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12/14/2020

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## State of Minnesota

## HOUSE OF REPRESENTATIVES

A bill for an act

SEVENTH SPECIAL SESSION

H. F. No. 45

Authored by Mahoney, Schultz and Bernardy The bill was read for the first time and referred to the Committee on Ways and Means

1.2	relating to state government; providing economic relief for businesses adversely affected by the COVID-19 pandemic; authorizing business relief payments;
1.4	providing waivers from regulatory fees; providing additional unemployment
1.5 1.6	insurance benefits; providing grants for movie theaters and convention centers; providing county relief grants; extending the application deadline for free or
1.7	reduced-price lunch for the fall 2020 count of eligible students; providing for
1.8	federal funds replacement; transferring money; appropriating money; requiring
1.9	reports.
1.10	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
1.11	ARTICLE 1
1.12	DEPARTMENT OF REVENUE; BUSINESS RELIEF PAYMENTS
1.13	Section 1. BUSINESS RELIEF PAYMENTS; APPROPRIATION.
1.14	Subdivision 1. Payment authorized. The commissioner of revenue, to the extent feasible,
1.15	shall make a business relief payment to each qualified business as calculated under
1.16	subdivision 3.
1.17	Subd. 2. Definitions. (a) For purposes of this section, the following terms have the
1.18	meanings given.
1.19	(b) A "qualified business" means a business that operates from a physical location in
1.20	Minnesota that:
1.21	(1) on November 1, 2020, was registered to pay unemployment tax to the commissioner
1.22	of employment and economic development under Minnesota Statutes, chapter 268;
1 22	(2) was closed to the general public as a result of, and to the extent described in, paragraph
1.23	
1.24	7(c)(iii) of Executive Order 20-99;

(3) on November 1, 2020, was included on the current list of businesses maintained by
the commissioner of employment and economic development pursuant to an agreement
between the commissioner of employment and economic development and the United State
Bureau of Labor Statistics for use in the Quarterly Census of Employment and Wages as
business with a primary North American Industry Classification System code of:
(i) 31212 - Breweries;
(ii) 31213 - Wineries;
(iii) 31214 - Distilleries;
(iv) 71394 - Fitness and Recreational Sports Centers;
(v) 71395 - Bowling Centers;
(vi) 7223 - Specialty Foods;
(vii) 7224 - Drinking Places (alcoholic beverages); and
(viii) 7225 - Restaurants;
(4) was listed on the records of the Department of Revenue as having an active sales to
account on November 1, 2020, that indicates that the business is operating from a physic
location in Minnesota;
(5) by November 1, 2020:
(i) had filed all sales tax returns required to be filed under Minnesota Statutes, section
289A.18, subdivision 4, that were due after January 1, 2018, but before November 1, 2020
<u>or</u>
(ii) has an open audit or has received an order of assessment from the commissioner
revenue, issued pursuant to Minnesota Statutes, section 270C.33, and Minnesota Rules, pa
8160.0630, for any sales tax that should have been reported on a sales tax return that the
business did not file that was due after January 1, 2018, but before November 1, 2020;
(6) has taxable gross receipts from retail sales, as defined in Minnesota Statutes, section
297A.61, subdivision 4, as listed on the records of the Department of Revenue on November
1, 2020, for the period of April 1, 2020, through September 30, 2020, that were at least 3
percent less than the taxable gross receipts from retail sales as listed on the records of the
Department of Revenue on November 1, 2020, for the period of April 1, 2019, through
September 30, 2019; and

