

Legislative and Omnibus Bill Updates

Following the Legislature's regular session adjournment on Monday, May 19th, legislative "work groups" that took the place of conference committees, were established to work on omnibus budget bills. The Governor and legislative leaders have met this week with work group chairs to discuss sticking points. Some work groups have been meeting publicly. Below are updates on specific omnibus bills. Some work groups have not yet met publicly, including Transportation, Capital Investment, and Environment. A date for a special session has not yet been called by the Governor.

Taxes

The Taxes work group has been meeting this week and is scheduled to meet Friday. The work group has adopted some provisions from House and Senate tax bills, including an increase in the cannabis gross receipts tax, city-specific tax increment financing provisions in the Senate tax bill and the House bill's temporary extension of TIF authority under certain conditions. The work group also adopted the exemption of electricity purchases for data centers.

Economic Development

The work group for the Jobs and Labor Finance and Policy bill, SF 1832 - Champion, met on Thursday and released its agreement. The work group heard and adopted the [jobs, workforce, and economic development](#) agreement spreadsheet, the [labor agreement](#) spreadsheet, and the working group jobs and labor [policy agreement](#) tracking sheet.

The Jobs and Labor work group had a -\$30 million spending target for FY26-27, and -\$40 million spending target for FY28-29.

The final agreement maintains funding for the Minnesota Investment Fund and the Jobs Skills Partnership program. The bill cuts the Redevelopment Grant program by \$2M in FY26-27 and \$2M in FY28-29. The bill cuts the Contaminated Site Cleanup Fund by \$1.5M in FY28-29. The bill cuts the Job Creation Fund by \$6.091M in FY26-27 and \$4.8M in FY28-29. These cuts are significantly lower than the cuts proposed in the Omnibus Jobs bill in the House. The bill contains [policy language](#) that creates a Task Force on Workforce Development System Reform, which is established to examine and review how the state forms strategies, sets goals, and allocates funds to meet Minnesota's workforce development needs. It also requires the task force to review programs, funding mechanisms, and evaluation metrics and provide a report by January 15, 2027, to the legislature on its findings.

Bill language will be drafted by the Revisor and sent to the House and Senate for action once a special session is called by the Governor.

Please contact Ania McDonnell at ania@metrocitiesmn.org with any questions.

Adult-Use Cannabis Updates***First Tribal Compact Signed***

Governor Tim Walz signed the first Tribal-state compact authorized under Minnesota's 2023 cannabis law. The agreement outlines how the State of Minnesota and White Earth Nation will

address jurisdictional issues related to the medical cannabis and adult-use cannabis industries. The compact will allow for up to eight off-reservation cannabis retail locations, with a maximum of one per city and three per county. Off-reservation stores will be self-regulated by the tribe, with a secondary oversight role for the OCM. Metro Cities staff is still reviewing the full [compact language](#). Negotiations between the Walz administration and other tribal nations continues, but future agreements are expected to look similar to the compact signed by White Earth.

Schedule for License Lotteries

The Minnesota Office of Cannabis Management (OCM) will hold license application lotteries on June 5 for social equity and general applicants for the following three license types: cannabis cultivator, cannabis manufacturer, and cannabis mezzo business. The office will also hold a lottery for social equity applicants (SEAs) applying for a cannabis retailer license on June 5. A lottery for general applicants for the cannabis retailer license, which includes a second chance for social equity applicants not selected in the first lottery will follow this summer. The license application lotteries will be livestreamed for members of the public and the media via the office's YouTube Channel: youtube.com/@MNCannabisManagement. Results will be posted to OCM's website and shared with applicants after completion.

Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

Solar on Public Buildings Grant Program

The Minnesota Department of Commerce is seeking proposals for the Solar on Public Buildings Grant Program. In 2023 the Minnesota Legislature established the Solar on Public Buildings (SPB) Grant Program to provide grants to stimulate the installation of solar energy systems on public buildings. The Department of Commerce will administer \$4.3 million in grants to local governments in Xcel Energy electric service territory. This is the third round of funding requests.

Eligible applicants for this grant program are local units of government including a county, city, town, or other local government jurisdiction. Grants will be awarded for up to 70% of the project costs (dependent on the government's financial capacity) for a solar array that is built on or adjacent to a public building and is the lesser of 40kW system capacity or 120% of the building's annual energy consumption.

This is a two-step process.

- Step 1: Public Building Readiness Assessment: Public Building Readiness Assessment due on Monday, June 30, 2025.
- Step 2: Full Grant Application open upon notification; full applications will be due Monday, November 17, 2025.

For questions, email energy.contracts@state.mn.us. Click [HERE](#) to view the webpage.

2025 Metro Cities Policy Committees

Metro Cities 2025 policy committee process begins in July. Participation is open to member city elected officials and staff. Committee descriptions and dates are on the [website](#). Please be sure to [sign up](#) for the committee(s) you wish to attend. This will help us keep rosters accurate. We look forward to seeing you this summer!

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