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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 5020

04/20/2026 Authored by Rehrauer and Kraft
The bill was read for the first time and referred to the Committee on Elections Finance and Government Operations

A bill for an act

relating to local government; restricting local government regulations of certain residential developments by religious organizations; providing civil remedies; proposing coding for new law in Minnesota Statutes, chapter 462.

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

Section 1. **[462.3571] RESIDENTIAL DEVELOPMENT BY A RELIGIOUS ORGANIZATION.**

Subdivision 1. **Title.** This act shall be known as the "Yes in God's Back Yard (YIGBY) Housing Act."

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Affordable housing" means:

(1) rental housing in which at least 20 percent of the units are affordable to households earning incomes of no more than 50 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development;

(2) rental housing in which at least 40 percent of the units are affordable to households earning incomes of no more than 60 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development; and

(3) owner-occupied housing in which all of the units are affordable to households earning at or below 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development.

(c) "Compelling governmental interest" means the government's interest in the qualified development proposal under consideration, as opposed to the government's interests in regulating land use in general.

(d) "Religious institution" means a congregation, religious assembly, organization, or institution in which a person engages in any exercise of religion, whether or not compelled by, or central to, a system of religious belief.

(e) "Qualified development" means an affordable housing development proposed by a religious institution on land owned by the religious institution for at least one year from the closing date of the purchase.

(f) "Municipality" has the meaning given in section 462.352, subdivision 2.

Subd. 3. **Certain ordinances prohibited.** (a) A municipality must not adopt or enforce a zoning ordinance, law, or regulation in a manner that imposes a substantial burden on the religious exercise of a person, including a religious institution, unless the government demonstrates that imposition of the burden on that person or religious institution:

(1) is in furtherance of a compelling governmental interest; and

(2) is the least restrictive means of furthering that compelling governmental interest.

(b) A religious institution seeking to develop affordable housing may provide notice to a municipality in writing that the application of a zoning ordinance, law, or regulation to a qualified development constitutes a substantial burden on the religious institution.

(c) Upon receipt of the substantial burden notice described in paragraph (b), a municipality must temporarily suspend enforcement of the restriction cited in the notice, conduct a legal and factual review to determine whether the restriction complies with this section, and make a written determination.

(d) Within 30 days of receiving the notice under paragraph (b), the municipality must provide the religious institution with the municipality's written determination and outline what steps the municipality intends to take based on the determination. If the municipality determines the ordinance, law, or regulation at issue fails to meet the standard in paragraph (a), either on its face or as applied, the municipality must suspend or adjust its application of the ordinance, law, or regulation.

(e) Nothing in this section is intended to conflict with United States Code, title 42, section 2000cc.

(f) This subdivision does not apply to any rule or law that is necessary to enforce a state or federal law or rule.

Subd. 4. **Private remedies.** A religious institution injured by a violation of this section may bring a civil action in district court for damages, injunctive relief, or other appropriate relief, including an award of reasonable attorney fees. The remedies available under this section are in addition to any other remedies available in equity or in law.