

Legislative Updates

This week, legislators have discussions and negotiations on budget bills, with much of the work being done behind the scenes. Legislators have until June 30 to pass a state budget before there would be a partial shutdown of state government. Legislative leaders this week indicated that a special session could happen next week, but no date has yet been set by the Governor. Below are updates on various omnibus budget bills of interest to Metro Cities.

Taxes

The Taxes working group met briefly Tuesday at which point a Senate offer that included various House provisions, was not adopted, and the committee was adjourned. The taxes working group has not held additional meetings this week.

Environment and Natural Resources Agreement

A working group composed of legislators tasked with finding agreement on an eventual environment and natural resources budget bill met this week, and members and staff walked through agreed upon bill language and the associated budget spreadsheet. Some items of note for cities include funding for the MPCA to employ a municipal liaison to assist municipalities with water quality standards and NPDES/SDS permitting processes, funding for community tree-planting grants (both for the metropolitan area and statewide programs), and funding for the metropolitan regional parks and trails system. The bill also increases water-use permit fees and water appropriation permit fees, in part to help backfill general fund cuts. Click [HERE](#) to view the agreed bill language, [HERE](#) for the budget spreadsheet, and [HERE](#) for a summary of the bill.

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

Transportation Agreement Posted

An agreement on a transportation finance and policy bill was posted Friday morning. The agreement has a net general fund cut of \$115 million in FY 2025-2027 and a cut of \$133 million in FY 2028-2029. The bill cuts general fund appropriations for metropolitan area transit and contains cuts to the state's active transportation account. The bill includes \$3 million for the Local Road Wetland Replacement program administered by the Board of Water and Soil Resources. The bill appears to split the funding source for improvements to the Washington Ave bridge on the UMN Twin Cities campus between the regional sales tax (\$2 million) and Hennepin County (\$6 million). Click [HERE](#) for the budget spreadsheet document.

While some language is likely still being drafted by the revisor's office, the working group also produced a table detailing which policy provisions would be included in the final agreement. Some provisions of note for cities include: changes to the greenhouse gas assessment implementation, increases to surcharges for electric vehicles, payments to deputy registrars for no-fee transactions they complete, changes to Metropolitan Council reporting requirements, a study to analyze shifting the Blue Line extension project to bus rapid transit instead of rail, a reallocation of regional sales tax revenue from the county portion to build out the region's bus rapid transit network, and changes to the corridors of commerce program. Click [HERE](#) to view the policy table, which shows which provisions are included and which were dropped.

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

Adult-Use Cannabis Update

The Minnesota Office of Cannabis Management (OCM) is reopening registration for hemp-derived cannabinoid businesses. This second application window will open on June 2. Businesses that sell hemp-derived cannabinoid products (HDCPs) without registering with the OCM are in violation of Minnesota law and are subject to enforcement action from the state. This registration window will be open until August 31.

The OCM also announced that beginning in October they will accept business license applications for three license types: lower-potency hemp edible retailers, lower-potency hemp edible manufacturers, and lower-potency hemp edible wholesalers – the last of which is a new license type created by the 2025 legislature. Applicable businesses who do not apply for a license during the October window must immediately end all sales of HDCPs on October 31. Click [HERE](#) to view the full press release from the OCM.

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

Redevelopment Grant and Demolition Loan Programs Open

The applications for the Redevelopment Grant Program and the Demolition Loan Program at the Department of Employment and Economic Development (DEED) are now open and are due on August 1, 2025.

The Redevelopment Grant Program supports local governments with redevelopment projects to fill the financial gap to reuse land. The grants pay up to half of the redevelopment costs for a qualifying site, with a 50% local match. Grants can be used to support the cost of land acquisition, building and site demolition, infrastructure improvements, soil stabilization, and costs necessary for the adaptive reuse of buildings. You can find more information about the program and application information [HERE](#).

The Demolition Loan Program was created in 2012 to support local governments with the acquisition and removal of vacant blighted structures when there is no immediate plan for site redevelopment. This program is intended to fill the gap for where communities may need to address more immediate public safety concerns or hazardous conditions on a site before considering future development. You can find more information about the program and application information [HERE](#). For a copy of the application materials for both programs, contact Amber Merritt at amber.merritt@state.mn.us.

Contact Ania McDonnell at ania@metrocitiesmn.org with any questions.

2025 Metro Cities Policy Committees

Metro Cities 2025 policy committee process begins in July. Participation is open to member city elected officials and staff. Committee descriptions and dates are on the [website](#). Please be sure to [sign up](#) for the committee(s) you wish to attend. This will help us keep rosters accurate. We look forward to seeing you this summer!

Remembering Oak Park Heights Mayor Mary McComber

The Metro Cities Board of Directors and staff extend its deepest sympathies to the family of Oak Park Heights Mayor Mary McComber, on her passing this week. Mary was highly active in the work of Metro Cities, including serving on the association's policy committees and Board of Directors. Her commitment to and work with cities across the metropolitan area is greatly appreciated and will be missed.

Thank You, Amy!

Metro Cities would like to thank our intern, Amy Bendtsen, for her work with Metro Cities during the 2025 session. Amy is completing her master's degree at the Humphrey School of Public Affairs at the University of Minnesota. We appreciate her assistance with monitoring bills, writing articles, and researching legislative issues. We wish Amy all the best as she completes her studies!

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