

Legislative Leaders Reach Agreement on Session Items

This week, Governor Walz and legislative leaders came to agreement on budget and spending parameters and a number of key issues, including assistance for the Hennepin County Medical Center (HCMC), a \$1.2 billion bonding bill, property tax relief, and a temporary, one year reduction for vehicle tab fees. Leaders also agreed to spending targets for various budget areas including education, health and human services and taxes, and agreed to a safety and security package, technology improvements for counties, and other items. Funding was not included for business relief for businesses impacted by recent federal immigration enforcement activity, and no agreement was reached on gun legislation, two key items that were receiving significant consideration this session. The budget target for taxes was released, with conformity expected as part of the tax bill, but few specifics.

A taxes discussion group has met twice and come to informal agreement on a number of no-cost tax related items. The fate of local sales tax and tax increment financing proposals that were included in the Senate bill, and discussed by the group, remain uncertain at this point.

Bills must be passed by midnight Sunday, May 17th, and outstanding conference committees, working groups and floor sessions will meet over the weekend as the session draws to a close. While overall spending parameters and items were agreed to by leaders, the specifics of bills will need to be considered and agreed to by conference committees and on the floors of the House and Senate.

Omnibus Bill Updates*Adult-Use Cannabis*

[SF 4401](#) (Dibble) was passed, as amended, by the Senate with a vote of 34 to 33 on 5/12. The bill removes some obsolete language regarding local interim ordinances (which were allowed until January 2025). The bill also clarifies language around the local certification of zoning and code compliance for prospective cannabis business. It also clarifies the optional population-caps for cannabis business registrations and how counties develop processes for limiting registrations. Finally, the bill details what data is to be submitted to the Office of Cannabis Management by local governments conducting compliance checks. The House companion, [HF 4203](#) (Hanson, J.), is waiting for a hearing in Ways and Means. Click [HERE](#) for a summary of the bill.

Elections

[HF 4240](#) (Freiberg/Westlin) was passed, as amended by the Senate on 5/13 with a vote of 36 to 28. On 5/14 the House concurred with the changes made by the Senate and passed the bill with a vote of 127 to 6. The bill amends the requirements for the designation or notice that a full-time city clerk will administer absentee voting. The bill requires that the municipality must determine whether the municipality's office will be designated to administer in-person absentee voting starting on the 46th day before the election or early voting starting on the 18th day before the election. The bill includes language providing that for a municipality already designated to or that has already given notice of the intent to administer absentee voting, the municipality and county must come to an agreement by June 12, 2026, and notify the secretary of state whether the municipality will administer absentee voting for the 46 days or 18 days before election day in the 2026 state primary. The bill also changes the requirements for when a local canvassing board

must meet to give local jurisdictions the ability to meet as a canvassing board without having to schedule a special meeting.

Environment and Natural Resources Trust Fund

The [conference committee report](#) for HF 3426 (Jordan/Hawj), the Environment and Natural Resources Trust Fund (ENRTF) bill, was passed by the House on 5/14 with a vote of 117-15. On the same day, the Senate passed the conference committee report with a vote of 46 to 19. The ENRTF is a constitutionally dedicated trust fund funded by proceeds from the Minnesota State Lottery. The bill includes most of the FY 2027 recommendations of the Legislative-Citizen Commission on Minnesota Resources (LCCMR). The bill includes new requirements of the LCCMR when approving expenditures from the ENRTF emerging issues account. Finally, the bill appropriates money (\$28 million) and establishes requirements for the ENRTF community grant program. The program was established upon passage of the constitutional amendment passed in November of 2024 that renewed the dedication of net lottery proceeds to the ENRTF and increased the amount of money that may be appropriated from the fund by 1.5 percent for purposes of a new ENRTF community grant program. Click [HERE](#) to view the fiscal spreadsheet for the ENRTF conference committee agreement.

Housing

This week, the House and Senate Housing Finance and Policy Conference Committee met and released their joint finance and policy agreement. You can view the spreadsheet [HERE](#) and the draft agreement language [HERE](#). [HF 1141](#) includes a variety of funding for housing programs supported by Metro Cities. This includes \$100 million in Housing Infrastructure Bonds, \$425,000 for a statewide tenant education and hotline service, \$150,000 for the Homeowner Education Counseling and Training Program (HECAT). The bill also includes an additional \$40 million for the Family Homeless Prevention Assistance Program (FHPAP), as well as \$4 million for manufactured home park infrastructure grants.

The bill includes policy provisions which work to improve transparency from the Minnesota Housing Finance Agency (MHFA) on their uses of funds, particularly how they use investment earnings on funds appropriated by the legislature. The bill includes a requirement for the MHFA to report on interest earnings to the legislature and that the agency share its accounting system with House and Senate fiscal staff. The bill also requires the MHFA to make their board meetings publicly available on their website for live video streaming and for watching the meetings later.

During the meeting, the conference committee adopted an [amendment](#) that allows for local governments with a population over 100,000, or a local government with a AA or higher bond rating with additional investment authority to include more investment options.

The bill passed the House floor with 105 yes votes and 28 no votes and passed the Senate floor with 42 yes votes and 25 no votes. The bill was signed by the Governor on May 14th. You can view the Chapter in law [HERE](#).

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

Public Safety Policy

The [conference committee report](#) for SF 4760 (Novotny/Latz), the public safety policy bill, was passed by the House with a vote of 100 to 32 on 5/12. The Senate passed the committee report on the same day with a vote of 57 to 9. After the Governor signed this bill, it became [Chapter 97](#). This chapter of law establishes a task force charged with evaluating what would be required to transition the Allied Radio Matrix for Emergency Response (ARMER) network to a statewide,

state-funded framework. It also contains provisions of note related to line-of-duty death benefits and whether cancer in public safety officers is presumed to be work-related.

Safety and Security

On Wednesday, a conference committee of 11 members met for [SF 3432](#) (Latz), the Safety and Security package. The committee convened for just over an hour to hear testimony from the Commissioner of Public Safety, the Minnesota District Judges Association, and the Minnesota State Patrol. Although no formal action was taken, members indicated that there is bipartisan urgency to pass the comprehensive package before the end of the legislative session.

The House and Senate passed very similar language, however there is still a large spending gap that will require further negotiations. The proposal from the House of Representatives would spend a total of \$24.17 million while the Senate's bill spends \$47.32 million. The largest discrepancy lies within the Department of Public Safety. The House outlined a \$15.13 million spending target while the Senate placed the appropriation at \$38 million. As legislators continue to advance other bills this week, expect further updates on the Safety and Security Package before Monday. Senator Latz said that the committee will meet again when there are action items to vote for inclusion of provisions in a final report. This conference committee is expected to meet again on Friday, 5/15. For more information, click [HERE](#) to view the conference committee webpage.

Livable Communities Advisory Committee (LCAC) Seeking Two Members

The Metropolitan Council is seeking to fill two spots on its Livable Communities Advisory Committee (LCAC). The LCAC is a technical review group which will help score and recommend projects for funding through the LCA programs for grant awards for affordable multifamily rental housing and homeownership projects. The Council is seeking members who will be appointed in the summer of 2026 for two-year terms.

The deadline to apply is June 1, 2026. You can learn more about the committee [HERE](#), and apply [HERE](#).

Sign Up! 2026 Metro Cities Policy Committees

Metro Cities 2026 policy committee process will begin in July and your participation is encouraged. Committees will recommend the association's legislative policies for 2027. Participation is open to member city elected officials and staff, and 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!

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