(7) h	as taxable gross receipts from retail sales, as defined in Minnesota Statutes, section
297A.61	, subdivision 4, as listed on the records of the Department of Revenue on November
1, 2020,	for calendar year 2019 that exceeded \$10,000.
(c) A	business with no employees in covered employment is a qualified business if it:
(1) n	neets the requirements of paragraph (b), clauses (2) and (4) to (7); and
(2) fi	iled for a sales tax permit under Minnesota Statutes, section 297A.83, and stated
upon reg	gistration for the permit that the business was primarily operating under an industry
code list	ted in paragraph (b), clause (3).
(d) "(	Covered employment" has the meaning given in Minnesota Statutes, section 268.035,
subdivis	sion 12.
Subd	d. 3. Calculation of payment. (a) Each qualified business shall receive a payment
based or	n the average number of employees in covered employment reported to the
commiss	sioner of employment and economic development under Minnesota Statutes, section
268.044	, subdivision 1, for the period of November 1, 2019, through January 31, 2020, as
follows:	
<u>(1) a</u>	qualified business that had zero employees shall receive a payment of \$10,000;
(2) a	qualified business that had at least one employee but no more than 20 employees
hall rec	eeive a payment of \$15,000;
(3) a	qualified business that had more than 20 employees but no more than 100 employees
shall rec	eeive a payment of \$25,000;
<u>(4)</u> a	qualified business that had more than 100 employees but no more than 300
employe	ees shall receive a payment of \$35,000; and
(5) a	qualified business that had more than 300 employees shall receive a payment of
\$45,000	<u>-</u>
(b) A	A business that uses a single federal employer identification number to report
ınemplo	byment compensation data to the commissioner of employment and economic
developi	ment that includes employment information from more than one physical location
shall rec	eive only one payment under this section, even if the business reports sales tax
informat	tion from those physical locations to the commissioner of revenue using more than
one sale	s tax permit.
(c) If	f a qualified business has more than one physical location in Minnesota, the payment
chall he	calculated using employment information and the aggregate amount of taxable

	gross receipts from retail sales from all physical locations of the qualified business operating
	in industries listed in subdivision 2, paragraph (b), clause (3).
	Subd. 4. Use of information. (a) The business relief payment is a "Minnesota tax law"
	for purposes of Minnesota Statutes, section 270B.01, subdivision 8.
	(b) Return information as defined in Minnesota Statutes, section 270B.01, of a qualified
	business may be disclosed by the commissioner of revenue to the commissioner of
	employment and economic development to the extent necessary to administer the business
1	relief payment.
	Subd. 5. <b>Prohibition against setoff.</b> The commissioner of revenue must not apply, and
	must not certify to another state agency to apply, a payment under this section to any unpaid
	tax or nontax debt owed by a qualified business.
	Subd. 6. <b>Report to legislature.</b> By June 30, 2021, the commissioner of revenue shall
	report to the legislative committees with jurisdiction over economic development policy
	and finance on the payments issued under this section.
	Subd. 7. <b>Appropriation.</b> (a) \$88,000,000 in fiscal year 2021 is appropriated from the
	general fund to the commissioner of revenue to make payments required under this section.
r	This is a onetime appropriation. Of this amount, \$250,000 is appropriated to the commissioner
(	of revenue to administer this section.
	(b) The appropriation under this subdivision expires on March 15, 2021. Any unexpended
	amount from the appropriation in paragraph (a) after March 15, 2021, is canceled.
•	EFFECTIVE DATE. This section is effective the day following final enactment.
	ARTICLE 2
	REGULATORY RELIEF
	Section 1. CERTAIN FOOD-RELATED LATE FEES WAIVED; 2021.
	Notwithstanding any law to the contrary, in calendar year 2021, the commissioner of
	agriculture must waive late license renewal penalties under Minnesota Statutes, section
	28A.08, for food retailers, food manufacturers, food wholesalers, and food brokers.
	<b>EFFECTIVE DATE.</b> This section is effective the day following final enactment.
	Sec. 2. 2020 BREWER FEES REFUNDED; CREDIT.
	Notwithstanding any law to the contrary, the Metropolitan Council must fully refund to
	any brewer that produces fewer than 20 000 barrels per year the wastewater permit fee

