

**SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION**

S.F. No. 4564

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DATE	D-PG	OFFICIAL STATUS
05/06/2020	6274	Introduction and first reading Referred to Taxes
05/07/2020	6423	Author added Nelson Withdrawn and re-referred to Finance
05/12/2020	6475a	Comm report: To pass as amended
05/17/2020	6478	Second reading
	7247a	Special Order: Amended
	7251	Third reading
	7251	Laid on table
	7252	Taken from table
	7252	Bill passed

1.1 A bill for an act

1.2 relating to local government aid; state government finance; appropriating money

1.3 from the coronavirus relief account in the federal fund for distributions to counties,

1.4 cities, and towns.

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

1.6 Section 1. **CORONAVIRUS RELIEF FUND; LOCAL GOVERNMENT**

1.7 **DISTRIBUTIONS.**

1.8 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms in this

1.9 subdivision have the meanings given them.

1.10 (b) "Commissioner" means the commissioner of revenue.

1.11 (c) "Eligible city" means a city whose home county is an eligible county.

1.12 (d) "Eligible county" means a Minnesota county with a population less than 500,000.

1.13 (e) "Eligible town" means a town in an eligible county.

1.14 (f) "Population" means, for a city or a town, the most recently available 2018 population

1.15 estimate from the state demographer as of May 1, 2020. Population means, for a county,

1.16 the population as measured by the United States Census Bureau in 2019 and used to calculate

1.17 aid amounts under Public Law 116-136.

1.18 Subd. 2. **Local government distribution amounts.** (a) The distribution amount for an

1.19 eligible town equals the greater of: (1) \$2,500; or (2) the product of: (i) the town's population;

1.20 and (ii) \$25.

2.1 (b) The distribution amount for an eligible city equals the greater of: (1) \$5,000; or (2)
2.2 the product of: (i) the city's population; and (ii) \$87.

2.3 (c) The distribution amount for an eligible county equals the difference between the
2.4 county initial distribution amount and the county subtraction amount. The county initial
2.5 distribution amount equals the product of: (1) the county's population; and (2) \$174.49. The
2.6 county subtraction amount equals: (1) the sum of the distribution amounts attributable to
2.7 any eligible town in the county; plus (2) the sum of the distribution amounts attributable to
2.8 the population of any portion of an eligible city in the county.

2.9 Subd. 3. **Distribution schedule.** The commissioner must distribute the amounts calculated
2.10 under this section no later than June 15, 2020.

2.11 Subd. 4. **Allowable uses.** The local government must use aid distributions under this
2.12 section for purposes consistent with the requirements of Public Law 116-136. Prior to
2.13 distributing the aid, the commissioner must require each eligible local government to certify
2.14 its intent to comply with the requirements of this section. The certification must be in the
2.15 form and manner determined by the commissioner.

2.16 Subd. 5. **Local government collaborative agreement.** A local government may enter
2.17 into a collaborative agreement with one or more other local governments to share aid
2.18 distributions under this section, consistent with subdivision 4. The commissioner may require
2.19 each local government to provide information about the agreement in the form and manner
2.20 determined by the commissioner.

2.21 Subd. 6. **Expenditure time limits.** (a) Any aid amount remaining unexpended by the
2.22 local government on November 1, 2020, must be returned to the commissioner and is
2.23 canceled to the coronavirus relief account in the federal fund.

2.24 (b) Notwithstanding paragraph (a), any aid amount remaining unexpended by the local
2.25 government on December 15, 2020, for a local government that has entered into an agreement
2.26 under subdivision 5 must be returned to the commissioner and is canceled to the coronavirus
2.27 relief account in the federal fund.

2.28 Subd. 7. **Hennepin County and Ramsey County distributions to cities and**
2.29 **towns.** Hennepin County and Ramsey County must distribute aid to cities and towns in the
2.30 county. The aid amounts for each city and town must be calculated by the county as if those
2.31 cities and towns were eligible for a distribution from the state under the formula provided
2.32 in subdivision 2, paragraphs (a) and (b). The county must distribute the amounts calculated
2.33 to cities and towns no later than the date indicated in subdivision 3. For a joint city having

3.1 any population in Hennepin County or Ramsey County, the county must distribute aid
3.2 attributable to the population of the portion of the joint city in the county.

3.3 Subd. 8. **Repayment of improperly spent federal funds.** (a) For purposes of this
3.4 subdivision, "local government unit" means a county, city, or town.

3.5 (b) The commissioner must recoup money from a local government unit if:

3.6 (1) the Inspector General of the Department of the Treasury has determined that the state
3.7 of Minnesota is subject to recoupment of funds under Public Law 116-136; and

3.8 (2) the recoupment is the result of the failure of a local government unit to expend money
3.9 distributed under this section consistent with the requirements of Public Law 116-136.

3.10 (c) The commissioner must certify the amount to be repaid by each local government
3.11 unit. The amount of the repayment required from each local government unit must be equal
3.12 to the state recoupment amount attributable to that local government unit. For the purposes
3.13 of this paragraph, "state recoupment amount" means the total of the amounts determined
3.14 under paragraph (b).

3.15 (d) If a local government unit fails to repay the required amount to the state in full within
3.16 90 days of the commissioner's certification under paragraph (b), the local government unit
3.17 must include in its next certified levy amount under Minnesota Statutes, section 275.07, an
3.18 amount sufficient to fully repay the amount owed. The portion of the levy attributable to
3.19 repayment under this subdivision is a special levy for the purposes of Minnesota Statutes,
3.20 section 275.70, subdivision 5. The local government unit must repay the commissioner in
3.21 full no later than December 15 of the year in which the taxes are payable.

3.22 (e) Any amounts recouped by the state must be credited to the fund from which the state
3.23 paid the amounts recouped by the Department of the Treasury.

3.24 Subd. 9. **Appropriation.** \$667,156,931 in fiscal year 2020 is appropriated from the
3.25 coronavirus relief account in the federal fund to the commissioner of revenue for aid
3.26 distributions under this section. If the appropriation in this subdivision exceeds the amount
3.27 required to fund the distributions in this section, any remaining balance must cancel to the
3.28 coronavirus relief account in the federal fund. If the appropriation in this subdivision is less
3.29 than the amount to fund the distributions in this section, the commissioner must proportionally
3.30 reduce the per capita allowances in subdivision 2 and distribute the available appropriation.
3.31 This is a onetime appropriation.

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