

Legislative Session and Omnibus Bill Updates

There is a little over a week remaining in the 2026 legislative session. Some omnibus and other bills are advancing, while others remain in their respective committees or have yet to be heard on the floors. Legislative leaders and the Governor's office are meeting to negotiate end-of-session items for possible agreement, including revenue and spending targets for any supplemental budget bills, the Hennepin County Medical Center, bonding, and others.

Last week, Metro Cities reported that the Senate Taxes Committee had passed an omnibus tax bill. The House Taxes Committee has yet to pass an omnibus bill, and this week a Taxes 'discussion group' comprised of members from the Senate and House taxes committees, convened and discussed several topics that have been discussed in the committees, and in the case of the Senate, are in the Senate bill, including tax increment financing, local sales taxes, no cost policy related items, and the minerals article. The discussion was limited to providing information on items, with specific priorities or issues of interest, effectively off limits. At this point, no additional meetings have been scheduled.

Metro Cities expects that legislative activity will be very fluid over the next week as the session's conclusion approaches on May 18. Additional information and updates will be provided when available.

Senate Omnibus Supplemental Finance Bill

[SF 4059](#) (Marty), the Senate omnibus supplemental appropriations bill, was passed, as amended, by the Senate on 5/5 with a vote of 35 to 31. The language contained in this bill had been in HF 2433, but the Finance committee amended it into SF 4059 as the preferred vehicle bill. SF 4059 contains supplemental appropriations for various state agencies including MPCA, DNR, DEED, DLI, MMB, and others. It spends approximately \$102.5 million in FY2026-27 and \$11.4 million in FY2028-29. Click [HERE](#) to view the budget spreadsheet for the senate supplemental finance bill as it came to floor.

Adult-Use Cannabis

[SF 4401](#) (Dibble), the omnibus cannabis bill, was passed, as amended, by the Finance committee on 5/6. The bill removes some obsolete language regarding local interim ordinances (which were allowed until January 2025). The bill also clarifies language pertaining to the local certification of zoning and code compliance for prospective cannabis business. It also clarifies the optional population-based 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 as it came into Finance.

Housing

This week, HF 1141 – Howard, the omnibus housing supplemental bill, passed the House on a 99-34 vote. The bill contains \$100 million in Housing Infrastructure Bonds, and \$150,000 in additional funds for the Housing Education Counseling and Training Program (HECAT). The bill uses interest earnings from Minnesota Housing Finance Agency to pay for various provisions in the bill and includes policy language that directs how Minnesota Housing Finance Agency spends and uses interest earnings on funds. View the bill language [HERE](#).

Also, this week, the Senate heard and passed the Senate version of the omnibus Housing supplemental bill. The bill language is in the House File, HF 1141, and can be found [HERE](#). The bill includes \$50 million in Housing Infrastructure Bonds. The bill also includes a provision that would prohibit a private equity company from owning over 100 single-family homes, and contains provisions related to manufactured home parks.

During the floor discussion, a few amendments were added. One would earmark \$5 million in Housing Infrastructure Bonds for manufactured home park improvements and infrastructure while another would limit Low Income Housing Tax Credit (LIHTC) rental increases for income restricted units for residents 65 years of age or over. The limits for rental increases would change from the area median income to one percent over the consumer price index (CPI). Another amendment would provide for 50% of the state housing tax credit allocation be allocated to Greater Minnesota through September 30 of the allocation year, and if the credits aren't used by then, they would be allocated to the rest of the state for use. Finally, an amendment was added that would create a Task Force on Housing Taxes and Fees to study and analyze the impact of state, county and local taxes, fees, and exactions on the cost of housing development and preservation in the state. The task force would include one city representative on what would be a 16-member task force.

The House and Senate bills differ and require a conference committee to reconcile differences, and a first conference committee meeting will be held Friday. The House members include Representatives Igo, Howard, Nash, and Kozlowski. The Senate members are yet to be officially designated.

Economic Development

This week, [HF 3732](#) – Pinto, the Economic Development supplemental budget bill, was heard and passed on the House floor.

An amendment was offered during the floor debate to provide funding for business relief for businesses impacted by federal immigration enforcement actions. The amendment did not pass with 67 yes votes and 67 no votes. The overall bill passed the House floor with 98 yes votes and 35 no votes.

Elections

[HF 4240](#) (Freiberg), the elections administration omnibus bill, was passed, as amended, by the House on 5/6 on a 119-15 vote. The bill amends 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 describing what local expenses the Secretary of State must reimburse cities and counties for during special elections. 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. The closest comparable bill passed by the senate, which contains many of the same provisions is [SF 4223](#) (Westlin). SF 4223 was passed by the Senate on 4/23.

