

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 4123

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DATE	D-PG	OFFICIAL STATUS
03/04/2026	6482	Introduction and first reading Referred to State and Local Government

1.1 A bill for an act

1.2 relating to local government; limiting the zoning authority of local governments

1.3 over certain housing types; proposing coding for new law in Minnesota Statutes,

1.4 chapter 462.

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

1.6 Section 1. 462.3572 CERTAIN HOUSING AUTHORIZED.

1.7 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have

1.8 the meanings given.

1.9 (b) "Accessory dwelling unit" means any building that contains one residential unit that

1.10 is used, occupied, intended for use, or designed to be built, used, rented, leased, let, or hired

1.11 out to be occupied for living purposes, regardless of familial status, and is located on the

1.12 same lot as an existing residential building and built to the standards in the Minnesota

1.13 Residential Code, Minnesota Rules, chapter 1309. An accessory dwelling unit may be

1.14 attached or detached from the existing residential building. Accessory dwelling unit does

1.15 not include sacred communities and micro-unit dwellings under section 327.30 or temporary

1.16 family health care dwellings under section 462.3593.

1.17 (c) "Applicant" has the meaning given in section 15.99.

1.18 (d) "Bulk control" means a regulation or ordinance that governs the size, shape, and

1.19 placement of buildings within a specific area.

1.20 (e) "Commercially zoned district" means an area in a municipality that is zoned to allow

1.21 the use of land for buildings that are primarily engaged in the sale, lease, rental, or trade of

1.22 products, goods, and services, excluding any area used for industrial production or processing.

2.1 (f) "Greenfield lot" means land zoned or guided for residential use that is either previously
2.2 undeveloped and vacant or newly platted on or after June 1, 2026.

2.3 (g) "Lot" means any contiguous parcel of land in the possession of, owned by, or recorded
2.4 as the property of the same claimant or person.

2.5 (h) "Metropolitan area" has the meaning given in section 473.121, subdivision 2.

2.6 (i) "Mixed housing" means the following types of dwellings:

2.7 (1) duplexes, defined as a single building sited on a single lot that contains two separate
2.8 dwelling units;

2.9 (2) triplexes, defined as a single building sited on a single lot that contains three separate
2.10 dwelling units;

2.11 (3) quadplexes or fourplexes, defined as a single building sited on a single lot that
2.12 contains four separate dwelling units; and

2.13 (4) townhouses.

2.14 (j) "Multifamily affordable housing development" means a multifamily residential
2.15 development in which the residential units are:

2.16 (1) owner-occupied units that are income-restricted to households that, at the time of
2.17 initial occupancy, have an income at or below 115 percent of state or area median income,
2.18 whichever is greater, as determined by the United States Department of Housing and Urban
2.19 Development; or

2.20 (2) leased units that satisfy the definition of a qualified low-income housing project
2.21 under section 42(g) of the Internal Revenue Code, with a deed or declaration for the leased
2.22 residential units containing a restrictive covenant requiring the property to remain affordable
2.23 housing for 30 years.

2.24 (k) "Multifamily residential development" means a single residential building with at
2.25 least ten residential units or a mixed-use building with commercial use on the ground floor
2.26 and at least five residential units.

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

2.28 (m) "Request" has the meaning given in section 15.99, subdivision 1, paragraph (c).

2.29 (n) "Residential unit" means a building or part of a building used or intended to be used
2.30 for dwelling purposes by a single owner or tenant.

2.31 (o) "Single-family home" means a detached building containing one residential unit.

3.1 (p) "Townhouse" means a single residential unit constructed in a group of two or more
3.2 attached units in which each unit extends from the foundation to the roof and has open space
3.3 on at least two sides of each unit. Each single residential unit is considered to be a separate
3.4 building. Separate building service utilities must be provided to each single residential unit
3.5 when required by the State Building Code.

3.6 Subd. 2. **Applicability.** (a) Except as provided in paragraphs (b) and (c), the requirements
3.7 of this section do not apply to municipalities with less than 5,000 in population.

3.8 (b) The requirements of this section apply to municipalities in the metropolitan area with
3.9 populations greater than 1,000.

3.10 (c) The requirements of subdivisions 4, 5, 7, 11, 12, and 13 apply to all municipalities.

3.11 Subd. 3. **Administrative approvals.** (a) Notwithstanding any law, rule, or ordinance to
3.12 the contrary, a municipality must establish an administrative review process subject to the
3.13 time constraints and process in section 15.99 for approving requests related to multifamily
3.14 residential developments in areas zoned for multifamily residential developments or in
3.15 commercial areas that permit multifamily residential developments as required by subdivision
3.16 8.

3.17 (b) In zoning districts that permit mixed housing as required in subdivision 6, a
3.18 municipality must apply the same administrative approval process to requests related to any
3.19 type of mixed housing that would apply to a single-family home being developed on the
3.20 same lot. A municipality may require a site development plan or similar documents for
3.21 mixed housing, provided the time period for the administrative approval process is the same
3.22 as or similar to that for a single-family home.

