



Cities Bulletin e-newsletter

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Contact Us

- For legislative questions: [Contact IGR Staff](#)
- For editorial or other Cities Bulletin questions: Contact Rachel Kats, Publications & Web Editor (651) 215-4032 or (800) 925-1122; rkats@lmc.org

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Administrative Law Judge Approves Cannabis Rules

April 14, 2025

Final rules have been approved for adult-use cannabis in Minnesota, moving the state a step closer to cannabis sales.

On April 2, an administrative law judge (ALJ) issued an order approving draft rules governing Minnesota's adult-use cannabis market. The Minnesota Office of Cannabis Management (OCM) submitted draft rules to the ALJ after receiving comments from the public. The ALJ approved the rules without changes.

[View the ALJ approved rules on adult-use cannabis \(pdf\).](#)

What's next?

The approved rules will go into effect five days after they are published in the State Register. Once the rules are effective, OCM may begin issuing licenses consistent with state law. Uncapped license types that were qualified are in position to receive licenses shortly after rules go into effect. Those license types include:

- Microbusinesses
- Wholesalers
- Transporters
- Testing facilities
- Delivery services

Capped license types will be subject to a lottery, which OCM intends to hold sometime this summer. Those license types include:

- Cultivators
- Mezzobusinesses
- Manufacturers
- Retailers

A recent court order, however, may affect this timing. On April 4, 2025, a Ramsey County judge ruled that OCM must conduct a social equity lottery, which was abandoned in November 2024 after litigation. OCM issued a statement noting that it will seek dismissal of the case on an expedited basis.

[View OCM's statement regarding the ruling.](#)

Your next step

LMC will continue to follow the litigation to determine whether it will delay the issuance of cannabis licenses. Until then, cities should prepare for cannabis licenses to be issued in the near future.

[Read more news articles.](#)

Your LMC Resource

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House Reviews Proposal To Expand City Sales Tax Authority

April 14, 2025

The bill would allow cities to enact local sales taxes approved by voters without legislative approval.

On April 9, the [House Taxes Committee](#) heard [HF 3027](#), a proposal that would allow cities to seek voter approval for a local sales tax to fund a regional project without first obtaining special legislation. The proposal, sponsored by House Taxes Committee Co-Chair [Rep. Aisha Gomez](#) (DFL-Minneapolis), was laid over for possible inclusion in the omnibus tax bill.

The House bill differs from a similar bill in the Senate, [SF 375](#), sponsored by [Senate Taxes Committee Chair Sen. Ann Rest](#) (DFL-New Hope). Both bills would permit cities to fund specific regional projects and require the creation of a local equalization account to share revenue with neighboring cities. However, the House version includes community centers as eligible projects and requires that 15% of collected tax revenue be placed into the equalization account.

Beth Johnston testified in support of the proposal on behalf of the League, emphasizing the importance of giving cities general authority to enact local sales taxes. The League will continue to work with the bills' sponsors to ensure the final legislation meets city needs and provides equal opportunity for all communities.

Your next step

Contact your legislators to express support for giving cities the authority to enact a local sales tax without requiring special legislative approval. Share how this flexibility would improve your city's ability to plan and budget for future projects.

LMC staff take

The 2023 tax bill included a two-year moratorium on submitting local sales tax proposals to the Legislature and established a task force to review the local sales tax process. Without legislative action this session, the moratorium will expire and cities can return to requesting special legislation to allow their city to enact a local sales tax. The League is advocating for a version of this bill to be included in the final tax bill to eliminate that step and streamline the process for cities.

[Read more news articles.](#)

Your LMC Resource

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Bill Would Extend the Use of Pooled Tax Increment Financing Funds

April 14, 2025

A bipartisan bill aims to extend cities' ability to use excess TIF funds to support stalled development projects.

On April 10, the House Taxes Committee heard HF 2006, sponsored by Rep. Jim Joy (R-Hawley). The bipartisan legislation would extend temporary authority, first granted in 2021, allowing cities to use excess tax increment financing (TIF) funds to support development stalled by the economic effects of the pandemic.

Under current law, cities must spend these funds by the end of this calendar year. HF 2006 would extend that deadline by two years and require local governments to adopt a new or updated spending plan before using the authority.

