitive development program awards for all Minnesota Housing Finance Agency (MHFA) programs and required the development of a scoring system to allocate additional points for applications meeting very restrictive criteria relating to local policies. During the debate, Representative Howard (DFL-Richfield) offered [an amendment](#) to adjust the list of local policies which a city could receive additional points and capped them at five percent of the total available points. The amendment passed on a voice vote. This language is an improvement from initial language, which Metro Cities expressed to committee members. The bill passed the House and now heads to conference committee.

The House also heard [HF 2309](#) – Rehrauer (DFL- Coon Rapids). This bill gives the authority to Housing and Redevelopment Authorities (HRAs) to create a local housing trust fund, which Metro Cities supports. This bill passed the House.

House and Senate Housing bills will head to a conference committee to reconcile differences. The Senate Housing Conference Committee members are Senator Port (DFL-Burnsville), Senator Boldon (DFL-Rochester), and Senator Lucero (R-Saint Michael). House conference committee members are Representative Igo (R-Wabana Township), Representative Nash (R-Waconia), Representative Howard (DFL-Richfield), and Representative Kozlowski (DFL – Duluth).

Please contact Ania McDonnell, at ania@metrocitiesmn.org if you have any questions.

Economic Development

The Omnibus Jobs and Economic Development bill, [SF 1832](#) – Champion, has been combined with the omnibus Labor bill, and was heard on the Senate floor this week. The bill includes base funding for the Minnesota Investment Fund, Redevelopment Grant Program, Job Skills Partnership Program, and Job Creation Fund. The bill passed the Senate.

On Thursday, the House omnibus Workforce, Labor, and Economic Development Finance bill, HF 2440 - Pinto, was released and scheduled for a hearing for Friday (May 2nd) in the House Ways and Means Committee. The bill includes significant cuts for key economic development programs that Metro Cities supports. Metro Cities [submitted a letter](#) citing concerns. Metro Cities has long supported state funding for the programs. View the spreadsheet of the bill [HERE](#), and the bill language [HERE](#).

The cuts proposed are:

- Job Creation Fund – all base funding eliminated in both FY26-27 and FY28-29 (\$16M each biennium)
- Minnesota Investment Fund – all base funding eliminated in both F26-27 and FY28-29 (\$24.7M each biennium)
- Job Skills Partnership Program – all base funding eliminated in both FY26-27 and FY28-29 (\$8.3M each biennium)
- Contaminated Site & Cleanup Investigation Grants - \$1.5 million cut in both FY26-27 and FY28-29
- Redevelopment Grant Program - \$2M cut in both FY26-27 and FY28-29

The bill was scheduled for Friday morning but was not heard, and the committee did not announce when it would be considered. Contact Ania McDonnell at ania@metrocitiesmn.org with questions.

Legacy

[HF 2563](#) (Vang), the House Legacy finance bill, was passed by the House. The bill includes funding for Metropolitan regional parks and trails. Click [HERE](#) to view the House Legacy spreadsheet. [SF 2563](#) (Hawj), the Senate Legacy finance bill, was debated on the floor on 4/30 where it was amended and laid on the table. Click [HERE](#) for the associated budget spreadsheet.

Liquor

[SF 2511](#) (Klein), the Senate's omnibus liquor bill was passed on 4/28. Section 5 of the bill authorizes cities to establish social districts. The bill describes parameters for social district licenses, the designation of districts, their boundaries, management, maintenance, and other requirements.

Public Safety

[HF 2432](#) (Latz) was passed, as amended, by the Senate on 4/30. The Senate's language was substituted in place of the content passed by the House last week. Click [HERE](#) for a summary of the Senate bill as it came to the floor and [HERE](#) for the budget spreadsheet. Several amendments adopted on the floor redirected funding from the Community Crime Prevention Account to other

purposes including the Philando Castile Memorial Training Fund for training reimbursements and Violent Crime Enforcement Teams (VCET).

[HF 2432](#) (Novotny), the House public safety budget and judiciary bill was passed, as amended, by the House. The bill 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. Click [HERE](#) for the budget spreadsheet for HF 2432. Click [HERE](#) for a summary of the public safety and judiciary finance bill.

[HF 1354](#) (Moller), the omnibus public safety policy bill was passed, as amended, by the House on 4/25 with a vote of 133 to 1. Click [HERE](#) for a summary of the bill.

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

State and Local Government and Elections

[SF 3045](#), the combined state and local government and elections bill was passed, as amended, by the Senate on 4/25. The bill contains several provisions of note for cities.

It amends the open meeting law 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. Finally, the bill includes language regarding public meeting posting requirements in a qualified local paper.

An [amendment](#) was adopted on the floor that moved the deadline for voters to submit their absentee ballot to the county auditor or municipal clerk on election day from 8:00 PM to 3:00 PM in order to give administrators more time to process those ballots and report results. Click [HERE](#) for a summary of the bill. Click [HERE](#) for the budget spreadsheet.

[SF 3045](#) (Klevorn) was passed, as amended, by the House on 5/1 with a vote of 113 to 21. Click [HERE](#) for a summary of the bill and [HERE](#) for the budget spreadsheet.

[HF 2098](#) (Freiberg), the omnibus local government policy bill was passed, as amended, by the House on 5/1 with a vote of 132 to 0. The bill includes changes to parts of Minnesota law that deal 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. Click [HERE](#) for a summary of the bill.

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

Transportation

[HF 2438](#) (Koznick), the House's transportation finance and policy bill was passed, as amended, by the House on 4/28. The bill includes increases in state road construction funding, funding for the Corridors of Commerce program, \$15 million each year for the 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. Finally, the bill delays the implementation of greenhouse gas emissions reduction legislation passed in the previous biennium. Click [HERE](#) for a summary of the bill and [HERE](#) for the budget spreadsheet.

[HF 2438](#) (Dibble), the Senate's transportation bill was passed, as amended, by the Senate on 5/1. The language substituted by the Senate 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 area 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 dip in MSAS funding is partially made up for in increases to EV registration surcharge amounts.

The bill 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. This piece is the subject of ongoing negotiations between the author and stakeholders. Click [HERE](#) for a summary of the bill and [HERE](#) for the budget spreadsheet.

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

Local Government Cannabis Guidance Updated

The Minnesota Office of Cannabis Management (OCM) has updated their guidance to local governments following the closure of the adult-use license application window and official adoption of cannabis rules. The updated [guide](#) includes new information on completing zoning compliance certification (Appendix H).

The OCM has identified the following as steps local governments should take:

1. Review the updated [Guide for Local Governments on Adult-Use Cannabis and Lower Potency Hemp Edible Licenses](#) (Found on the OCM's [Local Government Webpage](#)).
2. Submit the [Delegation and Contact form](#), which captures zoning authority contact information and lets the OCM know if a city plans to delegate its local retail registration authority.
3. If you will be responsible for zoning and land use compliance certification, [register for an Accela account](#) so you can be notified by the OCM regarding zoning compliance certification requests.

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

Bills of Note

[HF 3251](#), Roach/[SF 3468](#), Lieske: Bill eliminates the license to sell scrap metal copper.

[HF 3252](#), Myers: Bill establishes a drinking water contaminate mitigation program.

[HF 3264](#), Berg: Bill modifies allocation of regional transportation sales tax revenue for student transit and replacement services.

[HF 3279](#), Howard/[SF 2621](#), Mohamed: Bill proposes to amend the Minnesota Constitution to increase the sales tax rate by three-eighths of one percent and dedicating the receipts for housing purposes, and creates a homeownership opportunity fund, a community and household stability fund, and a rental opportunity fund

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