

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

**S.F. No. 2045**

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DATE  
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Introduction and first reading  
Referred to State and Local Government and Veterans

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to state government; establishing a funding mechanism for a long-term  
1.3 care access fund in the state treasury; amending Minnesota Statutes 2022, sections  
1.4 16A.152, subdivisions 1b, 2; 289A.20, subdivision 4; 289A.60, subdivision 15;  
1.5 proposing coding for new law in Minnesota Statutes, chapter 16A.

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

1.7 **ARTICLE 1**  
1.8 **LONG-TERM CARE ACCESS FUND**

1.9 Section 1. Minnesota Statutes 2022, section 16A.152, subdivision 2, is amended to read:

1.10 Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund  
1.11 revenues and expenditures, the commissioner of management and budget determines that  
1.12 there will be a positive unrestricted budgetary general fund balance at the close of the  
1.13 biennium, the commissioner of management and budget must allocate money to the following  
1.14 funds, accounts, and purposes in priority order:

1.15 (1) the cash flow account established in subdivision 1 until that account reaches  
1.16 \$350,000,000;

1.17 (2) the long-term care access fund established in section 16A.7241, subdivision 1, until  
1.18 the allocated amount equals the long-term care access fund contribution amount calculated  
1.19 in section 16A.7241, subdivision 2;

1.20 ~~(2)~~ (3) the budget reserve account established in subdivision 1a until that account reaches  
1.21 \$2,377,399,000;

2.1 ~~(3)~~ (4) the amount necessary to increase the aid payment schedule for school district  
 2.2 aids and credits payments in section 127A.45 to not more than 90 percent rounded to the  
 2.3 nearest tenth of a percent without exceeding the amount available and with any remaining  
 2.4 funds deposited in the budget reserve;

2.5 ~~(4)~~ (5) the amount necessary to restore all or a portion of the net aid reductions under  
 2.6 section 127A.441 and to reduce the property tax revenue recognition shift under section  
 2.7 123B.75, subdivision 5, by the same amount;

2.8 ~~(5)~~ (6) the amount necessary to increase the Minnesota 21st century fund by not more  
 2.9 than the difference between \$5,000,000 and the sum of the amounts credited and canceled  
 2.10 to it in the previous 12 months under Laws 2020, chapter 71, article 1, section 11, until the  
 2.11 sum of all transfers under this section and all amounts credited or canceled under Laws  
 2.12 2020, chapter 71, article 1, section 11, equals \$20,000,000; and

2.13 ~~(6)~~ (7) for a forecast in November only, the amount remaining after the transfer under  
 2.14 clause (5) must be used to reduce the percentage of accelerated June liability sales tax  
 2.15 payments required under section 289A.20, subdivision 4, paragraph (b), until the percentage  
 2.16 equals zero, rounded to the nearest tenth of a percent. By March 15 following the November  
 2.17 forecast, the commissioner must provide the commissioner of revenue with the percentage  
 2.18 of accelerated June liability owed based on the reduction required by this clause. By April  
 2.19 15 each year, the commissioner of revenue must certify the percentage of June liability  
 2.20 owed by vendors based on the reduction required by this clause.

2.21 (b) The amounts necessary to meet the requirements of this section are appropriated  
 2.22 from the general fund within two weeks after the forecast is released or, in the case of  
 2.23 transfers under paragraph (a), clauses ~~(3)~~ (4) and ~~(4)~~ (5), as necessary to meet the  
 2.24 appropriations schedules otherwise established in statute.

2.25 (c) The commissioner of management and budget shall certify the total dollar amount  
 2.26 of the reductions under paragraph (a), clauses ~~(3)~~ (4) and ~~(4)~~ (5), to the commissioner of  
 2.27 education. The commissioner of education shall increase the aid payment percentage and  
 2.28 reduce the property tax shift percentage by these amounts and apply those reductions to the  
 2.29 current fiscal year and thereafter.

