

Federal Issue **HIGHLIGHTS**



2025

Safeguard Local Decision-Making Authority

Locally elected mayors and council members are in the best position to determine what health, safety, and welfare regulations will have the greatest benefit for their constituents. Minnesota cities have a wide array of community goals and needs and must have sufficient authority and flexibility to meet their unique challenges.

We urge Congress to strengthen the relationships between federal, state, and municipal governments while preserving the critical principle of local decision-making. Congress should avoid enacting any policies that override local city authority or impose unfunded mandates on cities.

Increase Housing Supply and Affordability

Despite innovation at the local level, many cities across Minnesota struggle to attract affordable housing development and preserve existing housing due to market forces outside of city control. Increasing the supply of housing is a smart investment in Minnesota's future and will help bolster local economies.

We urge Congress to prioritize housing by increasing funding for federal programs that help state and local governments increase housing opportunities, including expanding programs such as Community Development Block Grants, HOME Investment Partnerships, and Housing Choice Vouchers. Congress must continue to bolster the federal role in providing housing assistance and support local efforts to increase housing availability, while incentivizing innovation at the local level.

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Protect and Enhance Infrastructure Investments

The Infrastructure Investment and Jobs Act, Inflation Reduction Act, and CHIPS and Science Act have brought more than \$12.3 billion to Minnesota and supported more than 1,800 projects across the state. It is critical that federal grants and tax credits that help fund local projects related to transportation, water, wastewater, broadband, energy and other infrastructure needs remain available to cities.

We urge Congress to maintain and reauthorize essential federal funding to address local infrastructure needs.

Preserve Tax Exempt Status for Municipal Bonds

Tax-exempt bonds are the primary mechanism through which local governments raise capital to finance a wide range of essential projects including critical infrastructure, roads, utilities, and energy projects. The tax-exempt status for municipal bonds allows large-scale projects to be financially feasible, especially for less-resourced cities, rather than relying on limited budgets or raising taxes. If local governments lose the ability to use tax-exempt bonds and are compelled to issue taxable bonds as an alternative, project costs will increase dramatically for cities.

We urge Congress to maintain the tax-exempt status for municipal bonds and preserve this critical tool for Minnesota cities.

Reduce Legal and Financial Burdens on Cities

We urge Congress to avoid federal rules and regulations that result in unfunded mandates, which place undue burden on cities and their residents and businesses. Federal rules and regulations must be practical, cost-effective, and free of undue burdens on local government.

About the League

The League of Minnesota Cities is the single most important advisor, advocate, and non-partisan partner for all Minnesota cities.

The League advocates on behalf of Minnesota cities, connecting the work of local governance to the legislative processes in St. Paul and Washington, D.C.

In addition to legislative advocacy, the League serves its members through:

- · Education and training
- · Guidance and analysis on member issues
- Problem-solving and mediation services
- Research and information resources

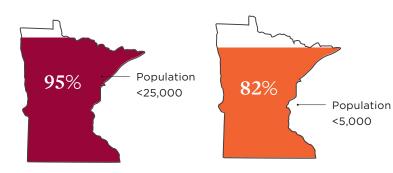


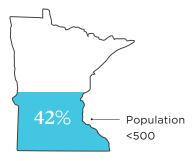






ABOUT OUR CITIES





There are **856** cities in Minnesota.

841 cities are LMC members.

Learn more about the League at Imc.org.



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About the Insurance Trust

The League of Minnesota Cities Insurance Trust (LMCIT) is a self-insured membership cooperative that exists solely to serve its members — not to make a profit. Today, 97% of cities in Minnesota belong to the Trust. LMCIT continually develops new coverages to respond to ever-changing needs of cities. Coverage options include auto, property, workers comp, municipal liability, and much more.

LMCIT FEDERAL PRIORITIES

Support for research on treatment for posttraumatic stress disorder for public safety employees, as well as funding to expand access to mental health resources for first responders.

Expanding access to community mental health resources to alleviate pressure on local law enforcement, which is spending an increasing amount of time responding to mental health crises.

Support for cybersecurity training, grants, and a more robust federal insurance backstop or reinsurance program to mitigate losses stemming from cyber attacks as access to private reinsurance market coverage is difficult to secure.