In a letter to the committee, the League of Minnesota Cities expressed support for the bill, stating that many cities continue to face challenges due high construction and financing costs. These barriers have made it difficult to advance development projects, even years after the initial pandemic slowdown.

The bill received strong support from many local government organizations and was laid over for possible inclusion in a future omnibus tax bill.

[Read more news articles.](#)

Your LMC Resource

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Legislative Break Time Is a Great Time to Advocate for Cities

April 14, 2025

The Legislature recessed on April 11 following the third committee deadline. City officials are encouraged to contact their legislators to discuss key pieces of legislation during the break.

Minnesota legislators are likely to be home in their districts from April 11 to noon April 21 as they take their final legislative break for Passover and Easter.

While lawmakers are on break, it is a great opportunity to meet with, call, or email them about issues that are important to cities. City priorities such as housing and zoning, emergency medical services (EMS) funding, bonding, and more are still being considered.

- [View the League of Minnesota Cities 2025 legislative priorities \(pdf\).](#)
- [Read about legislation that is currently being considered.](#)

When legislators return on April 21, they will continue their work on individual pieces of legislation but primarily focus on shaping omnibus budget and policy bills. They will have less than a month to complete their work by the constitutionally mandated May 19 adjournment of the legislative session. Any work beyond that would require calling a special session.

The League is here to help

Not sure where key bills are in the legislative process? Can't find where a bill or amendment was buried in an omnibus bill? Is a provision still alive for the session? We are here to help.

To stay up to date on these measures and all other city issues and legislation, the League offers several resources:

- The League's [Intergovernmental Relations team \(IGR\)](#) will continue to give updates and analysis on legislative issues through the [League's Cities Bulletin](#) and the [LMC website](#).
- Access issue specific [fact sheets and toolkits](#) to help communicate city issues to legislators.

Contact your lawmakers

You can typically contact your state lawmakers to give your direct input on legislation affecting your city through phone or email, which you can locate on their member pages. Unsure of how to contact your representative and senator?

- [Enter your address or search a map to find your legislators and their contact information through the Minnesota Legislature's website.](#)
- Access the [list of Minnesota state representatives](#) and the [list of Minnesota state senators](#) to find their contact information, links to their bios, bills they have authored, and their

newsletter updates.

Pass a resolution supporting housing and land use authority

The League has been collecting resolutions from cities across the state in support of housing and land use authority. Cities that pass and submit these resolutions are encouraged to share them with their legislators to communicate the impacts preemption legislation would have on their local communities.

- [Download the resolution for supporting the retention of local zoning authority \(doc\)](#).
- Once adopted, be sure to email a copy of the resolution to your legislators and copy the League at advocacy@lmc.org.

If you have any questions, don't hesitate to [contact the League's IGR team](#).

[Read more news articles](#).

Your LMC Resource

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ARPA Project and Expenditure Report Office Hours

April 14, 2025

Need help filing your ARPA Project and Expenditure Report? The League has you covered.

The deadline for filing your American Rescue Plan Act (ARPA) Project and Expenditure Report is **April 30, 2025**.

If your city received ARPA funds, you are required to file the Project and Expenditure Report by the deadline. Annual filers will report on activity that occurred between April 1, 2024, and March 31, 2025.

A Project and Expenditure Report is required even if all ARPA funds have been spent and reported on a previous report. ARPA funds needed to be obligated by Dec. 31, 2024, and reported on the 2025 Project and Expenditure Report. **Any ARPA funds not reported as obligated on the April 2025 Project and Expenditure Report will need to be returned to the Department of the Treasury.**

Get your 2025 ARPA reporting questions answered online

League staff will answer ARPA reporting questions in real time during online Zoom open office hour sessions. Come prepared with questions related to meeting the filing requirement. There is no need to register; select from the following links to join the Zoom meeting that is most convenient for you. A short, step by step run-through of completing the Project and Expenditure Report will be provided and then you will wait in a queue to have one-on-one time with League staff.