5.1	allowed under Minnesota Statutes, section 473.517, paid for the year 2020. The council
5.2	must also apply a credit not to exceed \$2,000 per brewer for strength charges incurred in
5.3	2020 to any brewer that falls within the Metropolitan Council environmental services
5.4	microbrewery program.
5.5	<b>EFFECTIVE DATE.</b> This section is effective the day following final enactment.
5.6	Sec. 3. CERTAIN LIQUOR PERMIT FEES WAIVED; 2021.
5.7	Notwithstanding any other law to the contrary, in calendar year 2021, the commissioner
5.8	of public safety must waive the fees for the following permits:
5.9	(1) the caterer's permit issued under Minnesota Statutes, section 340A.404, subdivision
5.10	12; and
5.11	(2) the permit for sales after 1:00 a.m., issued under Minnesota Statutes, section
5.12	340A.504, subdivision 7.
5.13	<b>EFFECTIVE DATE</b> ; <b>APPLICABILITY</b> . This section is effective the day following
5.14	final enactment and applies to permits applied for in calendar year 2021.
5.15	Sec. 4. TRANSFER; ALCOHOL ENFORCEMENT ACCOUNT.
5.16	(a) By July 15, 2021, the commissioner of public safety must certify to the commissioner
5.17	of management and budget the amount of permit fees waived under section 3, clause (2),
5.18	during the period from January 1, 2021, to June 30, 2021, and the commissioner of
5.19	management and budget must transfer the certified amount from the general fund to the
5.20	alcohol enforcement account in the special revenue fund established under Minnesota
5.21	Statutes, section 299A.706.
5.22	(b) By January 15, 2022, the commissioner of public safety must certify to the
5.23	commissioner of management and budget the amount of permit fees waived under section
5.24	3, clause (2), during the period from July 1, 2021, to December 31, 2021, and the
5.25	commissioner of management and budget must transfer the certified amount from the general
5.26	fund to the alcohol enforcement account in the special revenue fund established under
5.27	Minnesota Statutes, section 299A.706.
5.28	<b>EFFECTIVE DATE.</b> This section is effective the day following final enactment.
5.29	Sec. 5. APPROPRIATION; RATE STABILIZATION.
5.30	\$142,000 in fiscal year 2021 is appropriated from the general fund to the Metropolitan
5.31	Council for wastewater rate stabilization. The Metropolitan Council must deposit the money

in the council's environmental services enterprise account to offset wastewater revenue lost 6.1 under section 2. This is a onetime appropriation. 6.2 **EFFECTIVE DATE.** This section is effective the day following final enactment. 6.3 **ARTICLE 3** 6.4 ADDITIONAL UNEMPLOYMENT INSURANCE BENEFITS 6.5 Section 1. SPECIAL ADDITIONAL UNEMPLOYMENT BENEFITS PROGRAM. 6.6 Subdivision 1. Availability of special additional benefits. Special additional 6.7 unemployment benefits are available from the Minnesota unemployment insurance trust 6.8 fund to an applicant who: 6.9 (1)(i) exhausts the balance of their regular Minnesota unemployment benefits with a 6.10 payment for a week ending between December 19, 2020, and April 3, 2021, or reaches the 6.11 benefit year end date of their regular Minnesota unemployment benefit account between 6.12 December 19, 2020, and April 3, 2021; or 6.13 6.14 (ii) exhausts the balance of their Pandemic Emergency Unemployment Compensation or extended benefits with a payment for a week ending between December 19, 2020, and 6.15 April 3, 2021; 6.16 (2) is not entitled to Pandemic Emergency Unemployment Compensation, or any other 6.17 federal unemployment benefits program provided for under the CARES Act, Public Law 6.18 116-136, or a federal unemployment benefits program newly enacted or extended in 6.19 December 2020 or later; and 6.20 (3) is not entitled to regular, additional, or extended benefits under the law of any other 6.21 state. 6.22 Subd. 2. Eligibility requirements. For any week between December 27, 2020, and April 6.23 10, 2021, an applicant is eligible to receive special additional unemployment benefits under 6.24 6.25 this section if the applicant: (1) is unemployed, partially unemployed, or unable to work due to lack of work; 6.26 6.27 (2) established a benefit account under Minnesota Statutes, section 268.07; (3) meets the requirements for regular unemployment benefits established in Minnesota 6.28 6.29 Statutes, section 268.069, subdivision 1; and (4) is not eligible for any unemployment benefits under any state or federal law or the 6.30 laws of Canada. 6.31

