

1.1 Freiberg and Quam from the Committee on Elections Finance and Government Operations  
1.2 to which was referred:

1.3 H. F. No. 3883, A bill for an act relating to metropolitan government; clarifying water  
1.4 supply planning and reporting requirements; amending Minnesota Statutes 2024, section  
1.5 473.1565.

1.6 Reported the same back with the following amendments:

1.7 Delete everything after the enacting clause and insert:

1.8 "Section 1. Minnesota Statutes 2025 Supplement, section 462C.04, subdivision 2, is  
1.9 amended to read:

1.10 Subd. 2. **Program review.** A public hearing shall be held on each program after one  
1.11 publication of notice in a newspaper circulating generally in the city, at least ten days before  
1.12 the hearing. ~~On or before the day on which notice of the public hearing is published, the~~  
1.13 ~~city shall submit the program to the Metropolitan Council, if the city is located in the~~  
1.14 ~~metropolitan area as defined in section 473.121, subdivision 2, or to the regional development~~  
1.15 ~~commission for the area in which the city is located, if any, for review and comment. The~~  
1.16 ~~appropriate reviewing agency shall comment on:~~

1.17 ~~(a) whether the program furthers local and regional housing policies and is consistent~~  
1.18 ~~with the Metropolitan Development Guide, if the city is located in the metropolitan area,~~  
1.19 ~~or adopted policies of the regional development commission; and~~

1.20 ~~(b) the compatibility of the program with the housing portion of the comprehensive plan~~  
1.21 ~~of the city, if any.~~

1.22 ~~Review of the program may be conducted either by the board of the reviewing agency~~  
1.23 ~~or by the staff of the agency. Any comment submitted by the reviewing agency to the city~~  
1.24 ~~must be presented to the body considering the proposed program at the public hearing held~~  
1.25 ~~on the program.~~

~~A member or employee of the reviewing agency shall be permitted to present the comments of the reviewing agency at the public hearing. After conducting the public hearing, the program may be adopted with or without amendment, provided that any amendments must not be inconsistent with the comments, if any, of the reviewing agency and must not contain any material changes from the program submitted to the reviewing agency other than changes in the financial aspects of any proposed issue of bonds or obligations. If an amendment contains any material change other than a change in the financial aspects of a proposed issue of bonds or obligations, or any change which is inconsistent with the comments of the reviewing agency is adopted, the amended program shall be resubmitted to the appropriate reviewing agency for review and comment, and a public hearing shall be held on the amended program after one publication of notice in a newspaper circulating generally in the city at least ten days before the hearing. The amended program shall be considered after the public hearing in the same manner as consideration of the initial program.~~

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2025 Supplement, section 473.142, is amended to read:

**473.142 SMALL BUSINESSES.**

Subdivision 1. Preference awards. ~~(a)~~ The Metropolitan Council and agencies specified in section 473.143, subdivision 1, may award a preference up to the percentage under section 16C.16, subdivision 6, paragraph (a), for specified goods or services to small targeted group businesses and veteran-owned small businesses designated under section 16C.16. The council and each agency specified in section 473.143, subdivision 1, may award a preference up to the percentage under section 161.321, subdivision 2, paragraph (a), in the amount bid for specified construction work to small targeted group businesses and veteran-owned small businesses designated under section 16C.16.

Subd. 2. Designations. ~~(b)~~ The council and each agency specified in section 473.143, subdivision 1, may designate a contract for construction, goods, or services for award ~~only~~ to small businesses or small targeted group businesses designated under section 16C.16 if the council or agency determines that at least three small businesses or small targeted group businesses are likely to respond to a solicitation. The council and each agency specified in section 473.143, subdivision 1, may designate a contract for construction, goods, or services for award only to veteran-owned small businesses designated under section 16C.16 if the council or agency determines that at least three veteran-owned small businesses are likely to respond to a solicitation.

3.1 **Subd. 3. Contract requirements.** ~~(e)~~ The council and each agency specified in section  
3.2 473.143, subdivision 1, as a condition of awarding or approving a contract, may set goals  
3.3 that require the prime contractor to subcontract a portion of the contract to small businesses,  
3.4 small targeted group businesses ~~and, or~~ or veteran-owned small businesses designated under  
3.5 section 16C.16. The council or agency must establish a procedure for granting waivers from  
3.6 the subcontracting requirement when qualified small businesses, small targeted group  
3.7 businesses ~~and, or~~ or veteran-owned small businesses are not reasonably available. The council  
3.8 or agency may establish financial incentives for prime contractors who exceed the goals  
3.9 for use of subcontractors and financial penalties for prime contractors who fail to meet goals  
3.10 under this ~~paragraph~~ subdivision. The subcontracting requirements of this ~~paragraph~~  
3.11 subdivision do not apply to prime contractors who are small businesses, small targeted  
3.12 group businesses ~~and, or~~ or veteran-owned small businesses. At least 75 percent of the value  
3.13 of the subcontracts awarded to small targeted group businesses under this ~~paragraph~~  
3.14 subdivision must be performed by the business to which the subcontract is awarded or by  
3.15 another small targeted group business. At least 75 percent of the value of the subcontracts  
3.16 awarded to veteran-owned small businesses under this ~~paragraph~~ subdivision must be  
3.17 performed by the business to which the subcontract is awarded or another veteran-owned  
3.18 small business.

3.19 **Subd. 4. Direct solicitation.** ~~(d)~~ The council and each agency listed in section 473.143,  
3.20 subdivision 1, may award a contract for construction, goods, or services directly to small  
3.21 businesses, small targeted group businesses, or veteran-owned small businesses designated  
3.22 under section 16C.16, up to a total contract award value, including extension options, of  
3.23 the amount specified in section 16C.16, subdivision 6, paragraph (b), without completing  
3.24 a competitive solicitation process.