April 17

- 10-11 a.m.
- [Join the April 17 session for help with ARPA reporting.](#)

April 18

- 10-11 a.m.
- [Join the April 18 session for help with ARPA reporting.](#)

April 22

- 2-3 p.m.
- [Join the April 22 session for help with ARPA reporting.](#)

April 24

- 1-2 p.m.
- [Join the April 24 session for help with ARPA reporting.](#)

April 25

- 10-11 a.m.
- [Join the April 25 session for help with ARPA reporting.](#)

April 28

- 10-11 a.m.
- [Join the April 28 session for help with ARPA reporting.](#)

April 29

- 9-10 a.m.
- [Join the April 29 morning session for help with ARPA reporting.](#)

April 29

- 1-2 p.m.
- [Join the April 29 afternoon session for help with ARPA reporting.](#)

Get answers to [FAQs about ARPA Reporting](#) on the League of Minnesota Cities website.

[Read more news articles.](#)

Your LMC Resource

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Current Grant Opportunities

Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program

The Greater Minnesota Small Cities (Tier II Cities) Housing Aid Grant Program is a new program funded by the 2023 legislative session as part of the Statewide Affordable Housing Aid program. The program was established to aid smaller Greater Minnesota cities outside the seven-county metro area with fewer than 10,000 people to develop and preserve affordable housing within their jurisdictions.

The [Greater Minnesota Small Cities \(Tier II Cities\) Housing Aid Grant Program RFP application](#) and supplemental documents are available on the [Local Government Housing Programs webpage](#). The application must be completed via the [Cvent survey tool](#) and will close on **April 24, 2025**. For additional details on the program, [read the program guide \(pdf\)](#).

[Learn more about the other local government housing programs.](#)

Greater Minnesota Housing Infrastructure Grants

There is \$8 million available for the Greater Minnesota Housing Infrastructure Grants to support cities, counties, and tribal nations in creating sites for workforce and affordable housing in Greater Minnesota.

Grant funds can be used to cover up to 50% of capital costs of physical public infrastructure necessary to support a qualifying housing development. This may include sewers, water supply systems, utility extensions, streets and more, necessary to support single-family, multifamily, homeownership and rental housing development.

Grants are generally limited to:

- \$40,000 per lot for one to four units.
- \$180,000 per lot for multifamily housing (five or more units/building).
- \$60,000 per manufactured housing lot.
- No more than \$500,000 to any grantee or project over a two-year period.

Applicants' matching funds may include in-kind contributions, such as donation of land.

For additional details on the program, [please review the program guide](#).

[Learn more and apply for Greater Minnesota Housing Infrastructure Grants.](#)

Arts Experiences Grant Program

Arts Experiences through the Minnesota State Arts Board provides project grants that individuals and organizations, including local governments, can use to offer arts activities that are meaningful for Minnesota residents and communities. Funds may be used for a variety of arts projects such as creating and/or presenting concerts, plays, tours, exhibitions, arts festivals, public art, or other kinds of arts programming that engages Minnesota audiences and participants.

Applicants may request between \$5,000-\$35,000. The deadline to apply is **May 2**.

Potential applicants are encouraged to review all application materials and resources on the program page before beginning an application.

[Learn more and apply for an Arts Experiences grant.](#)

Minnesota SolarAPP+ Solar Permitting Software Incentive

The Minnesota Department of Commerce Division of Energy Resources requests applications for the SolarAPP+ Solar Permitting Software Incentive Program. The purpose of this program is to provide technical assistance and financial incentives to local units of government that issue permits for residential solar projects and solar plus energy storage systems by incentivizing a permitting authority to adopt the SolarAPP+ software to standardize, automate, and streamline the review and permitting process.

The Department of Commerce will administer \$2 million in incentives to eligible jurisdictions across Minnesota, with incentives ranging from \$5,000 to \$20,000. Eligible applicants include local units of governments with authority to issue permits for residential solar projects and solar plus energy storage system projects.

Applications must be submitted through the grant interface website, Minnesota Department of Commerce's online grant interface website. The Request for Proposals (RFP) will have detailed information and application questions as well as required forms and reference materials. It will be available for download on the Department's RFP website beginning Feb. 28 and remain available until **June 30, 2028**, or until fully expended. Instructions for submitting applications are detailed in the RFP.