Subd. 3. Wee	kly and maximum amount of special additional unemployment
benefits. (a) The	weekly benefit amount of special additional unemployment benefits is the
same as the week	ly benefit amount of regular unemployment benefits on the benefit account
established in sub	odivision 2, clause (2).
(b) The maxir	num amount of special additional unemployment benefits available to an
pplicant under th	nis section is equal to 13 weeks of payment at the applicant's weekly special
dditional unemp	loyment benefit amount.
(c) Special ad	ditional unemployment benefits must not be paid for any week prior to
December 27, 20	20, or any week ending after April 10, 2021.
Subd. 4. Qual	ifying for a new regular benefit account. If after exhausting the maximum
amount of regula	r unemployment benefits available under Minnesota Statutes, section
268.07, an applic	ant qualifies for a new regular benefit account under Minnesota Statutes,
section 268.07, o	r any federal or state law, the applicant must apply for and establish that
new regular bene	fit account.
Subd. 5. Char	rging of benefits. (a) Special additional unemployment benefits paid under
his section must	not be used to compute the future unemployment tax rate of a taxpaying
employer.	
(b) Special add	ditional unemployment benefits paid under this section must not be charged
to the accounts or	f reimbursing employers.
EFFECTIVE	E DATE. This section is effective the day following final enactment.
	ARTICLE 4
MOV	TE THEATER AND CONVENTION CENTER GRANTS
Section 1 GRA	ANTS TO MOVIE THEATERS AND CONVENTION CENTERS;
<u> </u>	<del>.</del>
Subdivision 1	. <b>Appropriations.</b> \$14,000,000 in fiscal year 2021 is appropriated from
	to the commissioner of employment and economic development for grants
	. Of this amount, no more than \$100,000 may be used for the administrative
	making these payments. This is a onetime appropriation.
Subd. 2. <b>Gra</b> i	<b>nts.</b> (a) To be eligible for a grant under this subdivision, a business must,
	feasible for the commissioner of employment and economic development
to determine:	
(1) be either:	

8.1	(i) a movie theater that has at least one permanent indoor auditorium for viewing films
8.2	for entertainment by the general public who attend by the purchase of an individual ticket
8.3	to view a specific non-adult-oriented film and that also had at least \$15,000 in ticket sales
8.4	<u>in 2019; or</u>
8.5	(ii) a multipurpose convention center with a capacity for 1,500 people or more, that is
8.6	not part of a hotel, university, or retail mall, and is not primarily a music venue or theater;
8.7	(2) have experienced a decline in overall sales between 2019 and 2020 of 30 percent or
8.8	more measured by sales in the second and third quarters of each year;
8.9	(3) have been directly impacted by Governor's Executive Order No. 20-99 and not be
8.10	exempt from that order;
8.11	(4) have a physical location in the state of Minnesota; and
8.12	(5) have no current tax liens on record with the secretary of state as of the time of
8.13	application for a grant under this section.
8.14	(b) The commissioner of employment and economic development shall make grants to
8.15	eligible businesses according to the following:
8.16	(1) eligible businesses that are movie theaters shall receive a grant of \$15,000 per screen
8.17	for each of the first two screens in the theater and a grant of \$10,000 per screen for each
8.18	additional screen in the theater, with no theater receiving a total grant of more than \$150,000.
8.19	Grant funds must be used for the operating expenses of the location that qualified for the
8.20	grant; and
8.21	(2) eligible businesses that are convention centers shall receive a grant proportional to
8.22	the size of the venue and its workforce, with no convention center receiving a grant of more
8.23	than \$500,000. Grant funds must be used for the direct operations and upkeep of convention
8.24	center facilities and must not be added to the general fund of any local unit of government.
8.25	(c) Grants and the process of making grants under this section are exempt from the
8.26	following statutes and related policies: Minnesota Statutes, sections 16A.15, subdivision 3;
8.27	16B.97; and 16B.98, subdivisions 5, 7, and 8. The commissioner of employment and
8.28	economic development shall monitor the use of grant funds under this section. The
8.29	exemptions under this paragraph expire on March 15, 2021.
8.30	(d) Any unexpended amount from the appropriation in subdivision 1 after April 1, 2021,
8.31	is canceled.