3.25 **Subd. 5. Authorized rulemaking.** ~~(e)~~ The council and each agency may adopt rules to  
3.26 implement this section.

3.27 **Subd. 6. Prompt payment.** ~~(f)~~ Each council or agency contract must require the prime  
3.28 contractor to pay any subcontractor within ten days of the prime contractor's receipt of  
3.29 payment from the council or agency for undisputed services provided by the subcontractor.  
3.30 The contract must require the prime contractor to pay interest of 1-1/2 percent per month  
3.31 or any part of a month to the subcontractor on any undisputed amount not paid on time to  
3.32 the subcontractor. The minimum monthly interest penalty payment for an unpaid balance  
3.33 of \$100 or more is \$10. For an unpaid balance of less than \$100, the prime contractor must  
3.34 pay the actual penalty due to the subcontractor. A subcontractor who prevails in a civil

action to collect interest penalties from a prime contractor must be awarded its costs and disbursements, including attorney fees, incurred in bringing the action.

Subd. 7. **Applicability.** ~~(g)~~ This section does not apply to procurement financed in whole or in part with federal funds if the procurement is subject to federal disadvantaged, minority, or women business enterprise regulations. The council and each agency must report to the commissioner of administration on compliance with this section. The information must be reported at the time and in the manner requested by the commissioner.

Subd. 8. **Legislative report.** By February 1 of each year, the council shall submit a report to the legislature concerning contract awards during the preceding calendar year. At a minimum, the report must include:

(1) a summary of any programs that specifically work with small businesses and small targeted businesses;

(2) a review of the use of preferences for contracting during the preceding year, including frequency of establishment of a preference and frequency and amount of procured goods from, and contract awards to:

(i) small targeted group businesses; and

(ii) small businesses;

(3) a review of goals and good faith efforts to use small targeted group businesses, small businesses, and veteran-owned small businesses in subcontracts, including analysis of methods used for, and effectiveness of, good faith efforts; and

(4) a summary of any financial incentives used or sanctions imposed.

Sec. 3. Minnesota Statutes 2024, section 473.149, subdivision 1, is amended to read:

Subdivision 1. **Policy plan; general requirements.** The commissioner of the Pollution Control Agency ~~shall~~ must revise the metropolitan ~~long-range~~ long-range policy plan for solid waste management ~~adopted in 2011~~ by December 31, 2016, and every ~~sixth year~~ six years thereafter. The plan ~~shall~~ must be followed in the metropolitan area. The plan ~~shall~~ must address the state policies and purposes expressed in section 115A.02. In revising the plan the commissioner ~~shall~~ must follow the procedures in subdivision 3. The plan ~~shall~~ must include goals and policies for solid waste management, including recycling consistent with section 115A.551, and household hazardous waste management consistent with section 115A.96, subdivision 6, in the metropolitan area.

5.1 The plan ~~shall~~ must include criteria and standards for solid waste facilities and solid  
5.2 waste facility sites respecting the following matters: general location; capacity; operation;  
5.3 processing techniques; environmental impact; effect on existing, planned, or proposed  
5.4 collection services and waste facilities; and economic viability. The plan ~~shall~~ must, to the  
5.5 extent practicable and consistent with the achievement of other public policies and purposes,  
5.6 encourage ownership and operation of solid waste facilities by private industry. For solid  
5.7 waste facilities owned or operated by public agencies or supported primarily by public funds  
5.8 or obligations issued by a public agency, the plan ~~shall~~ must include additional criteria and  
5.9 standards to protect comparable private and public facilities already existing in the area  
5.10 from displacement unless the displacement is required in order to achieve the waste  
5.11 management objectives identified in the plan. In revising the plan, the commissioner ~~shall~~  
5.12 must consider the orderly and ~~economic~~ economical development, public and private, of  
5.13 the metropolitan area; the preservation and best and most economical use of land and water  
5.14 resources in the metropolitan area; the protection and enhancement of environmental quality;  
5.15 the conservation and reuse of resources and energy; the preservation and promotion of  
5.16 conditions conducive to efficient, competitive, and adaptable systems of waste management;  
5.17 and the orderly resolution of questions concerning changes in systems of waste management.  
5.18 Criteria and standards for solid waste facilities ~~shall~~ must be consistent with rules adopted  
5.19 by the Pollution Control Agency pursuant to chapter 116 and ~~shall~~ must be at least as  
5.20 stringent as the guidelines, regulations, and standards of the federal Environmental Protection  
5.21 Agency.

5.22 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
5.23 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
5.24 Scott, and Washington.

5.25 Sec. 4. Minnesota Statutes 2024, section 473.1565, is amended to read:

5.26 **473.1565 METROPOLITAN AREA WATER SUPPLY PLANNING ACTIVITIES;**  
5.27 **ADVISORY COMMITTEES.**

5.28 Subdivision 1. **Planning activities.** (a) The Metropolitan Council must carry out planning  
5.29 activities addressing the water supply needs of the metropolitan area as defined in section  
5.30 473.121, subdivision 2. The planning activities must include, at a minimum:

5.31 (1) development and maintenance of a base of technical information needed for sound  
5.32 water supply decisions, including but not limited to surface and groundwater availability  
5.33 analyses, water demand projections, water withdrawal and use impact analyses, modeling,  
5.34 and similar studies;

(2) development and periodic update of a metropolitan area ~~master~~ water supply plan, prepared in cooperation with and subject to the approval of the policy advisory committee established in this section, that:

(i) provides guidance for local water supply systems and future regional investments;

(ii) emphasizes conservation, interjurisdictional cooperation, and long-term sustainability;

and

(iii) addresses the reliability, security, and cost-effectiveness of the metropolitan area water supply system and its local and subregional components;

(3) recommendations for clarifying the appropriate roles and responsibilities of local, regional, and state government in metropolitan area water supply;

(4) recommendations for streamlining and consolidating metropolitan area water supply decision-making and approval processes; and

(5) recommendations for the ongoing and long-term funding of metropolitan area water supply planning activities and capital investments.