[Learn more and apply for the SolarAPP+ Solar Permitting Incentive Program.](#)

Community Innovation grants

The Bush Foundation's Community Innovation (CI) grant program is a flexible program that invests in great ideas and the people who power them across our region. The program aims to:

- Develop, test, and spread great ideas.
- Inspire, equip, and connect leaders.

[Learn more and apply for a CI grant.](#)

Establish a Local Housing Trust Fund With Help From the Minnesota Housing Partnership

The Minnesota Housing Partnership (MHP) is offering free assistance to rural communities to establish Local Housing Trust Funds (LHTF). Funds can be used for education on Local Housing Trust Funds, as well as implementation of LHTF programs and community engagement activities.

In 2023, the Minnesota Legislature appropriated \$4.8 million to a [Local Housing Trust Fund \(LHTF\) State Match Program](#); with \$1 million appropriated in a prior year, available funds for the state match program total \$5.8 million. An application for state match funds is likely to be released in late summer or early fall.

[Learn more and apply for free technical assistance from MHP to establish or implement your LHTF.](#)

MNOSHA WSC: Safety Grant Program

The Safety Grant Program awards funds up to \$10,000 to qualifying employers for projects designed to reduce the risk of injury and illness to their workers.

To qualify, an employer must meet several conditions, including but not limited to:

- Having been in business for at least two years.
- Having at least one employee to create the employer/employee relationship.
- Having workers' compensation insurance.
- Having had an on-site hazard survey conducted by a qualified safety professional and a written report of the findings and recommendations to reduce the risk of injury or illness to employees.
- Having the knowledge and experience to complete the project and is committed to its implementation.
- Being able to complete the project within 120 days of a fully executed contract.

To qualify, the project must be supported by all public entities involved and comply with federal, state, and local regulations where applicable.

Businesses that are the current focus of the [Minnesota OSHA Workplace Safety Consultation strategic plan](#) will be given added priority. If your grant is approved, you will be notified in writing of the specific approval. Whether we approve your grant application or not, in no way diminishes, delays, or absolves you of any obligation to abate safety and health hazards. When a project is complete, the applicant must submit a certificate of completion form, with invoices and proof of payment, to the grants administrator, to initiate issuance of the grant. An employer that has received a grant for a particular worksite will not be eligible to receive another grant for that worksite during the two years after the date of their award.

[Learn more and apply to the MNOSHA WSC: Safety Grant Program.](#)

Solar on Public Buildings Grant Program

The Solar on Public Buildings Grant Program will equip cities, towns, counties, and other local governments and Tribal Nations to lower utilities costs, increase energy independence, expand the clean energy workforce, and take essential action to address climate change.

\$4.3 million in state funding will be distributed to local governments to build solar arrays (system size up to 40 kilowatts) across Xcel Energy territory in Minnesota. These grants can be paired with federal clean energy tax credits now available to local governments.

[Learn more and apply for Solar on Public Buildings Grant Program funding.](#)

Green and Resilient Retrofit Program (GRRP)

The U.S. Department of Housing and Urban Development's (HUD) Green and Resilient Retrofit Program (GRRP) provides loan and grant funding to deliver energy efficiency and electrification improvements to HUD-assisted housing, which can fund retrofitting properties up to \$40,000-\$80,000 per unit. HUD is accepting applications on a rolling basis, two will be occurring in 2024. Funded under the Inflation Reduction Act, the GRRP is the first HUD program to invest simultaneously in energy efficiency, greenhouse gas emissions reductions, energy generation, and climate resilience strategies specifically in HUD-assisted multifamily housing.

[Learn more and apply for GRRP funding.](#)

Infrastructure Investment and Jobs Act (IIJA) Technical Assistance Grants

The Minnesota Department of Transportation (MNDOT) IIJA Technical Assistance Grant Program is now open. \$2 Million in state funds is available to qualifying local units of government and tribal governments that seek to submit an application for a federal discretionary grant for a transportation purposes.

State technical assistance funds can be used to hire a consultant for identification of available grants, grant writing, analysis, data collection, technical review, legal interpretations, planning, pre-engineering, application finalization, and similar activities. Learn more and apply for an IIJA Technical Assistance Grant.