Subd. 3. Report to the legislature. By June 30, 2021, the commissioner of employment 9.1 and economic development shall submit a report to the chairs of the legislative committees 9.2 with jurisdiction over business development detailing the use of funds under this section. 9.3 **EFFECTIVE DATE.** This section is effective the day following final enactment. 9.4 **ARTICLE 5** 9 5 **COUNTY RELIEF GRANTS** 9.6 Section 1. COUNTY RELIEF GRANTS TO LOCAL BUSINESSES; 9.7 APPROPRIATION. 9.8 (a) \$114,800,000 in fiscal year 2021 is appropriated from the general fund to the 9.9 commissioner of management and budget for payments to counties for relief grants to local 9.10 businesses. This is a onetime appropriation. 9.11 9.12 (b) Each county shall be issued a payment in the amount of \$256,250 or a per capita amount determined by reference to the population of each county according to the most 9.13 9.14 recently available 2019 population estimate from the state demographer as of December 1, 2020, whichever is greater. 9.15 (c) Each county may use the greater of \$6,250 or 2.5 percent of the amount received 9.16 under paragraph (b) for administrative costs incurred from making grants under this section. 9.17 A county may contract with a third party to administer the grant program on behalf of the 9.18 county. 9.19 (d) Counties shall use the funds to make grants to individual businesses and nonprofits 9.20 that, to the extent it is feasible for the county to determine: 9.21 (1) are located in the applicable county in the state of Minnesota or on adjacent tribal 9.22 9.23 land; (2) have no current tax liens on record with the secretary of state as of the time of 9.24 9.25 application for a grant under this section; and (3) were impacted by an executive order related to the COVID-19 pandemic. 9.26 9.27 (e) A county shall determine grant recipients and the grant amount awarded per grant. A business that receives a business relief payment under article 1 is not excluded from 9.28 applying for a county relief grant under this section. A county may award a grant to a 9.29 business that is owned by a tribal government and located on tribal land if the business has 9.30 voluntarily complied with Executive Order No. 20-99. Nonprofits, nonprofit arts 9.31 organizations, nonprofit museums, and nonprofit fitness centers that earn revenue similar 9.32

	esses, including but not limited to ticket sales and membership fees, are eligible for
grants u	nder this section.
<u>(f)</u> G	rant funds must be used by the eligible business or nonprofit for operations expenses
incurred	during the COVID-19 pandemic.
(g) C	Frants under this section must be awarded by March 15, 2021.
(h) (	Frants and the process of making grants under this section are exempt from the
	g statutes and related policies: Minnesota Statutes, sections 16A.15, subdivision 3;
	and 16B.98, subdivisions 5, 7, and 8. A county opting to use a third party to
	ter grants is exempt from Minnesota Statutes, section 471.345, in the selection of
	-party administrator. The exemptions under this paragraph expire on March 15,
2021.	
(i) P	y June 30, 2021, the commissioner of employment and economic development shall
	the legislative committees with jurisdiction over economic development policy
ina iina	nce on the grants provided under this section.
(j) A	ny unexpended amount from the appropriation in paragraph (a) after April 1, 2021,
is cance	<u>ed.</u>
<b>EFF</b>	ECTIVE DATE. This section is effective the day following final enactment.
	ARTICLE 6
	FREE AND REDUCED-PRICE LUNCH DEADLINE EXTENSION
Section	1. FREE AND REDUCED-PRICE LUNCH APPLICATION DEADLINE;
FALL 2	020 COUNT.
(a) N	otwithstanding any law to the contrary, for purposes of determining the count of
	ber of pupils eligible for free or reduced-price lunch on October 1, 2020, under
	ota Statutes, section 126C.05, subdivision 16, pupils must be determined eligible
	ury 4, 2021.
(1 \ A	school district or charter school must report the number of pupils who were enrolled
(b) A	
	per 1, 2020, and who were certified as eligible for free or reduced-price lunch
on Octo	December 16, 2020, and the end of the day on January 4, 2021, to the Department
on Octobetween	December 16, 2020, and the end of the day on January 4, 2021, to the Department
on October between	December 16, 2020, and the end of the day on January 4, 2021, to the Department ation in the form and manner determined by the commissioner of education. By
on October of Education July 1, 2	December 16, 2020, and the end of the day on January 4, 2021, to the Department ation in the form and manner determined by the commissioner of education. By 021, the commissioner must certify the amount of compensatory revenue for the
on Octobetween of Education July 1, 2 2021-20	December 16, 2020, and the end of the day on January 4, 2021, to the Department ation in the form and manner determined by the commissioner of education. By