(b) The council must carry out the planning activities in this subdivision in consultation with the Metropolitan Area Water Supply Policy and Technical Advisory Committees established in this section.

Subd. 2. **Policy advisory committee.** (a) A Metropolitan Area Water Supply Policy Advisory Committee is established to assist the council in its planning activities in subdivision 1. The policy advisory committee has the following membership:

(1) the commissioner of agriculture or the commissioner's designee;

(2) the commissioner of health or the commissioner's designee;

(3) the commissioner of natural resources or the commissioner's designee;

(4) the commissioner of the Pollution Control Agency or the commissioner's designee;

(5) two officials of counties that are located in the metropolitan area, appointed by the governor, in consultation with the Association of Minnesota Counties;

(6) five officials of noncounty local governmental units that are located in the metropolitan area, appointed by the governor, in consultation with the Association of Metropolitan Municipalities;

(7) the chair of the Metropolitan Council or the chair's designee, who is chair of the advisory committee;

(8) one official each from the counties of Chisago, Isanti, Sherburne, and Wright, appointed by ~~the governor~~ and serving at the pleasure of the respective county administrator or county manager, in consultation with the Association of Minnesota Counties and the League of Minnesota Cities; ~~and~~

(9) a representative of the Saint Paul Regional Water Services, appointed by and serving at the pleasure of the Saint Paul Regional Water Services, and a representative of the Minneapolis Water Department, appointed by and serving at the pleasure of the mayor of the city of Minneapolis; and

(10) a Tribal representative appointed by and serving at the pleasure of the Minnesota Indian Affairs Council.

A local government unit in each of the seven counties in the metropolitan area and Chisago, Isanti, Sherburne, and Wright Counties must be represented in the 11 appointments made under clauses (5), (6), and (8).

(b) Members of the advisory committee appointed by the governor serve at the pleasure of the governor. Members of the advisory committee serve without compensation but may be reimbursed for their reasonable expenses as determined by the Metropolitan Council.

(c) At the end of a four-year term, a member of the advisory committee may serve until a successor is appointed and for as long as the member continues to remain eligible. Members of the advisory committee may be reappointed and serve without a term limit.

(d) If an appointed member of the advisory committee is no longer an elected public official and thereby loses their qualification to serve on the committee, that member must resign effective with the termination of their role as an elected public official.

~~(e)~~ (e) The council must consider the work and recommendations of the policy advisory committee when the council is preparing its regional development framework.

Subd. 2a. **Technical advisory committee.** (a) A Metropolitan Area Water Supply Technical Advisory Committee is established to inform the policy advisory committee's work by providing scientific and engineering expertise necessary to provide the region an adequate and sustainable water supply. The technical advisory committee consists of 15 members appointed by the policy advisory committee, with the majority of members representing single-city and multicity public water supply systems in the metropolitan area and including experts in:

(1) water resources analysis and modeling;

(2) hydrology; and

(3) the engineering, planning, design, and construction of water systems or water systems finance.

(b) The technical advisory committee may include one member that is a designated Tribal representative. Members of the technical advisory committee serve at the pleasure of the policy advisory committee, without compensation, but may be reimbursed for their reasonable expenses as determined by the council.

Subd. 3. **Reports to legislature.** (a) The council must submit reports to the legislature regarding its findings, recommendations, and continuing planning activities under subdivision 1. These reports shall be included in the "Minnesota Water Plan" required in section 103B.151, and five-year interim reports may be provided as necessary.

(b) By February 15, 2017, and at least every five years thereafter, the policy advisory committee shall report to the council, ~~the Legislative Water Commission,~~ and the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources with the information required under this section. The policy advisory committee's report and recommendations must include information provided by the technical advisory committee.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 5. Minnesota Statutes 2024, section 473.165, is amended to read:

**473.165 COUNCIL REVIEW; INDEPENDENT COMMISSION, BOARD, AGENCY.**

Subdivision 1. Council review. ~~(1)~~ The Metropolitan Council ~~shall~~ must review all long-term comprehensive plans of each independent commission, board, or agency prepared for its operation and development within the metropolitan area but only if such plan is determined by the council to have an areawide effect, a multicomunity effect, or to have a substantial effect on metropolitan development. Each plan ~~shall~~ must be submitted to the council before any action is taken to place the plan or any part thereof, into effect.

Subd. 2. Review process. ~~(2)~~ No action shall be taken to place any plan or any part thereof, into effect until 60 days have lapsed after the date of its submission to the council, or until the council finds and notifies the submitting commission, board, or agency that the plan is consistent with its comprehensive guide for the metropolitan area and the orderly and ~~economie~~ economical development of the metropolitan area, whichever first occurs. If, within 60 days after the date of submission, the council finds that a plan, or any part thereof, is inconsistent with its comprehensive guide for the metropolitan area or detrimental to the

9.1 orderly and ~~economic~~ economical development of the metropolitan area, or any part thereof,  
9.2 it may direct that the operation of the plan, or such part thereof, be indefinitely suspended;  
9.3 provided that the council ~~shall~~ must not direct the suspension of any plan or part thereof of  
9.4 any sanitary sewer district operating within the metropolitan area which pertains to the  
9.5 location and construction of a regional sewer plant or plants or the expansion or improvement  
9.6 of the present Minneapolis-St. Paul sanitary district treatment plant. An affected commission,  
9.7 board, or agency may appeal the decision of the Metropolitan Council suspending a plan,  
9.8 or part thereof, to the entire membership of the Metropolitan Council for public hearing. If  
9.9 the Metropolitan Council and the affected commission, board, or agency are unable to agree  
9.10 as to an adjustment of the plan, so that it may receive the council's approval, then a record  
9.11 of the disagreeing positions of the Metropolitan Council and the affected commission, board,  
9.12 or agency ~~shall~~ must be made and the Metropolitan Council ~~shall~~ must prepare a  
9.13 recommendation in connection therewith for consideration and disposition by the next  
9.14 regular session of the legislature.

