



# 2026 Legislative Session Wrap-Up

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## 2026 LEGISLATIVE SESSION OVERVIEW

The 2026 Legislative Session opened in the shadow of gun violence, ramped up federal immigration enforcement, ongoing fraud investigations and a constrained state budget. These things significantly colored what the House and Senate focused their limited hearing time on but with a tied House, few controversial proposals made their way into law.

### KEY BILLS:

- [Omnibus Housing Bill](#) — *Chapter 100, H.F. 1141*
- Omnibus Workforce, Labor and Economic Development bill — *None Passed*
- [Omnibus Tax Bill](#) — *H.F. 2438*
- [Capital Investment Bill](#) (GO bonds) — *H.F. 719*
- [Health and Human Services Omnibus Bill](#) — *S.F. 2612*

## HOUSING - CHAPTER 100

### Background

During the 2026 legislative session, we advocated for additional investments in housing and policy changes that would support housing needs in Greater Minnesota. We also continued to participate in the ongoing conversations about proposals that would preempt local land use and zoning decisions from local governments. Again, this year, those proposals failed to advance, with opponents expressing their opinion that the proposals continue to be overbroad and complex.

### GMNP Proposals

- Advocate for additional funding for the Workforce Housing Development Program.
- Support changes to the State Housing Tax Credit that will better allow the program to work with the Workforce Housing Development Program and better distribute funding in Greater Minnesota.
- Advocate for bonding dollars and policy improvements for the Greater Minnesota Housing Infrastructure Grant Program.
- Advance changes to housing TIF requirements that make the program more accessible for Greater Minnesota communities.
- Promote additional funding for Housing Infrastructure Bonds (HIB).
- Advocate for additional funding and policy changes to improve the Greater Minnesota Housing Infrastructure Program.
- Oppose one-size fits-all zoning and land use mandates on cities and advocate for policies that allow communities to tailor these policies to their individual needs while supporting housing development.



## Outcomes – Changes to Key Programs

Program	Final
Workforce Housing Development Program	\$14.3 million one-time bump in funding
Housing Infrastructure Bonds (HIB)	\$100 million
Includes Land Use and Zoning Policy Language?	No
Workforce Housing tweaks for the State Housing Tax Credit	Not included in Tax Omnibus bill or Housing Omnibus bill
Greater Minnesota Housing Infrastructure Program	Not funded in bonding bills, no policy language included

## Key Housing Policy Changes

### Article 3 – Housing Policy

- **Sec. 5 Service Charges** — Prohibits Minnesota Housing from retaining state appropriations except in certain circumstances and requires notice to the chairs and ranking minority members.
- **Sec. 8 Housing Development Fund Report** — Modifies a requirement that Minnesota Housing report on its operating costs including earnings from investments and the agency’s projected biennial costs.
- **Sec. 9 Expenditure of Earnings from Investments from State Appropriations Required** —Requires Minnesota Housing to use 25% of their aggregated earnings from investments of their state appropriations beyond those funds needed to administer programs on state-appropriated programs each biennium. Funds must be used for comparable purposes than they were originally appropriated for.
- **Sec. 11 Program Money Transfer** — Requires Minnesota Housing to notify the chairs and ranking minority members before Minnesota Housing transfers funds between programs receiving state appropriations.
- **Sec. 14 Legislative Fiscal Staff Access to Accounting Subsystem** — Requires a legislative report by February 15, 2027, on how to provide legislative fiscal staff with access to DEED’s accounting subsystem.

## ECONOMIC DEVELOPMENT

### Background

Heading into the legislative session, we anticipated that there would be limited state resources, so we anticipated monitoring program implementation from last session and preventing any program cuts this legislative session. However, increased federal immigration enforcement efforts had a sizable economic impact on small businesses in key communities in Greater Minnesota, so we worked in coalition to advocate for state support for impacted businesses. Those efforts were ultimately unsuccessful, and while a bill passed the Senate floor, the tied House was unable to advance a similar proposal. The lack of a small business support package was a significant issue for Senate



Chair Bobby Joe Champion, who then refused to negotiate any supplemental budget or policy omnibus bills in the economic development or workforce development jurisdictions. Ultimately, there were no bills passed by the Legislature this year in this jurisdiction.

### GMNP Proposals

- Monitor and preserve funding for key economic development and workforce development programs.

## TAX BILL – H.F. 2438

### Background

This was the second year in a row that the tax bill struggled to come together but come together it did on the final day of the legislative session. Unfortunately, the final tax bill did not include most of the policy provisions that the committees had been considering, even proposals that had bipartisan support.

### GMNP Proposals

- Advance a tax credit that supports local child care solutions.
- Changes to housing TIF requirements that make the program more accessible for Greater Minnesota communities.
- Support policy changes for the State Housing Tax Credit program that make the program easier to use in Greater Minnesota, improve the funding distribution in Greater Minnesota and eliminate or extend the sunset.

### Outcomes

Program	Details
Federal Tax Conformity	Makes multiple changes to decouple the state from the federal tax preference for Opportunity Zones
Changes to the Dependent Care Credit	Doubles the dependent care credit to \$6,000 for taxpayers with two dependents
Sustainable Aviation Fuel	Makes changes to the sustainable aviation fuel tax credits
State Housing Tax Credit	No changes made

## CAPITAL INVESTMENT BILL (GO BONDS) – H.F. 719

### Background

This was a traditional bonding year and while the bonding package took until the last days of the legislative session to come together, the Legislature was able to pass a package of \$1.2 billion in two bills: [H.F. 719](#), which includes the GO



provisions, and a sister-bill, [H.F. 2484](#), which appropriates cash. The majority of the bonding projects including all of the GMNP priorities are included in [H.F. 719](#).

### GMNP Proposals

- Advocate for \$20 million in additional funding for the Greater Minnesota Business Development Public Infrastructure program (BDPI) in the bonding bill.
- Support \$10 million in additional funding for the Greater Minnesota Child Care Facilities Grant program in the bonding bill.

### Outcomes

Program	Final
Greater Minnesota Business Development Public Infrastructure program (BDPI)	\$2 million
Innovative Business Development Public Infrastructure program (IBDPI)	\$2 million
Transportation Economic Development Infrastructure program (TEDI)	\$2 million
DCYF Early Childhood Facilities grant program	\$2 million

## HEALTH AND HUMAN SERVICES – S.F. 4612

### Background

Over the last five years, child care providers, community organizations, and nonprofits that work in the child care space have been engaging with state agencies to overhaul and modernize child care licensing, something that has not been undertaken comprehensively for 40 years. After many fits and starts in that process, this year, lawmakers and advocates pushed the effort over the finish line and passed two articles of policy changes that will put in place updated licensing standards and an inspection process that focuses the most intense oversight on violations that pose the greatest risk of harm to children. These provisions will also ensure that licensing reports are accurate and reflect the safety and quality of child care providers, without punishing them excessively for minor or non-safety issues. These updates will also enable insurers to better assess risk, leading to more affordable and accessible insurance coverage options for child care providers. This is important because under the current system, providers are increasingly facing insurance premium jumps or losing coverage altogether due to public licensing report language that leads to misinterpretation by underwriters. This language resolves those issues.

- Article 12 – Child Care Center Licensing Modernization
- Article 13 – Family Child Care Licensing Modernization