2.30 **Sec. 2. [16A.7241] LONG-TERM CARE ACCESS FUND.**

2.31 **Subdivision 1. Long-term care access fund established.** A long-term care access fund  
 2.32 is created in the state treasury. The fund is a direct appropriated special revenue fund. The  
 2.33 commissioner shall deposit to the credit of the fund money made available to the fund.

3.1 Notwithstanding section 11A.20, all investment income and all investment losses attributable  
 3.2 to the investment of the long-term care access fund not currently needed shall be credited  
 3.3 to the long-term care access fund.

3.4 Subd. 2. **Contribution amount determined.** The commissioner of management and  
 3.5 budget must determine the long-term care access fund contribution amount when preparing  
 3.6 a forecast. The long-term care access fund contribution amount is equal to any amount  
 3.7 greater than zero resulting from subtracting the state share of the projected expenditures for  
 3.8 the long-term care facility and long-term care waiver portions of the medical assistance  
 3.9 program from the state share of the most recently enacted appropriation from the general  
 3.10 fund for these portions of the medical assistance program.

3.11 Subd. 3. **Allocation of contribution amount.** If on the basis of a forecast of general  
 3.12 fund revenues and expenditures the commissioner of management and budget determines  
 3.13 that there will be a positive unrestricted budgetary general fund balance at the close of the  
 3.14 biennium and that there will be a long-term care access fund contribution amount at the end  
 3.15 of the biennium, the commissioner of management and budget must transfer the contribution  
 3.16 amount to the long-term care access fund in accordance with the requirements of section  
 3.17 16A.152.

3.18 Subd. 4. **Long-term services and supports funding.** The commissioner of human  
 3.19 services may expend money appropriated from the long-term care access fund for publicly  
 3.20 funded long-term services and supports and for initiatives to prevent or delay the need for  
 3.21 Minnesotans to receive publicly funded long-term care services and supports. Funds  
 3.22 appropriated by law must supplement traditional sources of funding for long-term care  
 3.23 services and may not be used as a substitute for forecasted spending.

## 3.24 **ARTICLE 2**

### 3.25 **CONFORMING CHANGES**

3.26 Section 1. Minnesota Statutes 2022, section 16A.152, subdivision 1b, is amended to read:

3.27 Subd. 1b. **Budget reserve level.** (a) The commissioner of management and budget shall  
 3.28 calculate the budget reserve level by multiplying the current biennium's general fund  
 3.29 nondedicated revenues and the most recent budget reserve percentage under subdivision 8.

3.30 (b) If, on the basis of a November forecast of general fund revenues and expenditures,  
 3.31 the commissioner of management and budget determines that there will be a positive  
 3.32 unrestricted general fund balance at the close of the biennium and that the provisions of  
 3.33 subdivision 2, paragraph (a), clauses (1), ~~(2)~~, ~~(3)~~, and ~~(4)~~ to (5), are satisfied, the

4.1 commissioner shall transfer to the budget reserve account in the general fund the amount  
4.2 necessary to increase the budget reserve to the budget reserve level determined under  
4.3 paragraph (a). The amount of the transfer authorized in this paragraph shall not exceed 33  
4.4 percent of the positive unrestricted general fund balance determined in the forecast.

4.5 Sec. 2. Minnesota Statutes 2022, section 289A.20, subdivision 4, is amended to read:

4.6 Subd. 4. **Sales and use tax.** (a) The taxes imposed by chapter 297A are due and payable  
4.7 to the commissioner monthly on or before the 20th day of the month following the month  
4.8 in which the taxable event occurred, or following another reporting period as the  
4.9 commissioner prescribes or as allowed under section 289A.18, subdivision 4, paragraph (f)  
4.10 or (g), except that use taxes due on an annual use tax return as provided under section  
4.11 289A.11, subdivision 1, are payable by April 15 following the close of the calendar year.

