

**SENATE
STATE OF MINNESOTA
SPECIAL SESSION**

S.F. No. 112

(SENATE AUTHORS: PRATT and Champion)

DATE
06/15/2020

D-PG

Introduction and first reading

OFFICIAL STATUS

1.1 A bill for an act

1.2 relating to economic development; creating the protest response fund; appropriating

1.3 money; requiring reports; amending Laws 2020, chapter 66, section 1; Laws 2020,

1.4 chapter 70, article 1, section 3; article 2, section 2; Laws 2020, chapter 71, article

1.5 1, sections 2, subdivision 9; 3; 4; 5; repealing Laws 2020, chapter 74, article 1,

1.6 section 3.

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

1.8 Section 1. Laws 2020, chapter 66, section 1, is amended to read:

1.9 Section 1. **PUBLIC HEALTH RESPONSE; TRANSFER OF FUNDS.**

1.10 The commissioner of management and budget shall transfer \$20,889,000 in fiscal year

1.11 2020 from the ~~general~~ coronavirus relief account in the federal fund to the public health

1.12 response contingency account under Minnesota Statutes, section 144.4199, for a public

1.13 health response related to a potential outbreak of the SARS-CoV-2 virus and coronavirus

1.14 disease 2019 (COVID-19). This is a onetime transfer. Between the day of enactment of this

1.15 act and February 1, 2021, up to \$4,622,000 of the transfer in this section may be used by

1.16 the commissioner of health for any pandemic influenza or outbreak of a communicable or

1.17 infectious disease that requires a public health response, consistent with the use of funds

1.18 under Minnesota Statutes, section 144.4199. For the purposes of this transfer for the

1.19 SARS-CoV-2 virus and coronavirus disease 2019 (COVID-19), the determination criteria

1.20 in Minnesota Statutes, section 144.4199, subdivision 3, and the requirements in Minnesota

1.21 Statutes, section 144.4199, subdivision 5, paragraph (a), and subdivision 7, paragraph (a),

1.22 do not apply. ~~Notwithstanding Minnesota Statutes, section 144.4199, subdivision 1, any~~

1.23 ~~unobligated and unexpended amount in the contingency account over \$5,000,000 on February~~

1.24 ~~1, 2021, shall transfer to the general fund. Any amount remaining in the account after~~

2.1 ~~February 1, 2021, is not subject to the restrictions provided in this section, with the exception~~
 2.2 ~~that, any amount received after February 1, 2021, under the requirement in Minnesota~~
 2.3 ~~Statutes, section 144.4199, subdivision 5, paragraph (b), attributable to this section shall be~~
 2.4 ~~transferred to the general fund.~~

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

2.6 Sec. 2. Laws 2020, chapter 70, article 1, section 3, is amended to read:

2.7 **Sec. 3. TRANSFER; PUBLIC HEALTH RESPONSE CONTINGENCY ACCOUNT.**

2.8 The commissioner of management and budget shall make a onetime transfer in fiscal
 2.9 year 2020 of \$50,000,000 from the ~~general~~ coronavirus relief account in the federal fund
 2.10 to the public health response contingency account under Minnesota Statutes, section
 2.11 144.4199, for the uses specified in Minnesota Statutes, section 144.4199, subdivision 4a,
 2.12 to plan for, prepare for, or respond to an outbreak of SARS-CoV-2 virus and coronavirus
 2.13 disease 2019 (COVID-19). For purposes of this transfer for the SARS-CoV-2 virus and
 2.14 coronavirus disease 2019 (COVID-19), the determination criteria in Minnesota Statutes,
 2.15 section 144.4199, subdivision 3, and the requirements in Minnesota Statutes, section
 2.16 144.4199, subdivision 5, paragraph (a), and subdivision 7, do not apply.

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

2.18 Sec. 3. Laws 2020, chapter 70, article 2, section 2, is amended to read:

2.19 **Sec. 2. TRANSFER; HEALTH CARE RESPONSE FUND.**

2.20 The commissioner of management and budget shall make a onetime transfer in fiscal
 2.21 year 2020 of \$150,000,000 from the ~~general~~ coronavirus relief account in the federal fund
 2.22 to the health care response fund under section 1, for the uses specified in section 1. ~~Any~~
 2.23 ~~unobligated and unexpended amount in the fund on February 1, 2021, shall transfer to the~~
 2.24 ~~general fund.~~

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

2.26 Sec. 4. Laws 2020, chapter 71, article 1, section 2, subdivision 9, is amended to read:

2.27 **Subd. 9. Appropriation.** (a) \$29,964,000 in fiscal year 2020 is appropriated from the
 2.28 ~~general~~ coronavirus relief account in the federal fund to the commissioner of human services
 2.29 for grants under this section. Of this amount, up to \$450,000 is for Child Care Aware to
 2.30 administer the grants in accordance with subdivision 1.