3.23 (c) A city must provide any development agreement to an applicant at least three business
3.24 days before final plat approval or, if a plat is not required, before final approval of a request.
3.25 No additional conditions may be added to the development agreement after this deadline
3.26 unless mutually agreed upon.

3.27 (d) A municipality must process a request in paragraph (a) or (b) as a permitted use, as
3.28 required by subdivisions 6 to 8.

3.29 Subd. 4. **Residential design standards.** (a) A municipality must not impose any of the
3.30 following requirements, by ordinance or as a condition of approval of any request, related
3.31 to residential buildings with four or fewer residential units:

3.32 (1) a minimum number or type of exterior finish materials, including siding;

3.33 (2) the presence of gables, shutters, columns, decks, balconies, or porches;

4.1 (3) a minimum garage square footage, size, width, or depth;

4.2 (4) a roof pitch exceeding 4:12;

4.3 (5) the orientation of the primary structure, except that a municipality may require an
4.4 entrance point on a street-facing side of the structure on a street designated by the
4.5 municipality;

4.6 (6) a minimum number of windows; or

4.7 (7) the dwelling have more than one above-ground floor.

4.8 (b) Properties in a historic district under sections 138.73 and 471.193 are exempt from
4.9 this section.

4.10 Subd. 5. Homeowners associations. (a) Except as required by state or federal law or
4.11 rule, a municipality must not condition approval of a residential building permit or conditional
4.12 use permit, residential subdivision development or residential planned unit development,
4.13 or any other permit related to residential development on:

4.14 (1) the creation of a homeowners association;

4.15 (2) the inclusion of any service, feature, or common property necessitating a homeowners
4.16 association, unless requested by the developer;

4.17 (3) the inclusion of any terms in a homeowners association declaration, bylaws, articles
4.18 of incorporation, or any other governing document; or

4.19 (4) the adoption or revocation of, or amendment to, a rule or regulation governing the
4.20 homeowners association or the association's members.

4.21 (b) Nothing in this subdivision prohibits:

4.22 (1) a municipality from adopting or enforcing ordinances relating to the maintenance or
4.23 insurance of common elements; or

4.24 (2) a project applicant from providing a utility easement to access public infrastructure.

4.25 Subd. 6. Mixed housing districts; greenfield development. (a) A municipality must
4.26 adopt zoning ordinances and rules that allow mixed housing as a permitted use on at least
4.27 33 percent of the buildable area within the municipality that is zoned to permit single-family
4.28 housing.

4.29 (b) When determining where to site zoning districts that permit mixed housing as required
4.30 by paragraph (a), a municipality must prioritize lots that are in close proximity to transit,
4.31 schools, parks, and commercial areas.

5.1 (c) A municipality must not impose a minimum lot size on a greenfield lot that is larger
5.2 than one-eighth of an acre. A municipality must not impose a minimum lot size larger than
5.3 1,500 square feet on a townhouse developed on a greenfield lot or in a zoning district that
5.4 permits mixed housing.

5.5 (d) A municipality must not impose requirements related to the bulk and size of buildings
5.6 that prevent the type of housing or number of residential units authorized by paragraphs (a)
5.7 and (c) from being constructed with at least 1,500 square feet of habitable floor space per
5.8 residential unit, including requirements related to lot coverage, setbacks, maximum height,
5.9 minimum unit size, dimensions, minimum square footage on a structure foundation, or floor
5.10 area ratio. Nothing in this paragraph prevents the developer from building residential units
5.11 with less than 1,500 square feet of habitable space.

5.12 (e) A municipality may impose larger lot size requirements than those required in this
5.13 subdivision on a lot that is not connected to municipal water or sewer.

5.14 Subd. 7. **Accessory dwelling units.** (a) A municipality must allow, at a minimum, one
5.15 accessory dwelling unit to be built as a permitted use on any residential lot containing a
5.16 single-family home in a municipality regardless of total lot size, street frontage, and
5.17 connectivity between the accessory dwelling unit and the primary dwelling unit on the lot
5.18 so long as the accessory dwelling unit is built in conformance with:

5.19 (1) minimum spacing requirements for emergency services access; and

5.20 (2) the smallest residential setback in the zoning district where the accessory dwelling
5.21 unit is constructed.

5.22 (b) A municipality may require an accessory dwelling unit to remain part of the same
5.23 parcel as the primary dwelling and prohibit the accessory dwelling unit from being sold
5.24 separately from the primary dwelling on the lot.

5.25 Subd. 8. **Multifamily residential developments in commercial districts.** (a) A
5.26 municipality must allow multifamily residential developments as a permitted use in at least
5.27 33 percent of the total area of a municipality's commercially zoned districts.

5.28 (b) A municipality may require the developments permitted by paragraph (a) to include
5.29 ground floor commercial space, except a municipality must not require commercial space
5.30 in a multifamily affordable housing development.

