SENATE STATE OF MINNESOTA SEVENTH SPECIAL SESSION

A bill for an act

S.F. No. 31

(SENATE AUTHORS: PRATT, Dahms, Nelson and Anderson, P.) **OFFICIAL STATUS** D-PG

DATE 12/14/2020

1.1

Introduction and first reading Urgency declared rules suspended Second reading

Laid on table Taken from table Amended Third reading Passed

relating to state government; providing economic relief for businesses adversely 1 2 affected by the COVID-19 pandemic; authorizing business relief payments; 1.3 providing waivers from regulatory fees; providing additional unemployment 1.4 insurance benefits; providing grants for movie theaters and convention centers; 1.5 providing county relief grants; extending the application deadline for free or 1.6 reduced-price lunch for the fall 2020 count of eligible students; providing for 1.7 federal funds replacement; transferring money; appropriating money; requiring 1.8 reports. 1.9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA: 1.10 **ARTICLE 1** 1.11 1.12 DEPARTMENT OF REVENUE; BUSINESS RELIEF PAYMENTS 1.13 Section 1. BUSINESS RELIEF PAYMENTS; APPROPRIATION. Subdivision 1. Payment authorized. The commissioner of revenue, to the extent feasible, 1.14 shall make a business relief payment to each qualified business as calculated under 1.15 1.16 subdivision 3. Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the 1.17 meanings given. 1.18 (b) A "qualified business" means a business that operates from a physical location in 1.19 1.20 Minnesota that: (1) on November 1, 2020, was registered to pay unemployment tax to the commissioner 1.21 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 7(c)(iii) of Executive Order 20-99; 1.24

2.1	(3) on November 1, 2020, was included on the current list of businesses maintained by
2.2	the commissioner of employment and economic development pursuant to an agreement
2.3	between the commissioner of employment and economic development and the United States
4	Bureau of Labor Statistics for use in the Quarterly Census of Employment and Wages as a
5	business with a primary North American Industry Classification System code of:
6	(i) 31212 - Breweries;
.7	(ii) 31213 - Wineries;
.8	(iii) 31214 - Distilleries;
9	(iv) 71394 - Fitness and Recreational Sports Centers;
10	(v) 71395 - Bowling Centers;
11	(vi) 7223 - Specialty Foods;
12	(vii) 7224 - Drinking Places (alcoholic beverages); and
13	(viii) 7225 - Restaurants;
14	(4) was listed on the records of the Department of Revenue as having an active sales tax
5	account on November 1, 2020, that indicates that the business is operating from a physical
16	location in Minnesota;
.7	(5) by November 1, 2020:
8	(i) had filed all sales tax returns required to be filed under Minnesota Statutes, section
9	289A.18, subdivision 4, that were due after January 1, 2018, but before November 1, 2020;
0	<u>or</u>
1	(ii) has an open audit or has received an order of assessment from the commissioner of
2	revenue, issued pursuant to Minnesota Statutes, section 270C.33, and Minnesota Rules, part
3	8160.0630, for any sales tax that should have been reported on a sales tax return that the
1	business did not file that was due after January 1, 2018, but before November 1, 2020;
5	(6) has taxable gross receipts from retail sales, as defined in Minnesota Statutes, section
6	297A.61, subdivision 4, as listed on the records of the Department of Revenue on November
7	1, 2020, for the period of April 1, 2020, through September 30, 2020, that were at least 30
8	percent less than the taxable gross receipts from retail sales as listed on the records of the
9	Department of Revenue on November 1, 2020, for the period of April 1, 2019, through
30	September 30, 2019; and

(7) has taxable gross receipts from retail sales, as defined in Minnesota Statutes, section	<u>n</u>
297A.61, subdivision 4, as listed on the records of the Department of Revenue on November	<u>er</u>
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:	<u>:</u>
(1) meets the requirements of paragraph (b), clauses (2) and (4) to (7); and	
(2) filed for a sales tax permit under Minnesota Statutes, section 297A.83, and stated	
upon registration for the permit that the business was primarily operating under an industr	ſУ
code listed in paragraph (b), clause (3).	
(d) "Covered employment" has the meaning given in Minnesota Statutes, section 268.035	<u>5,</u>
subdivision 12.	
Subd. 3. Calculation of payment. (a) Each qualified business shall receive a payment	<u>1t</u>
based on the average number of employees in covered employment reported to the	
commissioner of employment and economic development under Minnesota Statutes, section	n
268.044, subdivision 1, for the period of November 1, 2019, through January 31, 2020, a	ıs
follows:	
(1) a 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 employee	<u>:s</u>
shall receive a payment of \$15,000;	
(3) a qualified business that had more than 20 employees but no more than 100 employee	es
shall receive a payment of \$25,000;	
(4) a qualified business that had more than 100 employees but no more than 300	
employees shall receive a payment of \$35,000; and	
(5) a qualified business that had more than 300 employees shall receive a payment of	<u>:</u>
<u>\$45,000.</u>	
(b) A business that uses a single federal employer identification number to report	
unemployment compensation data to the commissioner of employment and economic	
development that includes employment information from more than one physical location	<u>n</u>
shall receive only one payment under this section, even if the business reports sales tax	
information from those physical locations to the commissioner of revenue using more that	<u>ın</u>
one sales tax permit.	
(c) If a qualified business has more than one physical location in Minnesota, the paymen	<u>nt</u>
shall be calculated using employment information and the aggregate amount of taxable	

