

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 2757

(SENATE AUTHORS: MAYE QUADE)

DATE	D-PG	OFFICIAL STATUS
03/20/2025	921	Introduction and first reading
		Referred to State and Local Government
03/05/2026	6501a	Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act
 1.2 relating to state government; establishing grant programs for local governments
 1.3 to pay for certain costs of federal action; appropriating money.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **LOCAL GOVERNMENT GRANTS; LEGAL EXPENSES.**

1.6 Subdivision 1. Definition. For purposes of this section, "local government" means a
 1.7 county, home rule charter or statutory city, township, or school district.

1.8 Subd. 2. Appropriation. \$100,000,000 in fiscal year 2026 is appropriated from the
 1.9 general fund to the commissioner of revenue to make grants to local governments for eligible
 1.10 costs in subdivision 4. The commissioner of revenue may transfer money in the local
 1.11 government grant account to the commissioner of education to distribute grants to school
 1.12 districts that have been awarded a grant under subdivision 3. This is a onetime appropriation
 1.13 and is available until June 30, 2027.

1.14 Subd. 3. Application; award. A local government may apply to the commissioner of
 1.15 revenue for a grant to pay for eligible costs under subdivision 4. A local government may
 1.16 apply to the commissioner for a grant in a form and manner prescribed by the commissioner.
 1.17 The commissioner must allocate grants on a first-come, first-served basis.

1.18 Subd. 4. Eligible costs. Grants under this section must be used to reimburse a local
 1.19 government for eligible costs incurred by a local government. Eligible costs include:

1.20 (1) increased administrative costs for programs based on federal changes;

1.21 (2) amounts for infrastructure projects that have been canceled or withheld by the federal
 1.22 government;

- 2.1 (3) amounts of expected federal funds that have been canceled or withheld by federal
2.2 executive order;
- 2.3 (4) costs associated with recovery from Operation Metro Surge; and
- 2.4 (5) legal costs associated with upholding state or local laws that conflict with federal
2.5 executive orders made effective after January 19, 2025.
- 2.6 No individual grant to a local government may exceed \$2,500,000.
- 2.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.