3.1 (b) This is a onetime appropriation and is available until December ~~31~~ 30, 2020.

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

3.3 Sec. 5. Laws 2020, chapter 71, article 1, section 3, is amended to read:

3.4 Sec. 3. **MILITARY VETERANS COVID-19 RESPONSE ASSISTANCE.**

3.5 (a) \$6,200,000 in fiscal year 2020 is appropriated from the ~~general~~ coronavirus relief
 3.6 account in the federal fund to the commissioner of veterans affairs. The commissioner of
 3.7 veterans affairs must use the amount appropriated under this section to provide financial
 3.8 assistance to any veteran or a surviving spouse of a veteran in need of assistance as a result
 3.9 of COVID-19. The COVID-19-related assistance authorized under this section may be used
 3.10 for emergency financial relief, hospitalization assistance, medical care or treatment, or any
 3.11 other COVID-19-related assistance as determined by the commissioner.

3.12 (b) For purposes of this section, "veteran" means an individual who qualifies as a veteran
 3.13 under Minnesota Statutes, section 197.447, and who meets the residency requirements in
 3.14 Minnesota Statutes, section 197.05, paragraph (b).

3.15 (c) An individual's eligibility or level of assistance under this section shall not be limited
 3.16 because the individual has previously received assistance under the State Soldiers' Assistance
 3.17 Fund program.

3.18 (d) The amount appropriated under this section is available until ~~June 30, 2021~~ December
 3.19 30, 2020.

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

3.21 Sec. 6. Laws 2020, chapter 71, article 1, section 4, is amended to read:

3.22 Sec. 4. **APPROPRIATION; FOOD SHELF PROGRAMS.**

3.23 (a) \$9,000,000 in fiscal year 2020 is appropriated from the ~~general~~ coronavirus relief
 3.24 account in the federal fund to the commissioner of human services for food shelf programs
 3.25 under Minnesota Statutes, section 256E.34, to address food bank, food shelf, and
 3.26 transportation needs in responding to the COVID-19 pandemic. Hunger Solutions shall
 3.27 allocate funds to food banks, food shelves, and transportation organizations in accordance
 3.28 with this section and report to the commissioner regarding distribution and use of funds.
 3.29 Grant funds shall be used as follows:

3.30 (1) to support regional food banks to enable specialized responses to community needs;

4.1 (2) to allow food shelves to purchase food, diapers, toilet paper, and other necessary
4.2 supplies and to enable specialized responses to community needs; and

4.3 (3) to support a network of transportation organizations to assist in the distribution of
4.4 food and supplies from food banks and food shelves to persons affected by the COVID-19
4.5 pandemic.

4.6 (b) At least \$3,000,000 of this appropriation must be used for activities described in
4.7 paragraph (a), clause (1).

4.8 (c) This is a onetime appropriation and is available until ~~June 30, 2021~~ December 30,
4.9 2020.

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

4.11 Sec. 7. Laws 2020, chapter 71, article 1, section 5, is amended to read:

4.12 Sec. 5. **APPROPRIATION; HOUSING SUPPORT.**

4.13 (a) \$5,530,000 in fiscal year 2020 is appropriated from the ~~general~~ coronavirus relief
4.14 account in the federal fund to the commissioner of human services to increase room and
4.15 board limits and rates and supplementary service limits and rates under Minnesota Statutes,
4.16 section 256I.05, subdivisions 1 and 1a, by 15 percent for three consecutive months for
4.17 purposes of maintaining access to room and board from March 1, 2020, through May 31,
4.18 2020, including activities necessary to comply with federal and state health and safety
4.19 guidance, in response to the COVID-19 pandemic. This is a onetime appropriation.

4.20 (b) Prior to October 1, 2020, providers must submit documentation demonstrating
4.21 increased funding was used for needs related to COVID-19 for the time period from March
4.22 1, 2020, through May 31, 2020.

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

4.24 Sec. 8. **PROTEST RESPONSE FUND.**

4.25 Subdivision 1. Definitions. (a) The definitions in this subdivision apply to this section.

4.26 (b) "Areas" means those parts of the city of Minneapolis and the city of St. Paul that
4.27 were affected by the events described in paragraph (d).

4.28 (c) "Commissioner" means the commissioner of employment and economic development.

4.29 (d) "Events" means the destruction of property that occurred in the identified areas in
4.30 Minnesota from May 28, 2020, to June 1, 2020.