4.12 (b) A vendor having a liability of \$250,000 or more during a fiscal year ending June 30,  
4.13 except a vendor of construction materials as defined in paragraph (e), must remit the June  
4.14 liability for the next year in the following manner:

4.15 (1) Two business days before June 30 of calendar year 2020 and 2021, the vendor must  
4.16 remit 87.5 percent of the estimated June liability to the commissioner. Two business days  
4.17 before June 30 of calendar year 2022 and thereafter, the vendor must remit 84.5 percent, or  
4.18 a reduced percentage as certified by the commissioner under section 16A.152, subdivision  
4.19 2, paragraph (a), clause ~~(6)~~ (7), of the estimated June liability to the commissioner.

4.20 (2) On or before August 20 of the year, the vendor must pay any additional amount of  
4.21 tax not remitted in June.

4.22 (c) A vendor having a liability of:

4.23 (1) \$10,000 or more, but less than \$250,000, during a fiscal year must remit by electronic  
4.24 means all liabilities on returns due for periods beginning in all subsequent calendar years  
4.25 on or before the 20th day of the month following the month in which the taxable event  
4.26 occurred, or on or before the 20th day of the month following the month in which the sale  
4.27 is reported under section 289A.18, subdivision 4; or

4.28 (2) \$250,000 or more during a fiscal year must remit by electronic means all liabilities  
4.29 in the manner provided in paragraph (a) on returns due for periods beginning in the  
4.30 subsequent calendar year, except that a vendor subject to the remittance requirements of  
4.31 paragraph (b) must remit the percentage of the estimated June liability, as provided in  
4.32 paragraph (b), clause (1), which is due two business days before June 30. The remaining  
4.33 amount of the June liability is due on August 20.

5.1 (d) Notwithstanding paragraph (b) or (c), a person prohibited by the person's religious  
5.2 beliefs from paying electronically shall be allowed to remit the payment by mail. The filer  
5.3 must notify the commissioner of revenue of the intent to pay by mail before doing so on a  
5.4 form prescribed by the commissioner. No extra fee may be charged to a person making  
5.5 payment by mail under this paragraph. The payment must be postmarked at least two business  
5.6 days before the due date for making the payment in order to be considered paid on a timely  
5.7 basis.

5.8 (e) For the purposes of paragraph (b), "vendor of construction materials" means a retailer  
5.9 that sells any of the following construction materials, if 50 percent or more of the retailer's  
5.10 sales revenue for the fiscal year ending June 30 is from the sale of those materials:

5.11 (1) lumber, veneer, plywood, wood siding, wood roofing;

5.12 (2) millwork, including wood trim, wood doors, wood windows, wood flooring; or

5.13 (3) concrete, cement, and masonry.

5.14 (f) Paragraph (b) expires after the percentage of estimated payment is reduced to zero  
5.15 in accordance with section 16A.152, subdivision 2, paragraph (a), clause ~~(6)~~ (7).

5.16 Sec. 3. Minnesota Statutes 2022, section 289A.60, subdivision 15, is amended to read:

5.17 **Subd. 15. Accelerated payment of June sales tax liability; penalty for**  
5.18 **underpayment.** (a) For payments made after December 31, 2019<sub>2</sub> and before December  
5.19 31, 2021, if a vendor is required by law to submit an estimation of June sales tax liabilities  
5.20 and 87.5 percent payment by a certain date, the vendor shall pay a penalty equal to ten  
5.21 percent of the amount of actual June liability required to be paid in June less the amount  
5.22 remitted in June. The penalty must not be imposed, however, if the amount remitted in June  
5.23 equals the lesser of 87.5 percent of the preceding May's liability or 87.5 percent of the  
5.24 average monthly liability for the previous calendar year.

5.25 (b) For payments made after December 31, 2021, the penalty must not be imposed if  
5.26 the amount remitted in June equals the lesser of 84.5 percent, or a reduced percentage as  
5.27 certified by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause  
5.28 ~~(6)~~ (7), of the preceding May's liability or 84.5 percent of the average monthly liability for  
5.29 the previous calendar year.

5.30 (c) This subdivision expires after the percentage of estimated payment is reduced to zero  
5.31 in accordance with section 16A.152, subdivision 2, paragraph (a), clause ~~(6)~~ (7).