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State of Minnesota

HOUSE OF REPRESENTATIVES

SEVENTH SPECIAL SESSION

H. F. No. 2

12/14/2020 Authored by Mahoney
The bill was read for the first time and referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to economic development; funding payments and grants to businesses
1.3 affected by Governor's Executive Order No. 20-99; requiring reports; appropriating
1.4 money.

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

1.6 Section 1. MAIN STREET RELIEF; APPROPRIATIONS.

1.7 Subdivision 1. Appropriations. (a) \$100,000,000 in fiscal year 2021 is appropriated
1.8 from the general fund to the commissioner of revenue for payments under subdivision 2.
1.9 Of this amount, no more than \$250,000 may be used for the administrative costs incurred
1.10 in making these payments. This is a onetime appropriation.

1.11 (b) \$14,000,000 in fiscal year 2021 is appropriated from the general fund to the
1.12 commissioner of employment and economic development for grants under subdivision 3.
1.13 Of this amount, no more than \$100,000 may be used for the administrative costs incurred
1.14 in making these payments. This is a onetime appropriation.

1.15 (c) \$102,500,000 in fiscal year 2021 is appropriated from the general fund to the
1.16 commissioner of management and budget for payments to counties which shall be used to
1.17 make grants to businesses and nonprofits under subdivision 4. Each county shall be issued
1.18 a payment in the amount of:

1.19 (1) the greater of:

1.20 (i) \$200,000; or

2.1 (ii) a per capita amount determined by reference to the population of each county
2.2 according to the most recently available 2019 population estimate from the state demographer
2.3 as of December 1, 2020; plus

2.4 (2) an additional 2-1/2 percent which may be used by the county for the administrative
2.5 costs incurred in making these grants. This is a onetime appropriation.

2.6 Subd. 2. Department of Revenue payments. (a) To be eligible for a payment under
2.7 this subdivision, a business must, to the extent it is feasible for the commissioner of revenue
2.8 to determine:

2.9 (1) be one of the following types of businesses, as determined by the North American
2.10 Industry Classification System code on file for a business with the Department of Revenue:

2.11 (i) a restaurant, cafeteria, coffee shop, caterer, or other provider of food and beverages
2.12 for on-site consumption;

2.13 (ii) a bar or other provider of alcoholic beverages for on-site consumption;

2.14 (iii) a brewery, winery, or distillery that derives a significant portion of its income from
2.15 on-site consumption of beverages or food;

2.16 (iv) a bowling alley or bowling center; or

2.17 (v) a fitness or sports recreation center, including centers for instruction in dance,
2.18 gymnastics, martial arts, or similar activities;

2.19 (2) have generated a minimum of \$10,000 in taxable gross receipts from retail sales in
2.20 2019;

2.21 (3) have experienced a decline in overall taxable gross receipts from retail sales between
2.22 2019 and 2020 of 30 percent or more measured by those receipts in the second and third
2.23 quarters of each year;

2.24 (4) have been directly impacted by Governor's Executive Order No. 20-99 and not be
2.25 exempt from that order;

2.26 (5) have a physical presence in the state of Minnesota; and

2.27 (6) be in good standing with the Department of Revenue as of November 1, 2020.

2.28 (b) The commissioner of revenue shall make payments to eligible businesses according
2.29 to the following:

2.30 (1) each business that does not participate in the unemployment insurance program shall
2.31 receive a payment in the amount of \$10,000;

3.1 (2) each business that employs 20 workers or less shall receive a payment in the amount
3.2 of \$15,000;

3.3 (3) each business that employs more than 20 workers but less than 101 workers shall
3.4 receive a payment in the amount of \$25,000;

3.5 (4) each business that employs more than 100 workers but less than 301 workers shall
3.6 receive a payment in the amount of \$35,000; and

3.7 (5) each business that employs more than 300 workers shall receive a payment in the
3.8 amount of \$45,000.

