

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05/07/2020	6423	Author added Nelson Withdrawn and re-referred to Finance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
05/16/2020	6478	Second reading
	7247a	Special Order: Amended
	7251	Third reading
	7251	Laid on table
	7252	Taken from table Bill passed

1.1 A bill for an act

1.2 relating to coronavirus relief; establishing funds; providing distributions to counties,

1.3 cities, and towns; providing workers' compensation COVID-19 reimbursements;

1.4 requiring a report; appropriating money.

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

1.6 Section 1. **CORONAVIRUS RELIEF FEDERAL FUND.**

1.7 The coronavirus relief federal fund is created in the state treasury. All money received

1.8 by the state under Public Law 116-136 must be credited to the coronavirus relief federal

1.9 fund. Notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, subdivision 3, money

1.10 in the fund must not be spent except pursuant to a direct appropriation by law. Money in

1.11 the fund is to pay expenses incurred by the state for the infectious disease known as

1.12 COVID-19. When all money credited to the fund has been spent, the commissioner of

1.13 management and budget shall close the fund.

1.14 Sec. 2. **CORONAVIRUS RELIEF FUND; LOCAL GOVERNMENT**

1.15 **DISTRIBUTIONS.**

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

1.17 subdivision have the meanings given them.

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

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

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

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

2.1 (f) "Population" means, for a city or a town, the most recently available 2018 population
2.2 estimate from the state demographer as of May 1, 2020. Population means, for a county,
2.3 the population as measured by the United States Census Bureau in 2019 and used to calculate
2.4 aid amounts under Public Law 116-136.

2.5 Subd. 2. **Local government distribution amounts.** (a) The distribution amount for an
2.6 eligible town equals the greater of: (1) \$2,500; or (2) the product of: (i) the town's population;
2.7 and (ii) \$25.

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

2.10 (c) The distribution amount for an eligible county equals the difference between the
2.11 county initial distribution amount and the county subtraction amount. The county initial
2.12 distribution amount equals the product of: (1) the county's population; and (2) \$174.49. The
2.13 county subtraction amount equals: (1) the sum of the distribution amounts attributable to
2.14 any eligible town in the county; plus (2) the sum of the distribution amounts attributable to
2.15 the population of any portion of an eligible city in the county.

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

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

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

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

2.31 (b) Notwithstanding paragraph (a), any aid amount remaining unexpended by the local
2.32 government on December 15, 2020, for a local government that has entered into an agreement

3.1 under subdivision 5 must be returned to the commissioner and is canceled to the coronavirus
3.2 relief federal fund.

3.3 **Subd. 7. Hennepin County and Ramsey County distributions to cities and**
3.4 **towns. Hennepin County and Ramsey County must distribute aid to cities and towns in the**
3.5 **county. The aid amounts for each city and town must be calculated by the county as if those**
3.6 **cities and towns were eligible for a distribution from the state under the formula provided**
3.7 **in subdivision 2, paragraphs (a) and (b). The county must distribute the amounts calculated**
3.8 **to cities and towns no later than the date indicated in subdivision 3. For a joint city having**
3.9 **any population in Hennepin County or Ramsey County, the county must distribute aid**
3.10 **attributable to the population of the portion of the joint city in the county.**

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

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

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

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

3.18 **(c) The commissioner must certify the amount to be repaid by each local government**
3.19 **unit. The amount of the repayment required from each local government unit must be equal**
3.20 **to the state recoupment amount attributable to that local government unit. For the purposes**
3.21 **of this paragraph, "state recoupment amount" means the total of the amounts determined**
3.22 **under paragraph (b).**

3.23 **(d) A local government unit must repay the required amount to the state in full within**
3.24 **90 days of the commissioner's certification under paragraph (b). A local government may**
3.25 **apply to the commissioner in the form and manner determined by the commissioner for an**
3.26 **alternative repayment schedule, not to exceed five years.**

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

3.29 **Subd. 9. Appropriation. \$667,156,931 in fiscal year 2020 is appropriated from the**
3.30 **coronavirus relief federal fund to the commissioner of revenue for aid distributions under**
3.31 **this section. If the appropriation in this subdivision exceeds the amount required to fund**
3.32 **the distributions in this section, any remaining balance must cancel to the coronavirus relief**
3.33 **federal fund. If the appropriation in this subdivision is less than the amount to fund the**

4.1 distributions in this section, the commissioner must proportionally reduce the per capita
 4.2 allowances in subdivision 2 and distribute the available appropriation. This is a onetime
 4.3 appropriation.