Human Services

[SF 4476](#) (Hoffman), the omnibus human services supplemental appropriation bill, was passed, as amended, by the Senate on 5/6, on a 35-32 vote. The bill contains several provisions regarding congregate care facilities and their relationship to local governments. The bill includes notification

requirements for newly licensed facilities so that cities can become and remain aware of licensed services operating within their community. The bill prohibits newly licensed facilities if the proposed setting shares a property or an adjoining property with an existing community residential setting. Finally, the bill allows the state to delegate property inspection authority to local governments, if the city or county requests it. The House companion, [HF 4338](#) (Schomaker) remains in the Ways and Means committee. Click [HERE](#) for a summary of the bill as it came to the Senate floor.

Public Safety

The conference committee for the omnibus public safety policy bill, [SF 4760](#) met on 5/8. The conference committee adopted agreed upon language and directed staff to compile their conference committee report. One provision of note approved by the committee is the creation of a task force to establish 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. Other provisions of note relate to line-of-duty death benefits and whether cancer in public safety officers is presumed to be work-related. Conferees include Senators Latz, Limmer, and Oumou Verbeten, and Representatives Novotny, Feist, Moller, and Witte. Click [HERE](#) to view the conference committee webpage where the final conference committee report will be posted before the House and Senate are each asked to vote on this legislation. An additional conference committee is expected to be formed to finalize language for a public safety supplemental finance bill at some point before the end of the legislative session.

Safety & Security Package

Last week the Senate passed a comprehensive public safety package, [SF 3432](#) (Latz). The bill increases funding for security measures in judicial courts, mandates public safety vehicles sold to the public must remove any equipment or insignia that could mislead the public and provided additional funding to the Capitol complex security measures. Another notable provision in the bill is an appropriation to provide protective services to members elected in the legislature. While the State Patrol will be the main protective service responding to members who receive credible threats to their safety, there is a provision around local law enforcement reimbursement if a local agency is the first group to respond. The Senate passed the bill on to the house by a vote of 45-19 on 4/27.

During the House floor session on Wednesday, legislators held lengthy discussions about SF 3432 (after substituting for the House language found in [HF 3230](#)). Although the House passed the public safety package, 92-42, members on both sides of the aisle took issue with spending more money on their own protection before they passed a bill related to school security. The Senate rejected the amended bill and called for a conference committee to continue negotiations.

Homeowners Association Bill Passes House and Senate

As reported in the newsletter last week, the House passed [SF 1750](#) – Bahner/Lucero, the omnibus Homeowners Association (HOA) and Common Interest Community (CIC) reform bill. The bill was then sent to the Senate.

The Senate took up SF 1750 this week and passed the bill, concurring with the House language, on a 59-8 vote. The bill contains various provisions pertaining to HOA/CIC law that clarify remedies for homeowners living in HOAs. The bill preempts local governments from conditioning the approval of a residential building permit, residential subdivision development, conditional use permit or any other permit related to residential development on the creation of a homeowner's association or the inclusion of any service, feature, or common property that necessitates a homeowner's association. The bill allows a local government to require the maintenance or

insurance of common elements. Language related to stormwater management, which was supported by Metro Cities and other city associations, was not included in the final bill.

The bill is now on its way to the Governor's desk for signature to become law. Contact Ania McDonnell at ania@metrocitiesmn.org with any questions.

2026 Local Input on Opportunity Zones Program

The Opportunity Zones program was first established by Congress in 2017 to encourage long-term investments in low-income and urban communities nationally. The program was reauthorized in 2025 through the One Big Beautiful Bill Act. Governor Walz is authorized to designate 25% of the eligible census tracts as Opportunity Zones in Minnesota, which is approximately 73 census tracts out of the 289 eligible low-income census tracts. The new Opportunity Zones will go into effect January 1, 2027, and last for 10 years.

There is a 90-day designation window that begins on July 1, 2026 and will be due on September 28, 2026. The Department of Employment and Economic Development is seeking input from cities of the first class, counties and tribal governments to prioritize and rank census tracts that are eligible to be Opportunity Zones. They are seeking input on various principles such as needs of the low-income community and other partners, potential for positive impact to further equity and inclusion, commitments to support the zone by industry, engagement with organizations, development possibilities, and others.

You can find more information and how to submit input at DEEDs website [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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