3.9 (c) Payments under this subdivision are a "Minnesota tax law" for purposes of Minnesota
3.10 Statutes, section 270B.01, subdivision 8.

3.11 (d) Return information as defined in Minnesota Statutes, section 270B.01, of a business
3.12 may be disclosed by the commissioner of revenue to the commissioner of employment and
3.13 economic development to the extent necessary to administer the payments under this
3.14 subdivision.

3.15 (e) The commissioner of revenue must not apply, and must not certify to another state
3.16 agency to apply, a payment under this subdivision to any unpaid tax or nontax debt owed
3.17 by a business.

3.18 (f) Any funds not distributed by March 15, 2021, shall be deposited in the state general
3.19 fund by April 1, 2021.

3.20 **Subd. 3. Department of Employment and Economic Development grants.** (a) To be
3.21 eligible for a grant under this subdivision, a business must, to the extent it is feasible for
3.22 the commissioner of employment and economic development to determine:

3.23 (1) be either:

3.24 (i) a movie theater that has at least one permanent indoor auditorium for viewing films
3.25 for entertainment by the general public who attend by the purchase of an individual ticket
3.26 to view a specific non-adult-oriented film and that also had at least \$15,000 in ticket sales
3.27 in 2019; or

3.28 (ii) a multipurpose convention center with a capacity for 1,500 people or more, that is
3.29 not part of a hotel, university, or retail mall, and is not primarily a music venue or theater;

3.30 (2) have experienced a decline in overall sales between 2019 and 2020 of 30 percent or
3.31 more measured by sales in the second and third quarters of each year;

4.1 (3) have been directly impacted by Governor's Executive Order No. 20-99 and not be
4.2 exempt from that order;

4.3 (4) have a physical presence in the state of Minnesota; and

4.4 (5) be in good standing with the Department of Revenue as of November 1, 2020.

4.5 (b) The commissioner of employment and economic development shall make grants to
4.6 eligible businesses according to the following:

4.7 (1) eligible businesses that are movie theaters shall receive a grant of \$15,000 per screen
4.8 for each of the first two screens in the theater and a grant of \$10,000 per screen for each
4.9 additional screen in the theater, with no theater receiving a total grant of more than \$150,000;
4.10 and

4.11 (2) eligible businesses that are convention centers shall receive a grant proportional to
4.12 the size of the venue and its workforce, with no convention center receiving a grant of more
4.13 than \$500,000. Grant funds must be used for the direct operations and upkeep of convention
4.14 center facilities.

4.15 (c) Any funds not distributed by March 15, 2021, shall be deposited in the state general
4.16 fund by April 1, 2021.

4.17 Subd. 4. **County administered grants.** (a) To be eligible for a grant under this
4.18 subdivision, a business or nonprofit must, to the extent it is feasible for the county to
4.19 determine:

4.20 (1) have been impacted by an executive order related to the COVID-19 pandemic;

4.21 (2) be located in the county awarding the grant or on adjacent tribal lands; and

4.22 (3) be in good standing with the Department of Revenue as of November 1, 2020.

4.23 (b) Counties shall make grants to eligible businesses or nonprofits. Counties may contract
4.24 with a nonprofit to administer these grants.

4.25 (c) Individual grants shall be proportional to the size of the business or nonprofit and in
4.26 amounts determined by the county.

4.27 (d) Grant funds must be used by the eligible business or nonprofit for operations expenses
4.28 incurred during the COVID-19 pandemic.

4.29 (e) Any funds not distributed by a county by March 15, 2021, shall be returned to the
4.30 commissioner of management and budget for deposit in the state general fund by April 1,
4.31 2021.

5.1 Subd. 5. Report to the legislature. By June 30, 2021, the commissioners of revenue
5.2 and employment and economic development shall submit a report to the chairs of the
5.3 legislative committees with jurisdiction over business development detailing the use of
5.4 funds under this section.

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