

2026
Legislative Updates

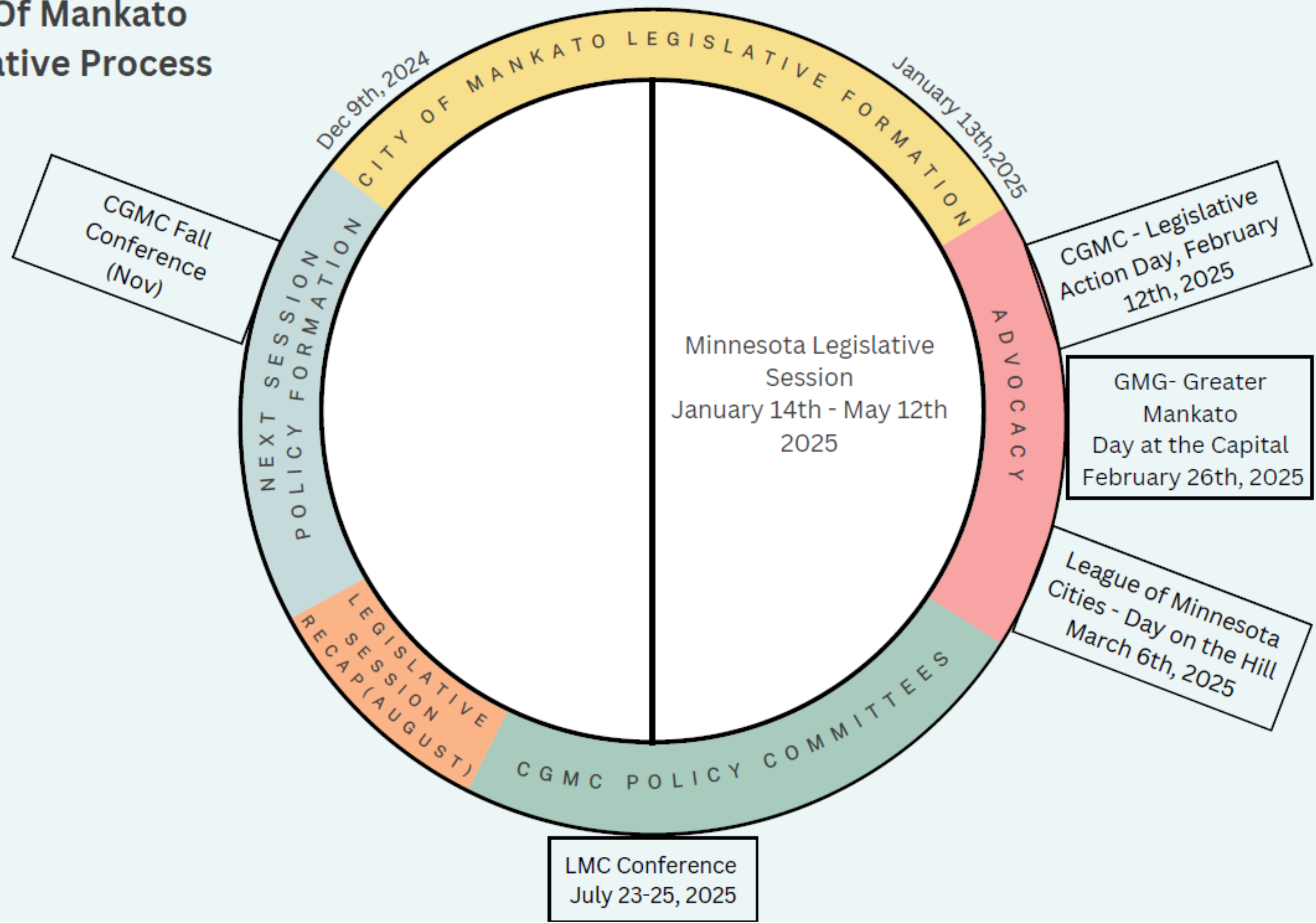
Oct 6, 2025

City of
MANKATO



Leading the way...

