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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1914

03/04/2021 Authored by Youakim; Hanson, J., and Kotyza-Witthuhn
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to local government aid; providing grants to counties for relief to local
1.3 businesses; appropriating money.

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

1.5 Section 1. COUNTY RELIEF GRANTS TO LOCAL BUSINESSES;
1.6 APPROPRIATION.

1.7 (a) \$50,000,000 in fiscal year 2021 is appropriated from the general fund to the
1.8 commissioner of revenue for payments to counties for relief grants to local businesses. This
1.9 is a onetime appropriation.

1.10 (b) Each county shall be issued a payment in the amount of \$100,000 or a per capita
1.11 amount determined by reference to the population of each county according to the most
1.12 recently available 2019 population estimate from the state demographer as of December 1,
1.13 2020, whichever is greater.

1.14 (c) Each county may use the greater of \$6,250 or 2.5 percent of the amount received
1.15 under paragraph (b) for administrative costs incurred from making grants under this section.
1.16 A county may contract with a third party to administer the grant program on behalf of the
1.17 county.

1.18 (d) Counties shall use the funds to make grants to individual businesses, nonprofits, and
1.19 establishments operated by congressionally chartered veteran's organizations that, to the
1.20 extent it is feasible for the county to determine:

1.21 (1) are located in the applicable county in the state of Minnesota or on adjacent tribal
1.22 land;

2.1 (2) have no current tax liens on record with the secretary of state as of the time of
2.2 application for a grant under this section; and

2.3 (3) are places of public accommodation required to close as a result of Executive Order
2.4 No. 20-99.

2.5 (e) A county shall determine grant recipients and the grant amount awarded per grant.
2.6 A county may award a grant to a business that is owned by a tribal government and located
2.7 on tribal land if the business has voluntarily complied with Executive Order No. 20-99.
2.8 Nonprofits, including nonprofit arts organizations, museums, and fitness centers, that earn
2.9 revenue similar to businesses, including but not limited to ticket sales and membership fees,
2.10 are eligible for grants under this section.

2.11 (f) Grant funds must be used by the eligible business or nonprofit for operations expenses
2.12 incurred during the COVID-19 pandemic.

2.13 (g) Grants under this section must be awarded by May 31, 2021.

2.14 (h) Grants and the process of making grants under this section are exempt from the
2.15 following statutes and related policies: Minnesota Statutes, sections 16A.15, subdivision 3;
2.16 16B.97; and 16B.98, subdivisions 5, 7, and 8. A county opting to use a third party to
2.17 administer grants is exempt from Minnesota Statutes, section 471.345, in the selection of
2.18 the third-party administrator. The exemptions under this paragraph expire May 31, 2021.

2.19 (i) By June 30, 2021, the commissioner of employment and economic development shall
2.20 report to the legislative committees with jurisdiction over economic development policy
2.21 and finance on the grants provided under this section.

2.22 (j) Any unexpended amount from the appropriation in paragraph (a) after June 15, 2021,
2.23 is canceled.

2.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.