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gross receipt	s from retail sales fro	om all physical lo	ocations of the qualified l	business operating
in industries	listed in subdivision	n 2, paragraph (l	o), clause (3).	
Subd. 4.	Use of information	(a) The busines	ss relief payment is a "M	Iinnesota tax law"
for purposes	of Minnesota Statu	tes, section 2701	3.01, subdivision 8.	
(b) Retur	n information as def	ined in Minneso	ta Statutes, section 270B	3.01, of a qualified
			of revenue to the comm	<u> </u>
employment	and economic deve	lopment to the e	xtent necessary to admir	nister the business
relief payme	ent.			
Subd. 5.	Prohibition against	t setoff. The con	nmissioner of revenue m	nust not apply, and
must not cer	tify to another state a	gency to apply,	a payment under this sec	tion to any unpaid
tax or nontax	x debt owed by a qua	alified business.		
Subd. 6.	Report to legislatur	re. By June 30,	2021, the commissioner	of revenue shall
report to the	legislative committe	ees with jurisdic	tion over economic deve	elopment policy
and finance	on the payments issu	ued under this se	ection.	
Subd. 7.	Appropriation. (a)	\$88,000,000 in	fiscal year 2021 is appro	opriated from the
general fund	to the commissione	r of revenue to n	nake payments required	under this section.
This is a onet	time appropriation. O	f this amount, \$2	250,000 is appropriated to	the commissioner
of revenue to	o administer this sec	tion.		
(b) The a	ppropriation under th	is subdivision ex	xpires on March 15, 2021	. Any unexpended
mount fron	n the appropriation is	n paragraph (a)	after March 15, 2021, is	canceled.
EFFEC	FIVE DATE. This s	ection is effective	ve the day following fina	al enactment.
		ARTICL	E 2	
	F	REGULATORY		
Section 1.	CERTAIN FOOD-	RELATED LA	TE FEES WAIVED; 20	021.
			alendar year 2021, the callides under Minnesota S	
		•	ood wholesalers, and fo	· · · · · · · · · · · · · · · · · · ·
			ve the day following fina	
		. 12 311000	<i>y</i> =====g	
Sec. 2. <u>202</u>	20 BREWER FEES	REFUNDED;	CREDIT.	
Notwiths	standing any law to t	he contrary, the	Metropolitan Council m	ust fully refund to
any brewer t	that produces fewer	than 20,000 barr	els per year the wastewa	ater permit fee

allow	yed under Minnesota Statutes, section 473.517, paid for the year 2020. The council
must	also apply a credit not to exceed \$2,000 per brewer for strength charges incurred in
2020	to any brewer that falls within the Metropolitan Council environmental services
micro	obrewery program.
<u>E</u>	FFECTIVE DATE. This section is effective the day following final enactment.
Sec	e. 3. <u>CERTAIN LIQUOR PERMIT FEES WAIVED; 2021.</u>
<u>N</u>	otwithstanding any other law to the contrary, in calendar year 2021, the commissioner
of pu	blic safety must waive the fees for the following permits:
<u>(1</u>) the caterer's permit issued under Minnesota Statutes, section 340A.404, subdivision
12; a	<u>nd</u>
<u>(2</u>	2) the permit for sales after 1:00 a.m., issued under Minnesota Statutes, section
340A	a.504, subdivision 7.
E	FFECTIVE DATE; APPLICABILITY. This section is effective the day following
- final	enactment and applies to permits applied for in calendar year 2021.
	an agement and budget the amount of permit fees waived under section 3, clause (2),
	a) By July 15, 2021, the commissioner of public safety must certify to the commissioner
	ig the period from January 1, 2021, to June 30, 2021, and the commissioner of
	agement and budget must transfer the certified amount from the general fund to the
	tes, section 299A.706.
<u>(t</u>	b) By January 15, 2022, the commissioner of public safety must certify to the
comr	missioner of management and budget the amount of permit fees waived under section
3, cla	ause (2), during the period from July 1, 2021, to December 31, 2021, and the
comr	missioner of management and budget must transfer the certified amount from the general
fund	to the alcohol enforcement account in the special revenue fund established under
Minr	nesota Statutes, section 299A.706.
<u>E</u>	FFECTIVE DATE. This section is effective the day following final enactment.
Sec	e. 5. <u>APPROPRIATION; RATE STABILIZATION.</u>
<u>\$</u>	142,000 in fiscal year 2021 is appropriated from the general fund to the Metropolitan
Cour	ncil 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.