5.1 Subd. 2. **Protest response fund.** (a) A protest response fund is created in the state
5.2 treasury. Money in the fund is appropriated to the commissioner of employment and
5.3 economic development to:

5.4 (1) make Minnesota investment fund grants to local units of government under Minnesota
5.5 Statutes, section 12A.07, for forgivable loans to businesses or organizations located in the
5.6 identified areas that were directly and adversely affected by the events that occurred from
5.7 May 28, 2020, to June 1, 2020; and

5.8 (2) administer the grants under this section.

5.9 (b) Interest earned on money in the fund is credited to the fund.

5.10 Subd. 3. **Local plans.** Notwithstanding Minnesota Statutes, section 12A.07, subdivision
5.11 2, local plans shall provide for the following:

5.12 (1) making and issuing forgivable loans; and

5.13 (2) a requirement that in order for a loan to be forgiven, a business or organization that
5.14 receives a forgivable loan remains in the local community a minimum of five years after
5.15 the date of the loan.

5.16 Subd. 4. **Assistance from other sources.** (a) An applicant is eligible for a forgivable
5.17 loan under this section only if the applicant shows proof that the business or organization
5.18 was not covered by an applicable private insurance for the loss.

5.19 (b) A loan under this section must not duplicate or replace equivalent assistance available
5.20 from insurance, other organizations, or government agencies.

5.21 Subd. 5. **Reports.** (a) Before any grants under this section are awarded to a local unit
5.22 of government, the commissioner shall report to the chairs and ranking minority members
5.23 of the senate finance committee and house of representatives ways and means committee
5.24 on the criteria and requirements to be used by local units of government in the loan programs
5.25 they will administer.

5.26 (b) By December 31, 2021, the commissioner shall report to the legislative committees
5.27 with jurisdiction over economic development policy and finance on the grants and loans
5.28 provided under this section.

5.29 Subd. 6. **Deadlines.** All grants to a local unit of government must be awarded by July
5.30 1, 2020, and all business loan agreements must be executed by May 15, 2021. Any
5.31 uncommitted balance remaining on July 1, 2021, must be transferred to the general fund.

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

6.1 **Sec. 9. SECOND HARVEST FOOD BANK GRANTS.**

6.2 (a) \$1,250,000 in fiscal year 2020 is appropriated from the coronavirus relief account
6.3 in the federal fund to the commissioner of agriculture for grants to Second Harvest Heartland
6.4 on behalf of Minnesota's six Feeding America food banks. This is a onetime appropriation.

6.5 (b) The appropriation under paragraph (a) must be used for the following:

6.6 (1) to purchase milk for distribution to Minnesota's food shelves and other charitable
6.7 organizations that are eligible to receive food from the food banks. Milk purchased under
6.8 the grants must be acquired from Minnesota milk processors and based on low-cost bids.
6.9 The milk must be allocated to each Feeding America food bank serving Minnesota according
6.10 to the formula used in the distribution of United States Department of Agriculture
6.11 commodities under the federal Emergency Food Assistance Program. Second Harvest
6.12 Heartland may enter into contracts or agreements with food banks for shared funding or
6.13 reimbursement of the direct purchase of milk. Each food bank that receives funding under
6.14 this clause may use up to two percent for administrative expenses; or

6.15 (2) to purchase and distribute protein products, which must be surplus products when
6.16 practicable, including but not limited to pork, poultry, beef, dry legumes, cheese, and eggs
6.17 to Minnesota's food shelves and other charitable organizations that are eligible to receive
6.18 food from the food banks. Second Harvest Heartland may use up to two percent of each
6.19 grant awarded under this clause for administrative expenses. To the extent practicable,
6.20 protein products purchased under the grants must be acquired from Minnesota processors
6.21 and producers and based on low-cost bids.

6.22 (c) This appropriation is available until December 30, 2020.

6.23 (d) Second Harvest Heartland must submit quarterly reports required under Laws 2019,
6.24 First Special Session chapter 1, article 1, section 2, subdivision 5, to the chairs and ranking
6.25 minority members of the legislative committees with jurisdiction over agriculture finance.

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

6.27 **Sec. 10. CANCELLATION; GENERAL FUND.**

6.28 All appropriations and transfers in Laws 2020, chapters 66, 70, 71, and 74, from the
6.29 general fund that are amended in this act to be appropriations and transfers from the
6.30 coronavirus relief account in the federal fund are canceled to the general fund.

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

7.1 Sec. 11. **COVID-19 MINNESOTA FUND CANCELLATION; COVID-19**
7.2 **MINNESOTA FEDERAL ACCOUNT USE.**

7.3 (a) The commissioner of management and budget shall cancel expenditures authorized
7.4 from the COVID-19 Minnesota fund identified as Legislative COVID-19 Response
7.5 Commission Action Order No. 7, Legislative COVID-19 Response Commission Action
7.6 Order No. 9, Legislative COVID-19 Response Commission Action Order No. 11, Legislative
7.7 COVID-19 Response Commission Action Order No. 12, and Legislative COVID-19
7.8 Response Commission Action Order No. 16.