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

4.5 **Sec. 3. WORKERS' COMPENSATION COVID-19 REIMBURSEMENT.**

4.6 Subdivision 1. **Fund created.** The workers' compensation COVID-19 reimbursement
 4.7 fund is created in the state treasury to reimburse workers' compensation providers for
 4.8 COVID-19 workers' compensation costs paid with respect to employees in job classifications
 4.9 entitled to the presumption established by Laws 2020, chapter 72, section 1. The fund shall
 4.10 be managed by the Minnesota State Board of Investment. Reimbursements shall be made
 4.11 from the fund to eligible workers' compensation providers by the commissioner of labor
 4.12 and industry.

4.13 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this
 4.14 subdivision have the meanings given.

4.15 (b) "Commissioner" means the commissioner of labor and industry.

4.16 (c) "Employee" has the meaning given in Minnesota Statutes, section 176.011, subdivision
 4.17 9.

4.18 (d) "Employer" has the meaning given in Minnesota Statutes, section 176.011, subdivision
 4.19 10.

4.20 (e) "Fund" means the workers' compensation COVID-19 reimbursement fund created
 4.21 in subdivision 1.

4.22 (f) "Local government" means a statutory or home rule charter city, a county, a school
 4.23 district, a town, or an instrumentality of any of the foregoing.

4.24 (g) "Presumptive classes" means the employee occupations specified in the presumption
 4.25 established in Laws 2020, chapter 72, section 1.

4.26 (h) "Workers' compensation costs" means the actual loss amount that a workers'
 4.27 compensation provider is obligated to pay and that is paid by the provider for workers'
 4.28 compensation benefits payable under Minnesota Statutes, chapter 176.

4.29 (i) "Workers' compensation provider" means an employer or other entity providing
 4.30 workers' compensation coverage to employees that are included in the presumptive classes
 4.31 and that is: (1) a self-insured local government entity; (2) a local government self-insurance
 4.32 pool created pursuant to Minnesota Statutes, section 471.981; (3) a self-insurer authorized

5.1 under Minnesota Statutes, section 176.181; or (4) an insurance carrier authorized to insure
5.2 workers' compensation in this state.

5.3 Subd. 3. **Reimbursement eligibility threshold amounts.** (a) A workers' compensation
5.4 provider shall be eligible for reimbursement for COVID-19 workers' compensation costs
5.5 for presumptive classes in excess of the deductible amounts listed as provided in paragraphs
5.6 (b) and (c).

5.7 (b) A workers' compensation provider that is a self-insured local government entity,
5.8 local government self-insurance pool, or a self-insurer having an annual premium of less
5.9 than \$5,000,000 is eligible for reimbursement from the fund when the workers' compensation
5.10 provider has paid total COVID-19-related workers' compensation costs of \$100,000 for
5.11 claims arising from an employee or employees in a presumptive class.

5.12 (c) A workers' compensation provider other than a workers' compensation provider
5.13 described in paragraph (b) is eligible for reimbursement from the fund when the workers'
5.14 compensation provider has paid total COVID-19-related workers' compensation costs of
5.15 \$1,000,000 for claims arising from an employee or employees in a presumptive class.

5.16 Subd. 4. **Submission for reimbursement.** A workers' compensation provider shall
5.17 submit to the commissioner in a format prescribed by the commissioner information regarding
5.18 the amounts in excess of the deductible provided in subdivision 3 to be reimbursed from
5.19 the fund. The commissioner shall make reimbursements to workers' compensation providers
5.20 on a first-come, first-served basis. No funds may be reimbursed after December 30, 2020.

5.21 Subd. 5. **Amounts from other insurance.** Reimbursement from the fund to a workers'
5.22 compensation provider under this section shall be reduced by any amounts received from
5.23 the Workers' Compensation Reinsurance Association created under Minnesota Statutes,
5.24 section 79.34, or other third-party sources and made to the workers' compensation provider
5.25 as a result of a COVID-19-related workers' compensation claim arising from an employee
5.26 or employees in a presumptive class.

5.27 Subd. 6. **Aggregation of claims.** Claims paid to employees within presumptive classes
5.28 may be aggregated and count toward the deductible amounts specified in subdivision 3,
5.29 paragraphs (b) and (c).

5.30 Subd. 7. **Report to legislature.** By August 1, 2020, November 1, 2020, and January 15,
5.31 2021, the commissioner shall report to the legislature regarding reimbursements paid to
5.32 workers' compensation providers under this section.

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

6.1 Sec. 4. **APPROPRIATION; WORKERS' COMPENSATION COVID-19**

6.2 **REIMBURSEMENTS.**

6.3 \$375,000,000 in fiscal year 2020 is appropriated from the coronavirus relief federal fund
6.4 to the commissioner of management and budget for deposit in the workers' compensation
6.5 COVID-19 reimbursement fund to provide reimbursements as specified in section 3. This
6.6 is a onetime appropriation. Funds are available until December 30, 2020.

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