



The Association of Minnesota Building Officials

"Safe Homes – Resilient Communities"



The 2025 Session Overview

The 2025 Minnesota legislative session begins on January 14, 2025, and is constitutionally required to end no later than May 19, 2025. This marks the first year of the legislative biennium, often referred to as the "Budget Year." As such, much of the legislature's focus will be on balancing the state's budget. However, policy changes related to affordable housing and the potential for a bonding bill remain possible.

Recent Minnesota Budget Forecast

Minnesota Management & Budget (MMB) recently released a [financial forecast](#) for the state, which, along with the forthcoming February 2025 forecast, will guide legislators in developing the state's budget for fiscal years 2026-27. Key highlights include:

- Current surplus: \$3.7 billion.
- Projected balance: \$616 million at the end of the 2026-27 fiscal biennium.
- Structural imbalance: The state has adequate funding, but expenditures are outpacing revenue.
- Long-term outlook: A projected structural deficit of \$5.1 billion for the 2028-29.

Legislative Makeup

The Minnesota House of Representatives is evenly split for the first time in nearly 50 years, with 67 Democrats and 67 Republicans. This rare tie means bipartisan collaboration will be essential to pass any legislation. However, two ongoing election challenges could change this dynamic. Should either challenges succeed, Republicans could take control or slow the tempo of the House. Such a shift—whether temporary or for a biennium—could have a profound impact on negotiations and outcomes.

In the Minnesota Senate, Democrats hold a narrow 34-33 majority. This slim margin gives them control of major Senate decisions. However, uncertainty looms due to Senator Mitchell, a Democrat, facing a criminal trial in January. The trial's outcome could further complicate the Senate's already delicate balance.

Committee Structure and New Leadership

[Committee chairs and committee members](#) have been assigned, and as long as the House remains tied, committees will feature equal representation from both parties. This unprecedented structure will require bipartisan agreement for any bill to advance. Consequently, legislative progress is likely to be slower, with bills requiring significant compromise or inclusion in larger negotiated packages.

A Unique Session

This session stands out as one of the most unusual in Minnesota history. With heightened divisions between parties yet an unprecedented need for compromise, the legislative process is poised to be both challenging and fascinating.

Enjoy the holiday season, and we'll keep you updated as the legislative session unfolds.