[Learn more and apply for a IIJA Technical Assistance grant.](#)

Cybersecurity Grant Program Now Available Statewide

The state's IT agency, Minnesota IT Services (MNIT), in partnership with the [Minnesota Cybersecurity Task Force](#) recently released the [Whole-of-State Cybersecurity Plan](#) that will be used to implement \$23.5 million of funding from the State and Local Cybersecurity Grant Program and the Minnesota Legislature.

Eligibility

All state and local government entities are eligible to participate in the SLCGP, including:

- A county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments, regional or interstate government entity, or agency or instrumentality of a local government.
- Authorized Tribal governments and organizations.
- A rural community, unincorporated town or village, or other public entity.

How to get involved

- Visit MNIT's website for more information [about the plan, how to participate](#), and who to contact if you have questions or need help.
- You can also [sign up to receive news and updates](#) about the Whole-of-Security Plan and the SLCGP.
- If your organization is ready to get started, complete the [Minnesota Whole-of-State survey for SLCGP participants](#).

Thriving Communities Technical Assistance Program

Housing and Urban Development (HUD) is accepting requests for technical assistance for the Thriving Communities technical assistance program. This funding will help local governments ensure housing needs are considered as part of their infrastructure plans. To be eligible, jurisdictions must be a unit of general local government that is receiving federal transportation funding to support a project that coordinates transportation and housing plans, programs, or investments to benefit residents and businesses located in a disadvantaged community. Priority will be given to jurisdictions with populations of less than 250,000 people, as well as to those receiving certain Department of Transportation competitive funds. Requests will be reviewed as they are received, on a rolling basis, beginning on March 15.

[Learn more about the interagency Thriving Communities technical assistance program](#)

Residential Retrofits for Energy Equity: Energy Upgrades for Affordable Housing

Residential Retrofits for Energy Equity (R2E2) will provide deep technical assistance to state, local, and tribal governments as well as community-based organizations to jumpstart energy upgrades for single family and multifamily affordable housing, especially in frontline communities. These retrofits will lower utility bills, reduce greenhouse gas emissions, improve residents' health, create good-paying local jobs, and help mitigate racial inequity. R2E2 will kick off with training sessions in January for state, local, and community teams on scaling up building energy retrofits and leveraging the unprecedented federal funding available from COVID-19 relief programs, the bipartisan infrastructure law, the Inflation Reduction Act, and other sources. R2E2 is a partnership of the American Council for Energy-Efficient Economy (ACEEE), Elevate, Emerald Cities Collaborative, and HR&A Advisors, with People's Climate Innovation Center advising on centering equity in the project and its outcomes and on facilitating community-driven planning processes.

[Learn more about Residential Retrofits for Energy Equity](#)

Community Facilities Direct Loan & Grant Program for Rural Areas

Low-interest direct loans, grants, or a combination of the two are available to develop essential community facilities (not including private, commercial, or business undertakings) in rural areas through the Community Facilities Direct Loan & Grant program. The program is offered by the U.S. Department of Agriculture's Rural Development. Funds can be used to purchase, construct, and/or improve essential community facilities, purchase equipment, and pay related project expenses. Rural areas, including cities, villages, townships, and federally recognized tribal lands, with no more than 20,000 residents according to the latest [U.S. Census data](#), are eligible for this program. Applications for this program are accepted year-round.

[Learn more about the Community Facilities Direct Loan & Grant program](#)

Community Heart & Soul Seed Grant Program

The Community Heart & Soul Seed Grant Program provides \$10,000 in startup funding for resident-driven groups in small cities and towns to implement the Community Heart & Soul model. Community Heart & Soul engages a motivated and dedicated group of individuals to help your town identify what matters most. The grant program is specifically designed for small cities and towns with populations of 2,500 to 30,000. Grant funding requires a \$10,000 cash match from the participating municipality or a partnering organization.

[Learn more and apply for a Community Heart & Soul Grant](#)

Your LMC Resource

Research & Information Service staff members are ready to help you apply their broad knowledge to the issues you're dealing with today.

[Access online form to submit a question](#), or call us: (651) 281-1200 or (800) 925-1122