



Cities Bulletin e-newsletter

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Senate Considers Bill To Give Cities Direct Sales Tax Authority for Some Projects

March 1, 2025

The proposal would let cities seek voter approval for local sales taxes to fund regional improvement projects without legislative approval.

On Feb. 26, the [Senate Taxes Committee](#) heard [SF 375](#), which would allow cities to enact a local sales tax without needing legislative approval. The proposal was laid over, [as amended \(pdf\)](#), for possible inclusion in the committee's budget bill. It's sponsored by the Senate Taxes Committee Chair [Sen. Ann Rest](#) (DFL-New Hope).

Background

In 2023, the Legislature established a task force to review and make recommendations on local taxes. The [Local Taxes Advisory Task Force made recommendations \(pdf\)](#) to the Legislature in 2024 and many of those recommendations are reflected in this bill.

The proposal outlines projects and criteria the Legislature should allow to bypass the special law authorization process, including:

- Libraries
- Public safety facilities
- Parks and trails
- Community centers
- Athletic complexes

Cities could impose a sales tax rate of up to half-of-one-cent with voter approval.

The bill would also require a local equalization account for sharing revenues with neighboring cities. Of the tax collected, 5% of the revenue would be redistributed by the Minnesota Department of Revenue to qualifying cities.

Hearing and testimony

During the hearing, Sen. Rest offered an amendment to include a sales tax exemption for the construction materials purchased for these projects. The provision was not added to the bill due to the fiscal cost but did provide for discussion.

Sen. Rest committed to continue working with local government organizations on the language of the bill and the League will be participating in those meetings. Nisswa City Administrator and League Past President Jenny Max testified during the hearing in support of the bill.

[View a recording of the hearing on SF 375.](#)

Your next steps

Let your legislators know you support SF 375 and how this will help your city to budget and plan for new projects.

LMC staff take

This bill provides a clear and transparent process for cities to impose a local sales tax without requiring a special law authorization. This process is a significant improvement to current law and allows cities to budget better and provide a clearer picture to voters about the cost of projects. The Senate sponsor is the chair of the committee, and we are hopeful that this proposal will be included in the committee's omnibus bill.

[Read more news articles.](#)

Your LMC Resource

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Lawmakers Hear Proposals To Standardize Brady-Giglio Process

March 1, 2025

The proposals aim to establish uniform procedures and define due process rights for law enforcement officers.

The Senate Judiciary and Public Safety Committee heard two bills on Feb. 26 that would create a uniform process for defining *Brady-Giglio* impairments and establish due process rights for law enforcement officers. The bills, SF 599 and SF 1813, were laid over for further stakeholder discussions.

A week earlier, on Feb. 19, the House Public Safety Finance and Policy Committee heard HF 962 and its DE-1 amendment (pdf), sponsored by Committee Chair Rep. Paul Novotny (R-Elk River). This bill shares similar goals with the Senate proposals.

Brady-Giglio background

Brady-Giglio refers to legal rules requiring prosecutors in criminal cases to disclose certain information about testifying peace officers with the defense to ensure a fair trial. The rules stem from two U.S. Supreme Court cases:

- *Brady v. Maryland* (1963)
- *Giglio v. United States* (1972)

“*Brady-Giglio* lists” are records maintained by prosecuting agencies that document peace officers with credibility concerns that could affect their reliability as witnesses. Prosecutors are obligated to disclose this information to defense attorneys.

However, many stakeholders agree the *Brady-Giglio* rules are applied inconsistently across the state. Past legislative proposals on this topic stalled due to disagreements over what uniform standards should be applied.

City prosecutors, like other prosecuting agencies, must comply with *Brady-Giglio* disclosure obligations. Additionally, city attorneys play a dual role in advising cities on managing employee discipline or discharge, including in situations that involve *Brady-Giglio* matters.

Ensuring due process for officers

The two Senate bills aim to address *Brady-Giglio* designations for peace officers and establish procedures for managing officers with credibility issues. Both proposals would:

- Require officers to receive written notice before being designated as *Brady-Giglio*
- Allow officers to submit input and request reconsideration.
- Protect the confidentiality of officers’ personnel records.

Key bill differences

- [SF 599](#), sponsored by [Judy Seeberger](#) (DFL-Afton), would prohibit the discharge and discipline of officers based solely on *Brady-Giglio* impairment.
- [SF 1813](#), sponsored by [Bonnie Weslin](#) (DFL-Plymouth), would require annual coordination between prosecuting agencies and law enforcement employers.

Defining Brady-Giglio impairments

A goal of both bills is to establish a state-wide standard for handling *Brady-Giglio* designations. A uniform definition of impairment would ensure consistency, efficiency, and transparency across all prosecuting agencies' *Brady-Giglio* lists, protecting the rights of officers and defendants alike.

Testimony on proposals

The hearings included testimony from many members of stakeholder groups, including the Minnesota Police and Peace Officers Association, Minnesota Chiefs of Police Association, Minnesota Sheriff's Association, Hennepin County Attorney's Office (HCAO), Minnesota County Attorneys Association, and MN Board of Public Defense. The League of Minnesota Cities submitted written testimony, as did the Minnesota American Civil Liberties Union and HCAO.