9.15 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
9.16 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
9.17 Scott, and Washington.

9.18 Sec. 6. Minnesota Statutes 2024, section 473.173, subdivision 6, is amended to read:

9.19 Subd. 6. **Biennial Decennial review; legislative report.** The council and the advisory  
9.20 metropolitan land use committee shall review and assess the rules ~~following their effective~~  
9.21 ~~date and at least every two years thereafter.~~ by January 15 of each year ending in the numeral  
9.22 "5." No major alteration or amendments to standards for determining metropolitan  
9.23 significance shall be put into effect by the council until 90 days ~~have elapsed following a~~  
9.24 ~~report to the legislature in which~~ after the alteration or amendment was proposed and  
9.25 recommended by the council in the form of a proposed rule published under section 14.14,  
9.26 subdivision 1a, or 14.22. ~~The report to the legislature must be made during the month of~~  
9.27 ~~January.~~

9.28 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
9.29 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
9.30 Scott, and Washington.

10.1 Sec. 7. Minnesota Statutes 2024, section 473.245, is amended to read:

10.2 **473.245 REPORTS.**

10.3 On or before January 15 of each year, the Metropolitan Council shall report to the  
10.4 legislature. The report shall include:

10.5 (1) a statement of the Metropolitan Council's receipts and expenditures by category since  
10.6 the preceding report;

10.7 (2) a detailed budget for the year in which the report is filed and the following year  
10.8 including an outline of its program for such period;

10.9 ~~(3) an explanation of any policy plan and other comprehensive plan adopted in whole~~  
10.10 ~~or in part for the metropolitan area and the review comments of the affected metropolitan~~  
10.11 ~~agency;~~

10.12 ~~(4)~~ (3) summaries of any studies and the recommendations resulting therefrom made by  
10.13 the Metropolitan Council, and a listing of all applications for federal money made by  
10.14 governmental units within the metropolitan area submitted to the Metropolitan Council;

10.15 ~~(5)~~ (4) a listing summary of plans and plan amendments of local governmental units  
10.16 and, environmental reviews, and other permit and plan reviews conducted by the council,  
10.17 in addition to proposed matters of metropolitan significance submitted to the Metropolitan  
10.18 Council;

10.19 ~~(6)~~ (5) a detailed report on the progress of any project undertaken by the council pursuant  
10.20 to sections 473.194 to 473.201; and

10.21 ~~(7)~~ (6) recommendations of the Metropolitan Council for metropolitan area legislation,  
10.22 including the organization and functions of the Metropolitan Council and the metropolitan  
10.23 agencies.

10.24 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
10.25 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
10.26 Scott, and Washington.

10.27 Sec. 8. Minnesota Statutes 2024, section 473.25, is amended to read:

10.28 **473.25 LIVABLE COMMUNITIES CRITERIA AND GUIDELINES.**

10.29 Subdivision 1. Funding criteria. ~~(a)~~ The council shall establish criteria for uses of the  
10.30 fund provided in section 473.251 that are consistent with and promote the purposes of this

11.1 article and the policies of the Metropolitan Development Guide adopted by the council  
11.2 including, but not limited to:

11.3 (1) helping to change long-term market incentives that adversely impact creation and  
11.4 preservation of living-wage jobs in the fully developed area;

11.5 (2) creating incentives for developing communities to include a full range of housing  
11.6 opportunities;

11.7 (3) creating incentives to preserve and rehabilitate affordable housing in the fully  
11.8 developed area; and

11.9 (4) creating incentives for all communities to implement compact and efficient  
11.10 development.

11.11 Subd. 2. Guidelines. ~~(b)~~ The council shall establish guidelines for the livable community  
11.12 demonstration account for projects that the council would consider funding with either  
11.13 grants or loans. The guidelines must provide that the projects will:

11.14 (1) interrelate development or redevelopment and transit;

11.15 (2) interrelate affordable housing and employment growth areas;

11.16 (3) intensify land use that leads to more compact development or redevelopment;

11.17 (4) involve development or redevelopment that mixes incomes of residents in housing,  
11.18 including introducing or reintroducing higher value housing in lower income areas to achieve  
11.19 a mix of housing opportunities; or

11.20 (5) encourage public infrastructure investments which connect urban neighborhoods  
11.21 and suburban communities, attract private sector redevelopment investment in commercial  
11.22 and residential properties adjacent to the public improvement, and provide project area  
11.23 residents with expanded opportunities for private sector employment.

11.24 Subd. 3. Priority applications. ~~(c)~~ The council shall establish guidelines governing who  
11.25 may apply for a grant or loan from the fund, providing priority for proposals using innovative  
11.26 partnerships between government, private for-profit, and nonprofit sectors.

11.27 Subd. 4. Annual plan. ~~(d)~~ The council shall prepare an annual plan for distribution of  
11.28 the fund based on the criteria for project and applicant selection.