**EFFECTIVE DATE.** This section is effective retroactively from October 1, 2020.

Sec 2 FEDERAL	FUNDS REPL	ACEMENT:	APPROPRIATION.
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11.3	Subdivision 1. Suspension of statutory appropriation. The appropriation in Minnesota
11.4	Statutes, section 4.07, subdivision 3, does not apply to the portion of any federal funds for
11.5	COVID-19 received by the state of Minnesota between the effective date of this act and
11.6	June 30, 2023, for which a general fund aid entitlement in this act is an eligible expenditure.
11.7	Federal funding for which this section applies shall not be used for any other purpose.
11.8	Subd. 2. General education reduction. Notwithstanding Minnesota Statutes, sections
11.9	126C.13 and 126C.20, if the state of Minnesota receives federal funds for COVID-19
11.10	between the effective date of this act and June 30, 2023, for which section 1 qualifies as an
11.11	eligible expenditure, the commissioner must reduce the state total general education aid
11.12	entitlement for fiscal year 2022 according to this subdivision. The state total general education
11.13	aid must be reduced by an amount up to, but not greater than, the amount of compensatory
11.14	revenue certified under section 1. The aid reduction must be allocated among school districts
11.15	and charter schools in proportion to the amounts certified by the commissioner under section
11.16	1 for the school district or charter school. If federal funds available for appropriation under
11.17	this section are not sufficient to replace the entire amount certified under section 1, the
11.18	commissioner must reduce the state total general education aid entitlement for fiscal year
11.19	2022 only by the amount of the federal funds available for appropriation.
11.20	Subd. 3. Appropriation. The commissioner must offset the general education reduction
11.21	for each school district and charter school under subdivision 2 with an equal amount of
11.22	federal aid. An amount equal to each reduction under subdivision 2 is appropriated from
11.23	the federal fund for the original purposes of providing compensatory revenue to school
11.24	districts and charter schools. Any appropriation of federal funds under this subdivision is
11.25	a onetime appropriation.
11.26	Subd. 4. Expiration. This section does not apply to federal funds after the general fund
11.27	appropriations in this act have been reduced and federal funds have been appropriated for
11.28	the same purpose.

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

**ARTICLE 7** 12.1 12.2 FEDERAL FUNDS REPLACEMENT Section 1. FEDERAL FUNDS REPLACEMENT; APPROPRIATION. 12.3 Subdivision 1. Suspension of statutory appropriation. The appropriation in Minnesota 12.4 Statutes, section 4.07, subdivision 3, does not apply to any federal funds for COVID-19 12.5 12.6 received by the state of Minnesota between the effective date of this act and June 30, 2021, for which a general fund appropriation in articles 1, 4, and 5 is an eligible expenditure. 12.7 Federal funding for which this section applies shall not be used for any other purpose, unless 12.8 12.9 the amount of the federal funding exceeds the amount of the eligible general fund appropriation. 12.10 12.11 Subd. 2. Cancellation. If the state of Minnesota receives federal funds for COVID-19 between the effective date of this act and June 30, 2021, for which any general fund 12.12 appropriation enacted in articles 1, 4, and 5 is an eligible expenditure, the commissioner 12.13 must cancel the general fund appropriation in articles 1, 4, and 5 in an amount up to, but 12.14 not greater than, the amount appropriated in articles 1, 4, and 5. The commissioner may 12.15 designate a portion of an appropriation for cancellation if the federal funds are not sufficient 12.16 to replace the entire general fund appropriation. 12.17 12.18 Subd. 3. Appropriation. Each amount canceled under subdivision 2 is appropriated from the federal fund for the original purposes of the general fund appropriation in articles 12.19 12.20 1, 4, and 5. This appropriation may be used for expenses retroactive to the effective date of this act. Any appropriation under this subdivision is a onetime appropriation. 12.21 Subd. 4. Expiration. This section does not apply to federal funds after the eligible 12.22 general fund appropriations in articles 1, 4, and 5 have been canceled and federal funds 12.23 have been appropriated for the same purpose. 12.24

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