- [Read the League's written testimony on the *Brady-Giglio* proposals \(pdf\).](#)
- [View a recording of the Senate hearing on the *Brady-Giglio*.](#)
- [View a recording of the House hearing on HF 962 starting at timestamp 1:00:00.](#)

Your next step

Committee Chair [Sen. Ron Latz](#) (DFL-St. Louis Park) urged stakeholders to continue working toward a balanced approach that reflects the interests of all parties. The League remains engaged in these discussions and welcomes input from city officials and city attorneys. City input is appreciated and can be sent directly to Tori Kee, LMC intergovernmental relations representative and attorney.

[Read more news articles.](#)

Your LMC Resource

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House and Senate Elections Committees Hear Local Election Funding Bills

March 1, 2025

The proposals would increase funding for VOTER Account grants during the upcoming biennium.

During the week of Feb. 24, the [House Elections Finance and Government Operations Committee](#) and the [Senate Elections Committee](#) heard companion bills [SF 1430](#) and [HF 977](#) that would increase funding for the Voter Operation, Technology, and Election Resources (VOTER) Account grants by \$2.5 million a year in the 2026-2027 biennium. The bills are sponsored by [Sen. Jim Carlson](#) (DFL-Eagan) and [Rep. Mike Freiberg](#) (DFL-Golden Valley), respectively.

The VOTER grant fund was instituted in 2023 and is administered through counties to help fund a range of local government election costs.

Speaking on behalf of the League of Minnesota Cities, Blaine City Clerk Cathy Sorensen spoke about how these grants are of great assistance to both county and city election operations, with most local funds being spent on equipment, software updates, and staff costs.

LMC staff take

While most representatives and senators in both hearings were supportive of the grant program and city and county election representatives made a strong case for an increase, budget realities and heavy competition for any new state spending may make the funding of this increase challenging this legislative session.

[Read more news articles.](#)

Your LMC Resource

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Senator Klobuchar's Office Accepting Fiscal Year 2026 Congressionally Directed Spending Requests

March 1, 2025

Cities have until March 15 to submit applications on the Senator's website for project proposals seeking federal funding.

The Office of Senator Amy Klobuchar is now accepting fiscal year (FY) 2026 Congressionally Directed Spending (CDS) requests, also known as earmarks. This opportunity allows members of Congress to request federal funding for specific projects benefiting their states.

Eligible applicants include Minnesota-based state and local government entities and nonprofit organizations seeking funding for impactful projects that can be completed with federal assistance. However, submitting an application does **not** guarantee funding, as resources are limited and awarded on a competitive basis.

Application process and deadlines

The FY 2026 application form may be subject to updates pending guidance from the Senate Appropriations Committee, including a finalized list of eligible CDS accounts. The website and application form will be updated accordingly when FY 2026 guidance is released.

Key steps to apply

- **Submit requests to multiple offices:** In addition to applying through Senator Klobuchar's office, applicants should also submit identical CDS requests to Senator Tina Smith's office and their House of Representatives member.
- **Access the application:** [Visit Senator Klobuchar's Congressionally Directed Spending webpage to complete the application.](#)
- **Plan ahead:** Organizations should begin the application process early to allow time for any necessary corrections or clarifications.
- **Meet the deadline:** Applications must be submitted by **March 31, 2025**, at 11:59 p.m. CT.
- **Follow program guidance:** Carefully review program eligibility requirements, including matching funds requirements for certain accounts.

Important updates and reminders

- **FY 2025 project status:** The Senate's FY 2025 budget bill includes previously approved projects, but their status remains uncertain due to the Continuing Resolution (CR) extending through March 15, 2025. More information will be available after that date. [View the FY 2025 CDS accounts and eligibility requirements.](#)
- **Transparency requirements:** Senate rules require that all congressional offices publicly disclose and describe CDS project requests on the Senator's website.
- **No guaranteed funding:** Submitting a request does not guarantee an award. Each submission must include a detailed project budget.
- **Federal oversight compliance:** Entities receiving funds must comply with any audits, investigations, or oversight requests from the Government Accountability Office (GAO) or other federal agencies. Receiving funding one year does not ensure future funding.
- **For-profit entities are not eligible:** Only state and local government entities and nonprofit organizations may apply.

For additional questions, please contact CDS@klobuchar.senate.gov.

[Read more news articles.](#)

Your LMC Resource

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State and Local Cybersecurity Grant Bill Considered in House and Senate Committees

March 1, 2025

The proposed state-funded program would provide grants to cities for critical cybersecurity improvements.

On Feb. 27, the House State Government Finance and Policy Committee heard HF 140 (Rep. Kristin Bahner, DFL-Maple Grove), and laid the bill over for possible inclusion in the committee's budget bill.

The bill would establish a competitive grant program to allow cities, counties, and the eight largest townships to obtain state funding to enhance cybersecurity infrastructure, including hardware, software, and services. The goal is to help local governments protect sensitive data and critical infrastructure from malicious cyberattacks.