11.29 Subd. 5. Report to the legislature. ~~(e)~~ By April 1 each year, the council shall prepare  
11.30 and submit to the legislature, as provided in section 3.195, an annual report on the  
11.31 metropolitan livable communities fund. The report must include information on the  
11.32 municipalities that have either elected to participate or elected to not participate under section

12.1 473.251, subdivision 3, the amount of money in the fund, the amount distributed, to whom  
12.2 the funds were distributed and for what purposes, and an evaluation of the effectiveness of  
12.3 the projects funded in meeting the policies and goals of the council. The report may make  
12.4 recommendations to the legislature on changes to Laws 1995, chapter 255.

12.5 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
12.6 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
12.7 Scott, and Washington.

12.8 Sec. 9. Minnesota Statutes 2024, section 473.251, is amended to read:

12.9 **473.251 METROPOLITAN LIVABLE COMMUNITIES FUND.**

12.10 Subdivision 1. **Accounts.** The metropolitan livable communities fund is created and  
12.11 consists of the following accounts:

- 12.12 (1) the tax base revitalization account;
- 12.13 (2) the livable communities demonstration account;
- 12.14 (3) the local housing incentives account; and
- 12.15 (4) the inclusionary housing account.

12.16 Subd. 2. **Distribution of funds.** The council must use the money from the accounts in  
12.17 the metropolitan livable communities fund to make grants and loans to municipalities  
12.18 participating in the metropolitan livable communities program under subdivision 3 or to  
12.19 metropolitan area counties or development authorities for a project in a participating  
12.20 municipality. For purposes of this section, "development authority" means a statutory or  
12.21 home rule charter city, housing and redevelopment authority, economic development  
12.22 authority, port authority, Tribal government, or Tribal development entity.

12.23 Subd. 3. **Program participation.** (a) A municipality may elect to participate in the  
12.24 metropolitan livable communities program. The election to participate is effective after the  
12.25 council adopts the municipality's affordable and life-cycle housing goals under subdivision  
12.26 4. The election to participate in the program is effective until revoked according to paragraph  
12.27 (b). A municipality is subject to this section only in those calendar years for which its  
12.28 election to participate in the program is effective. For purposes of this section, "municipality"  
12.29 means a municipality electing to participate in the metropolitan livable communities program  
12.30 for the calendar year in question, unless the context indicates otherwise.

12.31 (b) A municipality may revoke its election to participate in the metropolitan livable  
12.32 communities program. If the revocation occurs by December 31 of any year, the revocation

13.1 is effective commencing the next calendar year. After revoking its election to participate  
13.2 in the program, a municipality may again elect to participate in the program according to  
13.3 paragraph (a).

13.4 (c) A municipality that elects to participate may receive grants or loans from any account  
13.5 in the metropolitan livable communities fund under subdivision 1. A municipality that does  
13.6 not participate is not eligible to receive a grant under sections 116J.551 to 116J.557. The  
13.7 council, when making discretionary funding decisions, must consider a municipality's  
13.8 participation in the metropolitan livable communities program.

13.9 Subd. 4. **Affordable and life-cycle goals.** The council must negotiate with each  
13.10 municipality to establish affordable and life-cycle housing goals for that municipality that  
13.11 are consistent with and promote the policies of the Metropolitan Council as provided in the  
13.12 adopted Metropolitan Development Guide. The governing body of the council must adopt  
13.13 the negotiated affordable and life-cycle housing goals of each municipality by January 15  
13.14 of each year for each municipality newly electing to participate in the program or for each  
13.15 municipality with which new housing goals have been negotiated. By June 30 of each year  
13.16 for each municipality newly electing to participate in the program or for each municipality  
13.17 with which new housing goals have been negotiated, each municipality must identify to the  
13.18 council the actions it plans to take to meet the established housing goals.

13.19 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
13.20 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
13.21 Scott, and Washington.

13.22 Sec. 10. Minnesota Statutes 2024, section 473.252, subdivision 1a, is amended to read:

13.23 Subd. 1a. **Development authority.** For the purpose of this section, "development  
13.24 authority" means a statutory or home rule charter city, housing and redevelopment authority,  
13.25 economic development authority, ~~and a~~ port authority, Tribal government, or Tribal  
13.26 development entity.

13.27 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
13.28 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
13.29 Scott, and Washington.

14.1 Sec. 11. Minnesota Statutes 2024, section 473.253, is amended to read:

14.2 **473.253 LIVABLE COMMUNITIES DEMONSTRATION ACCOUNT.**

14.3 Subdivision 1. **Sources of funds.** The council shall credit to the livable communities  
14.4 demonstration account the revenues provided in this subdivision. This tax shall be levied  
14.5 and collected in the manner provided by section 473.13. The levy shall not exceed ~~the~~  
14.6 ~~following amount for the years specified:~~

14.7 ~~(1) for taxes payable in 2004 and 2005, \$8,259,070; and~~

14.8 ~~(2) for taxes payable in 2006 and subsequent years, the product of (i) (1) the property~~  
14.9 ~~tax levy limit under this subdivision for the previous year multiplied by (ii) (2) one plus a~~  
14.10 ~~percentage equal to the growth in the implicit price deflator as defined in section 275.70,~~  
14.11 ~~subdivision 2.~~

14.12 Subd. 2. **Distribution of funds.** The council shall use the funds in the livable communities  
14.13 demonstration account to make grants or loans to municipalities participating in the local  
14.14 housing incentives program under section 473.254 or to metropolitan area counties or  
14.15 development authorities to fund the initiatives specified in section 473.25, paragraph (b),  
14.16 in participating municipalities. A grant to a metropolitan county or a development authority  
14.17 must be used for a project in a participating municipality. For the purpose of this section,  
14.18 "development authority" means a statutory or home rule charter city, housing and  
14.19 redevelopment authority, economic development authority, ~~or~~ port authority, Tribal  
14.20 government, or Tribal development entity.