5.31 (c) A municipality must not impose a height limitation on the developments allowed by
5.32 paragraph (a) that is less than the tallest commercial building or multifamily residential

6.1 development that zoning standards in effect on January 1, 2026, authorize in the same zoning
6.2 district.

6.3 (d) A municipality must not impose setback, lot coverage, or other bulk control
6.4 requirements on the developments allowed by paragraph (a) that are more restrictive than
6.5 those allowed for a commercial building in the same zoning district.

6.6 Subd. 9. **Additional requirements.** (a) A city's zoning code must satisfy the criteria in
6.7 this subdivision based on the city's classification:

6.8 (1) the code of a city of the first class must satisfy at least seven criteria listed in paragraph
6.9 (b);

6.10 (2) the code of a city of the second class must satisfy at least five criteria listed in
6.11 paragraph (b); and

6.12 (3) the code of a city of the third class must satisfy at least four of the criteria listed in
6.13 paragraph (b).

6.14 (b) A city may select from the following criteria to fulfill the requirements of paragraph
6.15 (a):

6.16 (1) 50 percent or more of the land zoned for single-family housing allows mixed housing
6.17 as a permitted use;

6.18 (2) 100 percent of the land zoned for single-family housing allows mixed housing as a
6.19 permitted use;

6.20 (3) 50 percent or more of the land zoned for commercial use allows multifamily residential
6.21 developments as a permitted use;

6.22 (4) 100 percent of the land zoned for commercial use allows multifamily residential
6.23 developments as a permitted use;

6.24 (5) no more than one parking spot per residential unit is required in all multifamily
6.25 residential developments;

6.26 (6) no more than one parking spot per residential unit is required in areas that permit
6.27 mixed housing;

6.28 (7) the allowed floor area ratio is increased by 25 percent or maximum height by 25
6.29 percent or one additional story, whichever is greater, for all of the following types of
6.30 developments:

6.31 (i) workforce housing projects, as defined in section 469.002;

7.1 (ii) multifamily affordable housing developments; and

7.2 (iii) senior housing, as defined in section 462A.37;

7.3 (8) the number of residential units permitted per lot in a mixed housing development is
 7.4 increased to at least eight residential units in 15 percent of the land in the city zoned for
 7.5 single-family housing; or

7.6 (9) all parking minimums in the city are eliminated.

7.7 (c) A city does not satisfy a criterion when it adopts the criterion described in paragraph
 7.8 (b), clause (5), but also modifies other bulk controls or regulations for the chosen type of
 7.9 development in a way that reduces the floor area of the permitted development or limits the
 7.10 number of additional residential units that could otherwise be built.

7.11 Subd. 10. **Public information.** (a) A municipality must publicly post on its website a
 7.12 summary of its compliance with subdivisions 6, 8, and 9.

7.13 (b) The summary required under paragraph (a) must include, at a minimum:

7.14 (1) a zoning map depicting compliance with subdivisions 6 and 8;

7.15 (2) a description of how the municipality complied with the siting prioritization
 7.16 requirements of subdivision 6, paragraph (b); and

7.17 (3) a list of ordinances adopted by the municipality demonstrating compliance with
 7.18 subdivision 9.

7.19 Subd. 11. **Infrastructure.** (a) A municipality may require a development permitted
 7.20 under this section to comply with any standards, performance conditions, or requirements,
 7.21 including the adequacy of existing public infrastructure, imposed by the municipality to
 7.22 promote public health, safety, and general welfare.

7.23 (b) Nothing in this section authorizes a municipality to permit a development that is
 7.24 prohibited by state or federal law or rule, or is prohibited under an ordinance adopted
 7.25 pursuant to a state or federal law or rule, that (1) protects floodplains, areas of critical or
 7.26 historic concern, wild and scenic rivers, or shoreland, or (2) restricts residential units to
 7.27 protect and preserve public health, the environment, or scenic areas.

7.28 Subd. 12. **Official controls; limitations.** (a) A municipality must not use official controls
 7.29 to prohibit the application of this section.

7.30 (b) Nothing in this section prevents a municipality from exercising its authority to impose
 7.31 requirements authorized in section 462.358 or session law, provided all exactions,
 7.32 dedications, and fees comply with state and federal law.

8.1 (c) Nothing in this section is intended to conflict with chapter 473, except that the
8.2 provisions of this section relating to minimum residential density requirements shall control
8.3 over any conflicting provisions in chapter 473 if the requirements of this section would
8.4 result in increased residential density.

8.5 Subd. 13. **Interim ordinance prevention.** A municipality must not enact an interim
8.6 ordinance as provided under section 462.355, subdivision 4, that prohibits or delays the
8.7 application of this section.

8.8 Subd. 14. **Density.** Nothing in this section prevents a municipality from adopting policies
8.9 that increase residential density.

8.10 **EFFECTIVE DATE.** This section is effective January 1, 2028.