City Of Mankato Legislative Process



2025 Legislative Initiative Positions

- State Bonding Request
- Affordable/Life Cycle Housing
- Local Government Aid Formula
- Local Sales Tax
- Local Decision Making
- Municipal State Aid for City Streets
- Transportation

2025 Legislative Review

- Local Government Aid (LGA Position)
 - Senate Taxes Committee - Proposed – Permanent \$20 million cut to LGA
 - \$263,880 or 3.1% cut for Mankato
 - Later scaled back to \$10 million cut
 - Global Budget agreement – looking to cut nearly \$120 million on “taxes and local aids”
 - No allocation adjustment in final proposal
- Local Sales Tax Sharing (Sales Tax Position)
 - Originally proposed in 2024
 - Proposed April 2025– local equalization account to share revenue with neighboring cities
 - House version - 15% of collected revenue would be placed into account
 - City of Mankato opposed proposed policy

2025 Legislative Review

- Cannabis Sales Tax (Sales Tax Position)
- Before July 1st, 2025
 - 6.875% base state general tax rate
 - Additional State Tax Rate of 10%
 - Proceeds are distributed 80% to State General Fund & 20% to Local County & Cities
 - Repealed
- As of July 1st, 2025
 - 6.875% base state general tax rate
 - Additional State Tax Rate of 15%
 - Proceeds are distributed 100% to State General Fund

2025 Legislative Review

Affordable/Life Cycle Housing - (Housing Position)

- Reviewed the variety of proposals from the legislature to address affordable housing
- Focus was on increasing density and adding high density housing in any zoning district
- Was a “One Size Fixes All” Approach
- Proposals removed the public from the process

Landlord database – (Housing Position)

- Proposal to create a statewide landlord database
- Would Require:
 - Owner information
 - Rent cost
 - Rental license info
- Information accessible by general public
- City of Mankato did not support position

2025 Legislative Review

- Solar permitting – (Local Decision Making)
 - Proposal for residential instant solar permitting platforms
 - All local governments with over 5,000 residents that review & issue permits for solar
 - Goal is to speed up the plan review & permitting of solar projects
 - Mankato did not support proposed legislation

2025 Bond Requests

- Riverfront Park
 - The City of Mankato requested \$1.8 million in state capital budget as part of a \$3.6 million total investment that would allow for enhanced access to Riverfront Park amenities and regional connection to the Minnesota River. To revive connectivity of Riverfront Park, Mankato combined multiple projects into the “Riverfront Park Regional Access Renewal.”
 - Construct a 5,610 sq. ft. permanent roof structure and rigging system.
 - Install 710 permanent seats in the lower bowl sections of the amphitheater.
 - Replace the boat launch located along the Minnesota River at Riverfront Park.
- Project not included in bonding bill



2026 Legislative Position Preview

Riverfront Restoration

The City was awarded \$7.2 Million in State Bonding in 2020, with the agreement finalized in 202, for three projects:

- Riverbank Stabilization at Well 15 – this project was completed
- Riverbank Stabilization at Riverfront Park and WRRF – During project development contaminated soils were found and only a portion was completed.
- Indian Creek streambed stabilization/restoration – This improvement was never initiated or completed.

As a result of project cost, the entirety of the three projects identified in the request were not completed.

Environmental Policy

- Continue to monitor legislation regarding water, sewer, and stormwater regulation addressing problem materials and manufactured pollutants
- Monitor legislation affecting the sources of water used by our community from the rivers to the aquifers

2026 Legislative Position Preview

Housing Policy

- Continue to engage in and monitor discussions regarding development of affordable housing with:
 - Local developers
 - Local investors
 - Local employers
 - Legislators
- Continue to support review of and modifications to the City's Code
- Monitor discussions regarding manufactured housing impacts

2026 Bond Requests

- Air Traffic Control Tower
 - Construct an Air Traffic Control Tower at the Mankato Regional Airport
 - 35% of design complete
 - Operations scheduled to begin in 2027
 - Estimated Cost : \$25,302,000
 - Request : \$1,265,000
 - Congressional designated spending Request
- Southeast Water Quality
 - Implement drainage management and associated water quality enhancements that are focused in the Southeast Drainage District and associated stream courses, including the main stem of the Minnesota River
 - Estimated Cost : \$13,500,000
 - Request : \$6,750,000

Next Steps

