



## Cities Bulletin e-newsletter

Feb. 18, 2025 | Issue 6

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[Free Municipal Fee Reporting Webinar on Feb. 20](#)

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## [House Bill Would Delay Minnesota Paid Leave Implementation to 2027](#)

The workforce, labor, and economic development committee approved the proposal on a party-line vote.

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## Contact Us

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# House Bill Would Delay Minnesota Paid Leave Implementation to 2027

February 18, 2025

**The workforce, labor, and economic development committee approved the proposal on a party-line vote.**

On Feb. 13, the House Workforce, Labor, and Economic Development Finance and Policy Committee heard HF11, a bill authored by Rep. Dave Baker (R-Willmar), that would delay the implementation of Minnesota Paid Leave by one year — from Jan. 1, 2026, to Jan. 1, 2027.

During the hearing, Rep. Baker, committee chair, stated that this bill is the first of several related proposals expected this year. After several hours of testimony and discussion, the committee approved the bill on a 7-6 party line vote and sent it to the House Ways and Means Committee.

## Public employers support key changes

The League of Minnesota Cities, along with the Association of Minnesota Counties, Minnesota Inter-County Association, Minnesota School Boards Association, and the Minnesota Association of Townships, submitted joint written testimony (pdf) advocating for modifications to Minnesota Paid Leave before it takes effect. These proposed changes align with positions developed by LMC's policy committees in summer 2024 and approved by the League's Board of Directors in November 2024.

Public employers support changes to Minnesota Paid Leave such as:

- Clarifying that the Minnesota Paid Leave 50/50 premium tax split is retained by public employers as an inherent managerial right.
- Exempting elected officials from both benefits and premiums.
- Exempting election judges and certain seasonal employees from the program.
- Clarifying that Minnesota Paid Leave benefits cannot be stacked with other federal leave programs, particularly as it relates to bonding leave.

## What's next?

During the bill hearing, the Minnesota Department of Employment and Economic Development (DEED) testified that the program remains on track to be fully operational by the Jan. 1, 2026, launch. Committee discussion indicated that DEED would return later to provide a full overview on implementation logistics, including IT preparedness, and employer outreach efforts.

# Your next step

City leaders are encouraged to stay informed about bills related to the Minnesota Paid Leave law and other legislative developments by [subscribing to the Cities Bulletin e-newsletter](#) and [reading the latest news on the League's website](#).

[Read more news articles.](#)

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Your LMC Resource

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# Lawmakers Advance Bills Modifying Whistleblower Protections

February 18, 2025

**Financial oversight concerns continue to be a bipartisan focus during the early stages of the legislative session.**

Before the 2025 legislative session began, many expected lawmakers to focus on financial oversight and accountability in state government spending. During the week of Feb. 10, both the House and Senate state government committees advanced bills that would modify whistleblower protections for public employees.

## Background and testimony

The bills, introduced as [HF 23 \(Rep. Kristin Robbins, R-Maple Grove\)](#) and [SF 475 \(Sen. Andrew Mathews, R-Princeton\)](#), would expand whistleblower protections to public employees who report gross mismanagement or waste in state or local government programs. These employees would be protected from termination, disciplinary action, or discrimination from their employer.

Both chambers adopted an amendment that added definitions of abuse, fraud, and waste to the state's whistleblower statute ([Minnesota Statutes, section 181.932](#)).

The League of Minnesota Cities submitted written testimony at both committee hearings stating that cities share the objective of being responsible stewards of taxpayer dollars, but outlined concerns that adding new definitions could complicate existing legal precedent and lead to increased litigation.

Committee members in both the House and Senate questioned the bill authors about the definitions, and responses indicated that further discussions are expected as the bills move forward through the committee process.

- [View the adopted amendment \(pdf\).](#)
- [Read the League's written testimony on HF 23 \(pdf\).](#)

## What's next?

The [House State Government Finance and Policy Committee](#) amended and approved HF 23 and sent it to the [House Workforce, Labor, and Economic Development Finance and Policy Committee](#). The [Senate State and Local Government Committee](#) amended and approved SF 475 and sent it to the [Senate Judiciary and Public Safety Committee](#).

# Your next step

City leaders are encouraged to stay informed about proposals that impact public employers and other legislative developments by subscribing to the [Cities Bulletin](#) e-newsletter and reading [the latest news](#) on the League's website.

[Read more news articles.](#)

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# Submit Lawful Gambling Local Tax Forms by March 15

February 18, 2025

**The annual reports must be submitted to the Gambling Control Board by the March deadline.**

State law allows cities to require organizations conducting charitable gambling within their jurisdiction to contribute up to 10% of their net profits, minus gambling taxes, to a city-administered fund. The proceeds must be used for charitable purposes or for police, fire, emergency services, public safety equipment, or training. Additionally, a city may impose a local tax of up to 3% on charitable gambling net receipts to cover local gambling enforcement costs.

Cities with a “10% fund” or a gambling enforcement tax must submit annual reports to the Minnesota Gambling Control Board by March 15.