14.21 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
14.22 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
14.23 Scott, and Washington.

14.24 Sec. 12. Minnesota Statutes 2024, section 473.254, subdivision 6, is amended to read:

14.25 Subd. 6. **Distribution of funds.** (a) The funds money in the account must be distributed  
14.26 annually by the council to municipalities that:

14.27 (1) have not met their affordable and life-cycle housing goals as determined by the  
14.28 council; and

14.29 (2) are actively funding projects designed to help meet the goals.

14.30 ~~Funds~~ (b) Money may also be distributed to a development authority for a project in an  
14.31 eligible municipality. ~~The funds distributed by the council must be matched on a~~  
14.32 ~~dollar-for-dollar basis by the municipality or development authority receiving the funds.~~

When distributing ~~funds in~~ money from the account, the council must give priority to projects that (1) are in municipalities that have contribution net tax capacities that exceed their distribution net tax capacities by more than \$200 per household, and (2) demonstrate the proposed project will link employment opportunities with affordable and life-cycle housing; ~~and (3) provide matching funds from a source other than the required affordable and life-cycle housing opportunities amount under subdivision 3 or 3a, as applicable.~~ For the purposes of this subdivision, "municipality" means a statutory or home rule charter city or town in the metropolitan area and "development authority" means a housing and redevelopment authority, economic development authority, ~~or~~ port authority, Tribal government, or Tribal development entity.

**EFFECTIVE DATE; APPLICATION.** This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 13. Minnesota Statutes 2024, section 473.254, subdivision 8, is amended to read:

Subd. 8. **Later election to participate.** (a) If a municipality did not participate in the metropolitan livable communities program for one or more years and elects later to participate, the municipality must, with respect to its affordable and life-cycle housing opportunities amount for the calendar year preceding the participating calendar year:

(1) establish that it spent such amount on affordable and life-cycle housing during that preceding calendar year; or

(2) agree to spend such amount from the preceding calendar year on affordable and life-cycle housing in the participating calendar year, in addition to its affordable and life-cycle housing opportunities amount for the participating calendar year; or

(3) distribute such amount to the local housing incentives account.

(b) The council will determine which investments count toward the required affordable and life-cycle housing opportunities amount by comparing the municipality to participating municipalities similar in terms of stage of development and demographics. If it determines it to be in the best interests of the region, the council may waive a reasonable portion of the amount.

**EFFECTIVE DATE; APPLICATION.** This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

16.1 Sec. 14. Minnesota Statutes 2024, section 473.255, subdivision 1, is amended to read:

16.2 Subdivision 1. **Definitions.** (a) "Inclusionary housing development" means a new  
16.3 construction development, including owner-occupied or rental housing, or a combination  
16.4 of both, with a variety of prices and designs which serve families with a range of incomes  
16.5 and housing needs.

16.6 (b) "Municipality" means a statutory or home rule charter city or town participating in  
16.7 the local housing incentives program under section 473.254.

16.8 (c) "Development authority" means a housing and redevelopment authority, economic  
16.9 development authority, ~~or~~ port authority, Tribal government, or Tribal development entity.

16.10 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
16.11 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
16.12 Scott, and Washington.

16.13 Sec. 15. Minnesota Statutes 2024, section 473.351, subdivision 3, is amended to read:

16.14 Subd. 3. **Allocation formula.** By ~~July 1~~ May 15 of every year each implementing agency  
16.15 must submit to the Metropolitan Parks and Open Space Commission a statement of the next  
16.16 annual anticipated operation and maintenance expenditures of the regional recreation open  
16.17 space parks systems within their respective jurisdictions and the ~~previous year's~~ actual  
16.18 expenditures from the most recent annual audited financial statement. After reviewing the  
16.19 actual expenditures from the most recent annual audited financial statement submitted and  
16.20 by July 15 of each year, the parks and open space commission shall forward to the  
16.21 Metropolitan Council the funding requests from the implementing agencies based on the  
16.22 actual expenditures ~~made~~ from the most recent annual audited financial statements. The  
16.23 Metropolitan Council shall distribute the operation and maintenance money as follows:

16.24 (1) 40 percent based on the use that each implementing agency's regional recreation  
16.25 open space system has in proportion to the total use of the metropolitan regional recreation  
16.26 open space system;

16.27 (2) 40 percent based on the operation and maintenance expenditures made in the previous  
16.28 year by each implementing agency in proportion to the total operation and maintenance  
16.29 expenditures of all of the implementing agencies; and

16.30 (3) 20 percent based on the acreage that each implementing agency's regional recreation  
16.31 open space system has in proportion to the total acreage of the metropolitan regional  
16.32 recreation open space system. The 80 percent natural resource management land acreage  
16.33 of the park reserves must be divided by four in calculating the distribution under this clause.

Each implementing agency must receive no less than 40 percent of its actual operation and maintenance expenses to be incurred in the current calendar year budget as submitted to the parks and open space commission. If the available operation and maintenance money is less than the total amount determined by the formula including the preceding, the implementing agencies will share the available money in proportion to the amounts they would otherwise be entitled to under the formula.

**EFFECTIVE DATE; APPLICATION.** This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 16. Minnesota Statutes 2024, section 473.355, subdivision 2, is amended to read:

Subd. 2. **Grants.** (a) The Metropolitan Council must establish a grant program to provide grants to cities, counties, townships, Tribal governments, and implementing agencies for the following purposes:

(1) removing and planting shade trees on public land to provide environmental benefits;

(2) replacing trees lost to forest pests, disease, or storms; and

(3) establishing a more diverse community forest better able to withstand disease and forest pests.