7.9 (b) The commissioner of management and budget shall pay for the costs of the action
7.10 orders canceled in paragraph (a) from the coronavirus relief federal fund.

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

7.12 Sec. 12. **TRANSFERS.**

7.13 \$54,457,000 in fiscal year 2020 is transferred from the COVID-19 Minnesota fund to
7.14 the general fund. This is a onetime transfer.

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

7.16 Sec. 13. **APPROPRIATION.**

7.17 \$54,457,000 in fiscal year 2020 is appropriated from the coronavirus relief federal fund
7.18 for expenses related to Legislative COVID-19 Response Commission Action Order No. 7,
7.19 Legislative COVID-19 Response Commission Action Order No. 9, Legislative COVID-19
7.20 Response Commission Action Order No. 11, Legislative COVID-19 Response Commission
7.21 Action Order No. 12, and Legislative COVID-19 Response Commission Action Order No.
7.22 16.

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

7.24 Sec. 14. **APPROPRIATION; PROTEST RESPONSE FUND.**

7.25 \$327,290,000 in fiscal year 2020 is appropriated from the general fund to the
7.26 commissioner of employment and economic development for deposit in the protest response
7.27 fund.

7.28 Sec. 15. **REPEALER.**

7.29 Laws 2020, chapter 74, article 1, section 3, is repealed.

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

Laws 2020, chapter 74, article 1, section 3

Sec. 3. Laws 2019, First Special Session chapter 1, article 1, section 2, subdivision 5, is amended to read:

	7,510,000	
Subd. 5. Administration and Financial Assistance	<u>8,760,000</u>	7,508,000

(a) \$474,000 the first year and \$474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations shall be disbursed no later than July 15 of each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

(b) \$2,000 the first year is for a grant to the Minnesota State Poultry Association. This is a onetime appropriation, and is available until June 30, 2021.

(c) \$18,000 the first year and \$18,000 the second year are for grants to the Minnesota Livestock Breeders Association. These are onetime appropriations.

(d) \$47,000 the first year and \$47,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment. These are onetime appropriations.

(e) \$267,000 the first year and \$267,000 the second year are for farm advocate services.

(f) \$17,000 the first year and \$17,000 the second year are for grants to the Minnesota Horticultural Society. These are onetime appropriations.

(g) \$250,000 the first year and \$250,000 the second year are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities for statewide mental health counseling support to farm families and business operators through the Minnesota State Agricultural Centers of Excellence. South Central College and Central Lakes College shall serve as the fiscal agents. The base amount for this appropriation in fiscal year 2022 and later is \$238,000.

(h) ~~\$1,700,000~~ \$2,950,000 the first year and \$1,700,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Feeding America food banks for the following:

(1) to purchase milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of

Agriculture commodities under The Emergency Food Assistance Program. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank that receives funding under this clause may use up to two percent for administrative expenses; ~~and~~

(2) to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, and other agricultural commodities that would otherwise go unharvested, be discarded, or sold in a secondary market. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this clause must be from Minnesota producers and processors. Second Harvest Heartland may use up to 15 percent of each grant awarded under this clause for administrative and transportation expenses; and

(3) to purchase and distribute protein products, which must be surplus products when practicable, including but not limited to pork, poultry, beef, dry legumes, cheese, and eggs to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Second Harvest Heartland may use up to two percent of each grant awarded under this clause for administrative expenses. To the extent practicable, protein products purchased under the grants must be acquired from Minnesota processors and producers and based on low-cost bids.

Of the amount appropriated under this paragraph, at least \$600,000 each year must be allocated under clause (1); and \$1,250,000 of the onetime money appropriated in the first year must be allocated under clause (1) or (3). Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance the first year does not cancel and is available in the second year. Second Harvest Heartland must submit quarterly reports to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance in the form prescribed by the commissioner. The reports must include but are not limited to information on the expenditure of funds, the amount of milk or other commodities purchased, and the organizations to which this food was distributed. The base for this appropriation is \$1,650,000 in fiscal year 2022 and \$1,650,000 in fiscal year 2023.

(i) \$150,000 the first year and \$150,000 the second year are for grants to the Center for Rural Policy and Development. These are onetime appropriations.

APPENDIX
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(j) \$250,000 the first year and \$250,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

(k) The commissioner shall continue to increase connections with ethnic minority and immigrant farmers to farming opportunities and farming programs throughout the state.

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