Forms for both reporting requirements are available as Excel files on the [Gambling Control Board’s website](#):

- **Form LG500** (xls) is for the enforcement tax.
- **Form LG510** (xls) is for the 10% fund.

After entering and saving the required information, email the Excel file to the Gambling Control Board at [gbcity.reports@state.mn.us](mailto:gbcity.reports@state.mn.us). Please note that previous versions of these forms are no longer accepted.

[Read more news articles.](#)

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# Current Grant Opportunities

## Southern Minnesota Initiative Foundation Paint the Town Grant

Southern Minnesota Initiative Foundation (SMIF) is currently accepting applications for free paint and coating products for community mural, community welcome sign, historic structure, or public art projects or to refresh public spaces in preparation for significant community milestone celebrations through its Paint the Town Grant program. This grant opportunity is available to communities with a population under 10,000 throughout SMIF's 20-county region. Applications are due to SMIF by **March 31, 2025**.

The program encourages community collaboration by donating up to 100 gallons of paint per project, fostering volunteer engagement, creativity, and local pride while enhancing public spaces. Eligible public art projects may include creative placemaking initiatives like painting staircases, picnic tables, pop-up parks, or other artistic installations that add vibrancy to a community.

Eligible applicants include 501(c)(3) nonprofits, local government agencies, and public schools. All projects must be in a community of 10,000 or fewer residents, have a visible impact, and be accessible to the public.

Since 1997, SMIF has distributed over 10,955 gallons of paint to 324 projects. The Paint the Town Grant was officially launched in 2015.

[Learn more and apply for a Paint the Town Grant.](#)

## 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 Intent to Apply for this program is now open. Submitting notice of your intent to apply will help Minnesota Housing and key stakeholders better manage the program and tailor technical assistance to your needs.

[Access the notice of Intent to Apply.](#)

Minnesota Housing anticipates the Request for Proposals (RFP) will open on or around Feb. 20, 2025. Applications will be due sometime in April; please consult the RFP (once available) for details.

For additional details on the program, [read the program guide \(pdf\)](#).

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

# Greater Minnesota Housing Infrastructure Grant Program Guide Now Available

Minnesota Housing's board of directors approved the Greater Minnesota Housing Infrastructure Grant Program Guide on Dec. 19, 2024. You can find the program guide on the [Local Government Housing Programs team webpage](#). (Look under the Greater Minnesota Housing Infrastructure Grants dropdown menu.)

\$8 million is allocated to the Greater Minnesota Housing Infrastructure Grant program to support cities, counties and Tribal Nations 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.

Minnesota Housing plans to release a Request for Proposals in the first quarter of 2025.

[Review the program guide for additional details \(pdf\)](#).

## Geothermal Planning Grants

In 2024, the Minnesota Legislature established the Geothermal Planning Grant Program. The purpose of this program is to provide financial assistance to eligible applicants to examine the technical and economic feasibility of installing geothermal energy systems.

The Department of Commerce will administer \$1.08 million in grants to local governments across Minnesota. Eligible applicants for this grant program include counties, cities, townships or the Metropolitan Council. Grants will be awarded for up to \$150,000 for the planning of a geothermal energy system that heats and cools one or more buildings. Eligible systems include a bored geothermal heat exchanger, a groundwater thermal exchange device, and a submerged closed loop heat exchanger.

The Request for Proposals (RFP) for the Geothermal Planning Grant program open on Dec. 16, 2024. Applications are due **March 10, 2025**.

For questions about the program and application process, email [Energy.Contracts@state.mn.us](mailto:Energy.Contracts@state.mn.us). Answers will be posted to the [Geothermal Planning Grant posting on the RFP page](#) through Feb. 28, 2025.

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

## 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](#)

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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



# Submit Your Police and Fire State Aid Certification Forms

February 3, 2025

**The deadline to submit your forms to the Minnesota Department of Revenue is March 17.**

Certification forms are now available on the Department of Revenue website for both Police and Fire State Aid. These aids help subsidize pension costs for local governments and fire relief associations.

Qualifying cities must submit these forms to Revenue by March 17, 2025, to avoid the reduction in aid penalty. There is no longer a 10-day grace period for late submissions. The reduction in aid for late submissions is 10% per week.

Aid amounts will be determined in late September and paid by the Revenue by Oct.1, 2025.

## Fire State Aid

The form (FA-1) must be submitted by March 17, 2025, to avoid a reduction in aid. It will need to be certified solely by the municipal clerk, secretary in the case of an independent nonprofit corporation, or equivalent. Certification by the fire chief is no longer required.

You can now check the [Fire State Aid webpage](#) to verify that your form has been received. If you still need to submit the form, it is also available on the Fire State Aid webpage.

## Police State Aid

Form PA-1 must be submitted by March 17, 2025, to avoid a reduction in aid. You can now check the [Police State Aid webpage](#) to that your form has been. If you still need to submit the form, you can do so on the Police State Aid webpage.

[Read more news articles.](#)

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