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7.1	Subd. 3. Weekly and maximum amount of special additional unemployment
7.2	benefits. (a) The weekly benefit amount of special additional unemployment benefits is the
7.3	same as the weekly benefit amount of regular unemployment benefits on the benefit account
7.4	established in subdivision 2, clause (2).
7.5	(b) The maximum amount of special additional unemployment benefits available to an
7.6	applicant under this section is equal to 13 weeks of payment at the applicant's weekly special
7.7	additional unemployment benefit amount.
7.8	(c) Special additional unemployment benefits must not be paid for any week prior to
7.9	December 27, 2020, or any week ending after April 10, 2021.
7.10	Subd. 4. Qualifying for a new regular benefit account. If after exhausting the maximum
7.11	amount of regular unemployment benefits available under Minnesota Statutes, section
7.12	268.07, an applicant qualifies for a new regular benefit account under Minnesota Statutes,
7.13	section 268.07, or any federal or state law, the applicant must apply for and establish that
7.14	new regular benefit account.
7.15	Subd. 5. Charging of benefits. (a) Special additional unemployment benefits paid under
7.16	this section must not be used to compute the future unemployment tax rate of a taxpaying
7.17	employer.
7.18	(b) Special additional unemployment benefits paid under this section must not be charged
7.19	to the accounts of reimbursing employers.
7.20	EFFECTIVE DATE. This section is effective the day following final enactment.
7.21	ARTICLE 4
7.22	MOVIE THEATER AND CONVENTION CENTER GRANTS
7.23	Section 1. GRANTS TO MOVIE THEATERS AND CONVENTION CENTERS;
7.24	APPROPRIATION.
7.25	Subdivision 1. Appropriations. \$14,000,000 in fiscal year 2021 is appropriated from
7.26	the general fund to the commissioner of employment and economic development for grants
7.27	under this section. Of this amount, no more than \$100,000 may be used for the administrative
7.28	costs incurred in making these payments. This is a onetime appropriation.
7.29	Subd. 2. Grants. (a) To be eligible for a grant under this subdivision, a business must,
7.30	to the extent it is feasible for the commissioner of employment and economic development
7.31	to determine:
7.32	(1) be either:

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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 and economic development shall submit a report to the chairs of the legislative committees with jurisdiction over business development detailing the use of funds under this section. **EFFECTIVE DATE.** This section is effective the day following final enactment. **ARTICLE 5 COUNTY RELIEF GRANTS** Section 1. COUNTY RELIEF GRANTS TO LOCAL BUSINESSES; APPROPRIATION. (a) \$114,800,000 in fiscal year 2021 is appropriated from the general fund to the 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

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10.1	to businesse	s, including but not l	imited to ticket	sales and membership fe	es, are eligible for	
10.2	grants under this section.					
10.3	(f) Grant funds must be used by the eligible business or nonprofit for operations expenses					
10.4	incurred dur	ing the COVID-19	pandemic.			
10.5	(g) Gran	ts under this section	must be award	ed by March 15, 2021.		
	<u></u>				amnt from the	
10.6		•		under this section are exeta Statutes, sections 16A.	•	
10.7		•		A county opting to use a the		
10.8						
10.9		-		atutes, section 471.345, in		
10.10		ty administrator. Th	e exemptions u	nder this paragraph expir	e on March 15,	
10.11	<u>2021.</u>					
10.12	(i) By Jun	ne 30, 2021, the com	missioner of en	nployment and economic	development shall	
10.13	report to the	legislative committ	ees with jurisdi	ction over economic deve	elopment policy	
10.14	and finance	on the grants provid	ed under this so	ection.		
10.15	(j) Any u	nexpended amount	from the approp	oriation in paragraph (a) a	fter April 1, 2021,	
10.16	is canceled.					
10.17	EFFEC	ΓΙ VE DATE. This s	section is effect	ive the day following fina	al enactment.	
10.18			ARTICI	LE 6		
10.19	FR	EE AND REDUCE	D-PRICE LU	NCH DEADLINE EXT	ENSION	
10.20	Section 1.	FREE AND REDU	JCED-PRICE	LUNCH APPLICATIO	N DEADLINE;	
10.21	FALL 2020					
10.22	(a) Notw	ithstanding any law	to the contrary	, for purposes of determin	ning the count of	
10.23	the number	of pupils eligible for	free or reduce	d-price lunch on October	1, 2020, under	
10.24	Minnesota S	statutes, section 1260	C.05, subdivisi	on 16, pupils must be dete	ermined eligible	
10.25	by January 4					
10.26	(b) A sch	ool district or charter	r school must re	port the number of pupils	who were enrolled	
10.27	on October	1, 2020, and who we	ere certified as	eligible for free or reduce	d-price lunch	
10.28	between Dec	cember 16, 2020, an	d the end of the	day on January 4, 2021,	to the Department	
10.29				ed by the commissioner of		
10.30				e amount of compensatory		
10.31	2021-2022 s	chool year attributab	le to the pupils	determined eligible for fre	e or reduced-price	
10.32	lunch by sch	nool site under this s	ection.			

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

Sec. 2. FEDERAL	FUNDS REPI	ACEMENT:	APPROPRIA	TION
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11.1

11.2

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

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

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
12.20 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.

Subd. 4. Expiration. This section does not apply to federal funds after the eligible general fund appropriations in articles 1, 4, and 5 have been canceled and federal funds have been appropriated for the same purpose.

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

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