The Senate companion bill, SF 379, was heard a week earlier, on Feb. 20, by the Senate State and Local Government Committee. It also was laid over for possible inclusion in the committee's budget bill. Sen. Melissa Wiklund (DFL-Bloomington) sponsors the Senate proposal.

Key provisions of the bill

The proposal would:

- Allocate \$20 million to Minnesota IT Services (MNIT) to administer the grants.
- Provide grants up to \$25,000 for the full cost of an eligible expenditure and up to 75% of expenses beyond that, with a \$1 million cap per applicant. Funds eligible for cybersecurity expenses would include:
 - General IT services.
 - Equipment to secure technology, including control systems, storage, and cloud-based backup solutions.
 - Data management and data archiving solutions.
 - Secure email hosting and email filtering solutions.
 - Firewalls, network hardware, antivirus and detection, and response software.
 - Consulting costs or other professional services needed to implement cybersecurity hardware and software.

Hearing highlights and support

The League of Minnesota Cities testified in support of the bills, emphasizing the urgent need for cybersecurity resources, particularly for small, under-resourced cities that manage critical infrastructure yet lack the tools to defend against cyber threats. The League and the Association of Minnesota Counties also submitted joint written testimony, highlighting the bill's benefits and the necessity of state resources to support cybersecurity efforts.

[Read the League's joint written testimony on the cybersecurity proposal \(pdf\).](#)

LMC staff take

With budget constraints expected this session (pending Minnesota Management and Budget's upcoming forecast released in March), bipartisan bills like SF 379 could receive funding — especially if they help leverage federal cybersecurity funding and maximize non-state dollars for local government.

[Read more news articles.](#)

Your LMC Resource

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Paying Claims and Preventing Electronic Funds Transfer Fraud

February 27, 2025

Managing city finances responsibly is essential for maintaining public trust and ensuring smooth operations. Cities must establish clear procedures for processing claims to prevent errors, delays, and legal issues. With the rise in Electronic Funds Transfer (EFT) fraud, cities must also implement cybersecurity measures to safeguard financial transactions. Here's a practical guide to handling city claims efficiently, securely, and in compliance with legal requirements.



Key Steps in Processing City Claims

1. Verify the Legitimacy of Claims

Before approving any payment, confirm that the claim is valid. This includes checking that:

- Goods or services were received as invoiced.
- The claim falls within the city's budget and approved expenditures.
- Proper authorization is obtained from the relevant department or officials.

2. Obtain Council Approval

Minnesota law requires that most city claims be reviewed and approved by the city council before payment. The city council must:

- Review each claim, ensuring compliance with policies.
- Approve claims during a public meeting, with records documented in meeting minutes.

- Issue authorization for payment only after proper vetting.

3. Use Prepayment Only When Necessary

While most payments require prior approval, these are the exceptions that exist:

- Payroll expenses.
- Utility bills.
- Emergency payments necessary to avoid penalties or service interruptions.

For these exceptions, the council can authorize prepayment policies that streamline operations while maintaining oversight. Council authorization should occur prior to the issuing of the payment and is best documented using a resolution.

4. Ensure Proper Documentation

Maintaining accurate records is crucial for financial transparency. Each claim should include:

- A properly itemized invoice.
- Proof of receipt of goods or services.
- Evidence of council approval or appropriate authorization.

5. Issue Payments Securely and Prevent EFT Fraud

After approval, cities must ensure payments are processed securely and efficiently:

- Payments should be made via check, electronic transfer, or other city-approved methods.
- The mayor and clerk (or another designated official) should sign checks.
- Proper safeguards should be in place to prevent fraud and unauthorized disbursements.
- Implement a two-factor authentication process for accessing bank accounts online.
- Dual control is required when processing any EFT transaction involving at least two people.
- Implement positive pay banking service. This entails the city providing the bank with a list of checks issued. When a check is presented for payment, the bank compares the check to the list and if it doesn't match the check is flagged and sent back to the issuer for review.
- Always validate new or updated bank account information received from vendors or employees with a confirmation call using independent known contact details such as the vendor master list or a discussion with the employee. Contact information that accompanies the request is not independent.
- Regularly remind staff and vendors that Finance and HR departments will never request sensitive financial information via email.
- Require a signed Form W-9 from all new payees and when changing mailing addresses, verifying with IRS taxpayer matching tools.

Best Practices for Cities

- **Establish Clear Policies:** Adopt written procedures that align with state laws and best practices, including a safe electronic transfers and payments policy.
- **Maintain Transparency:** Keep financial records accessible and ensure regular audits.

- **Train Staff and Officials:** Ensure everyone involved in financial processes understands their roles and responsibilities and is aware of social engineering threats such as phishing and fraudulent EFT requests.

By following these structured steps, cities can efficiently manage claims, minimize financial risks, and strengthen cybersecurity measures to protect public funds.

Resources:

[Procedures for Paying City Claims](#)

[Electronic Funds Transfer Fraud](#)

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