(b) Any tree planted with money granted under this section must be a climate-adapted species to Minnesota.

**EFFECTIVE DATE; APPLICATION.** This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 17. Minnesota Statutes 2024, section 473.621, subdivision 6, is amended to read:

Subd. 6. **Capital projects; review.** All Minneapolis-St. Paul International Airport capital projects of the commission requiring the expenditure of more than \$5,000,000 ~~shall~~ must be submitted to the Metropolitan Council for review. All other capital projects of the commission requiring the expenditure of more than \$2,000,000 ~~shall~~ must be submitted to the Metropolitan Council for review. No such project that has a significant effect on the orderly and ~~economie~~ economical development of the metropolitan area may be commenced without the approval of the Metropolitan Council. In addition to any other criteria applied by the Metropolitan Council in reviewing a proposed project, the council ~~shall~~ must not approve a proposed project unless the council finds that the commission has completed a

process intended to provide affected municipalities the opportunity for discussion and public participation in the commission's decision-making process. An "affected municipality" is any municipality that (1) is adjacent to a commission airport, (2) is within the noise zone of a commission airport, as defined in the Metropolitan Development Guide, or (3) has notified the commission's secretary that it considers itself an "affected municipality." The council must at a minimum determine that the commission:

~~(a)~~ (i) provided adequate and timely notice of the proposed project to each affected municipality;

~~(b)~~ (ii) provided to each affected municipality a complete description of the proposed project;

~~(c)~~ (iii) provided to each affected municipality notices, agendas, and meeting minutes of all commission meetings, including advisory committee meetings, at which the proposed project was to be discussed or voted on in order to provide the municipalities the opportunity to solicit public comment and participate in the project development on an ongoing basis; and

~~(d)~~ (iv) considered the comments of each affected municipality.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 18. Minnesota Statutes 2024, section 473.851, is amended to read:

**473.851 LEGISLATIVE FINDINGS AND PURPOSE.**

The legislature finds and declares that the local governmental units within the metropolitan area are interdependent, that the growth and patterns of urbanization within the area create the need for additional state, metropolitan and local public services and facilities and increase the danger of air and water pollution and water shortages, and that developments in one local governmental unit may affect the provision of regional capital improvements for sewers, transportation, airports, water supply, and regional recreation open space. Since problems of urbanization and development transcend local governmental boundaries, there is a need for the adoption of coordinated plans, programs and controls by all local governmental units in order to protect the health, safety and welfare of the residents of the metropolitan area and to ensure coordinated, orderly, and ~~economie~~ economical development. Therefore, it is the purpose of sections 462.355, 473.175, and 473.851 to 473.871 to (1) establish requirements and procedures to accomplish comprehensive local planning with land use controls consistent with planned, orderly and staged development and the metropolitan system plans, and (2) to provide assistance to local governmental units

19.1 within the metropolitan area for the preparation of plans and official controls appropriate  
19.2 for their areas and consistent with metropolitan system plans.

19.3 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
19.4 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
19.5 Scott, and Washington.

19.6 Sec. 19. Minnesota Statutes 2024, section 473.859, subdivision 1, is amended to read:

19.7 Subdivision 1. **Contents.** The comprehensive plan ~~shall~~ must contain objectives, policies,  
19.8 standards and programs to guide public and private land use, development, redevelopment  
19.9 and preservation for all lands and waters within the jurisdiction of the local governmental  
19.10 unit through ~~1990~~ the planning year identified in the metropolitan development guide in  
19.11 effect and may extend through any year thereafter which is evenly divisible by five. Each  
19.12 plan ~~shall~~ must specify expected industrial and commercial development, planned population  
19.13 distribution, and local public facility capacities upon which the plan is based. Each plan  
19.14 ~~shall~~ must contain a discussion of the use of the public facilities specified in the metropolitan  
19.15 system statement and the effect of the plan on adjacent local governmental units and affected  
19.16 school districts. Existing plans and official controls may be used in whole or in part following  
19.17 modification, as necessary, to satisfy the requirements of sections 462.355, 473.175, and  
19.18 473.851 to 473.871. Each plan may contain an intergovernmental coordination element that  
19.19 describes how its planned land uses and urban services affect other communities, adjacent  
19.20 local government units, the region, and the state, and that includes guidelines for joint  
19.21 planning and decision making with other communities, school districts, and other jurisdictions  
19.22 for siting public schools, building public facilities, and sharing public services.

19.23 Each plan may contain an economic development element that identifies types of mixed  
19.24 use development, expansion facilities for businesses, and methods for developing a balanced  
19.25 and stable economic base.

19.26 The comprehensive plan may contain any additional matter which may be included in  
19.27 a comprehensive plan of the local governmental unit pursuant to the applicable planning  
19.28 statute.

19.29 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
19.30 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
19.31 Scott, and Washington.

20.1 Sec. 20. Minnesota Statutes 2024, section 473.864, subdivision 2, is amended to read:

20.2 Subd. 2. **Decennial review.** (a) By December 31, 1998, and at least once every ten years  
20.3 thereafter, each local governmental unit ~~shall~~ must review and, if necessary, amend its entire  
20.4 comprehensive plan and its fiscal devices and official controls. Such review and, if necessary,  
20.5 amendment ~~shall~~ must ensure that, as provided in section 473.865, the fiscal devices and  
20.6 official controls of each local government unit are not in conflict with its comprehensive  
20.7 plan.

