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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 3884

03/02/2026 Authored by Lee, K., and Freiberg
The bill was read for the first time and referred to the Committee on Elections Finance and Government Operations

1.1 A bill for an act
1.2 relating to metropolitan government; adding Tribal governments as eligible
1.3 recipients of certain Metropolitan Council grant programs; making technical
1.4 changes; amending Minnesota Statutes 2024, sections 473.252, subdivision 1a;
1.5 473.253; 473.254, subdivision 6; 473.255, subdivision 1; 473.355, subdivision 2.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2024, section 473.252, subdivision 1a, is amended to read:

1.8 Subd. 1a. Development authority. For the purpose of this section, "development
1.9 authority" means a statutory or home rule charter city, housing and redevelopment authority,
1.10 economic development authority, and a port authority, Tribal government, or Tribal
1.11 development entity.

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

1.15 Sec. 2. Minnesota Statutes 2024, section 473.253, is amended to read:

1.16 473.253 LIVABLE COMMUNITIES DEMONSTRATION ACCOUNT.

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

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

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

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

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

2.17 Sec. 3. Minnesota Statutes 2024, section 473.254, subdivision 6, is amended to read:

2.18 Subd. 6. **Distribution of funds.** The funds in the account must be distributed annually
 2.19 by the council to municipalities that:

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

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

2.23 Funds may also be distributed to a development authority for a project in an eligible
 2.24 municipality. The funds distributed by the council must be matched on a dollar-for-dollar
 2.25 basis by the municipality or development authority receiving the funds. When distributing
 2.26 funds in the account, the council must give priority to projects that (1) are in municipalities
 2.27 that have contribution net tax capacities that exceed their distribution net tax capacities by
 2.28 more than \$200 per household, (2) demonstrate the proposed project will link employment
 2.29 opportunities with affordable and life-cycle housing, and (3) provide matching funds from
 2.30 a source other than the required affordable and life-cycle housing opportunities amount
 2.31 under subdivision 3 or 3a, as applicable. For the purposes of this subdivision, "municipality"
 2.32 means a statutory or home rule charter city or town in the metropolitan area and "development

3.1 authority" means a housing and redevelopment authority, economic development authority,
3.2 ~~or~~ port authority, Tribal government, or Tribal development entity.

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

3.6 Sec. 4. Minnesota Statutes 2024, section 473.255, subdivision 1, is amended to read:

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

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

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

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

3.18 Sec. 5. Minnesota Statutes 2024, section 473.355, subdivision 2, is amended to read:

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

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

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

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

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

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