20.8 (b) Upon completion of review and, if necessary, amendment of its comprehensive plan,  
20.9 fiscal devices, and official controls as required by this section, each local government unit  
20.10 ~~shall~~ must either:

20.11 ~~(a)~~ (1) submit to the Metropolitan Council the entire current comprehensive plan together  
20.12 with written certification by the governing body of the local government unit that it has  
20.13 complied with this section and that no amendments to its plan or fiscal devices or official  
20.14 controls are necessary; or

20.15 ~~(b)(1)~~ (2)(i) submit the entire updated comprehensive plan and amendment or amendments  
20.16 to its comprehensive plan necessitated by its review to the Metropolitan Council for review;  
20.17 and

20.18 ~~(2)~~ (ii) submit the amendment or amendments to its fiscal devices or official controls  
20.19 necessitated by its review to the Metropolitan Council for information purposes as provided  
20.20 by section 473.865.

20.21 (c) Except as otherwise provided in this paragraph, local governments ~~shall~~ must consider,  
20.22 in preparing their updated comprehensive plans, amendments to metropolitan system plans  
20.23 in effect ~~on December 31, 1996~~ at the time of consideration. ~~For metropolitan system plans,~~  
20.24 ~~or amendments thereto, adopted after December 31, 1996,~~ Local governments ~~shall~~ must  
20.25 review their comprehensive plans to determine if an amendment is necessary to conform  
20.26 to the metropolitan system plans. If an amendment is necessary, the local government ~~shall~~  
20.27 must prepare the amendment and submit it to the council ~~for review by September 30, 1999,~~  
20.28 ~~or nine months after the council transmits the metropolitan system plan amendment to the~~  
20.29 ~~local government, whichever is later~~ pursuant to the time frames established under section  
20.30 473.856.

20.31 (d) The periodic review required in this subdivision ~~shall be~~ is in addition to the review  
20.32 required by section 473.856.

21.1        (e) The Metropolitan Council may grant extensions to local government units in order  
21.2 to allow local government units to complete the review and, if necessary, amendment  
21.3 required by this subdivision. Such extensions, if granted by the Metropolitan Council, must  
21.4 include a timetable and plan for completion of the review and amendment.

21.5        (f) Amendments to comprehensive plans of local governmental units ~~shall~~ must be  
21.6 prepared, submitted, and adopted in conformance with guidelines adopted by the Metropolitan  
21.7 Council pursuant to section 473.854.

21.8        **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
21.9 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
21.10 Scott, and Washington.

21.11       Sec. 21. Minnesota Statutes 2024, section 473H.08, subdivision 3, is amended to read:

21.12       Subd. 3. **Expiration by authority.** The authority may initiate expiration by notifying  
21.13 the landowner by registered letter on a form provided by the commissioner of agriculture,  
21.14 provided that before notification ~~(i) the comprehensive plan and the zoning for the land~~  
21.15 ~~have been officially amended so that the land is no longer planned for long-term agriculture~~  
21.16 ~~and is no longer zoned for long-term agriculture, evidenced by a maximum residential~~  
21.17 ~~density permitting more than one unit per quarter/quarter, and (ii) the authority has certified~~  
21.18 ~~such changes pursuant to section 473H.04, subdivision 2. The notice shall describe the~~  
21.19 ~~property for which expiration is desired and shall state the date of expiration which shall~~  
21.20 ~~be at least eight years from the date of notice.~~ the authority adopts a resolution describing  
21.21 the property for which expiration is desired and states the date of expiration, which must  
21.22 be at least eight years from the date of notice. At least two weeks before the authority adopts  
21.23 the resolution, the authority must publish a notice of its intended action in a newspaper  
21.24 having a general circulation within the area of jurisdiction of the authority. Within six  
21.25 months of the authority issuing notice, the authority must amend the comprehensive plan  
21.26 and the zoning for the land, pursuant to sections 473.854 and 473.865, so that the land is  
21.27 no longer planned for long-term agriculture and is no longer zoned for long-term agriculture,  
21.28 evidenced by a maximum residential density permitting more than one unit per  
21.29 quarter/quarter.

21.30       **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
21.31 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
21.32 Scott, and Washington.

22.1

Sec. 22. **REPEALER.**

22.2

Minnesota Statutes 2024, sections 473.144; 473.254, subdivisions 1, 2, and 9; and

22.3

473.859, subdivision 2a, are repealed.

22.4

**EFFECTIVE DATE.** This section is effective the day following final enactment."

22.5

Delete the title and insert:

22.6

"A bill for an act

22.7

relating to metropolitan government; modifying requirements for certain

22.8

Metropolitan Council programs; modifying requirements for contracts; modifying

22.9

certain reporting requirements to the legislature; removing Metropolitan Council

22.10

and regional development commission review of certain city housing finance

22.11

programs; making technical corrections; amending Minnesota Statutes 2024,

22.12

sections 473.149, subdivision 1; 473.1565; 473.165; 473.173, subdivision 6;

22.13

473.245; 473.25; 473.251; 473.252, subdivision 1a; 473.253; 473.254, subdivisions

22.14

6, 8; 473.255, subdivision 1; 473.351, subdivision 3; 473.355, subdivision 2;

22.15

473.621, subdivision 6; 473.851; 473.859, subdivision 1; 473.864, subdivision 2;

22.16

473H.08, subdivision 3; Minnesota Statutes 2025 Supplement, sections 462C.04,

22.17

subdivision 2; 473.142; repealing Minnesota Statutes 2024, sections 473.144;

22.18

473.254, subdivisions 1, 2, 9; 473.859, subdivision 2a."

22.19

With the recommendation that when so amended the bill be placed on the General

22.20

Register.

22.21

This Committee action taken March 25, 2026

22.22

....., Co-Chair

22.23

....., Co-Chair