

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 4587

(SENATE AUTHORS: ABELER, Housley, Relph and Hoffman)

DATE
05/07/2020

D-PG

Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to local government aid; state finances; establishing a supplemental county
1.3 aid program to pay for social services costs related to the COVID-19 pandemic;
1.4 establishing grant programs to support businesses and farmers impacted by the
1.5 COVID-19 pandemic; allocating money from the federal fund.

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

1.7 Section 1. **SUPPLEMENTAL COUNTY PROGRAM AID.**

1.8 Subdivision 1. Supplemental aid amounts. (a) For aids payable in 2020 only,
1.9 supplemental aid for a county equals the product of: (1) \$100,000,000; and (2) the ratio of:
1.10 (i) the adjusted county need aid for the county; to (ii) the total adjusted county need aid for
1.11 all counties in the state.

1.12 (b) For the purpose of this section, "adjusted county need aid" means county need aid
1.13 certified and payable to each county in 2020 under Minnesota Statutes, section 477A.0124,
1.14 subdivision 3, not including the special distribution required under Laws 2014, chapter 150,
1.15 article 4, section 6, paragraph (a).

1.16 Subd. 2. Payment to counties. Supplemental aid under this section must be paid in the
1.17 same manner and concurrent with the July 20, 2020, county program aid installment under
1.18 Minnesota Statutes, section 477A.0124.

1.19 Subd. 3. Allowable uses; expenditure report. Counties must use supplemental aid
1.20 under this section: (1) for increased social services costs, including but not limited to
1.21 increased outreach and service needs related to depression, despair, suicide, and abuse
1.22 resulting from the COVID-19 pandemic; and (2) consistent with the requirements of title
1.23 V of Public Law 116-136. Each county must report expenditures of the supplemental aid

2.1 to the commissioner of management and budget or the commissioner's designee in the form
2.2 and manner determined by the commissioner.

2.3 Subd. 4. **Allocation; transfer authority.** In fiscal year 2021, the commissioner of
2.4 management and budget must allocate the amounts necessary from federal funds received
2.5 by the state under title V of Public Law 116-136 to pay for the costs of the supplemental
2.6 aid under this section. Notwithstanding Minnesota Statutes, section 3.3005, the commissioner
2.7 is not required to submit this allocation of federal funds for review by the Legislative
2.8 Advisory Commission. The commissioner may transfer funds allocated under this section
2.9 to other state agencies to fulfill the requirements of title V of Public Law 116-136.

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

2.11 Sec. 2. **COVID-19 BUSINESS CLOSURE GRANT PROGRAM.**

2.12 Subdivision 1. **Grant program established.** A grant program administered by the
2.13 commissioner of management and budget is established to support Minnesota businesses
2.14 that experienced an interruption in operation as a result of the COVID-19 pandemic.

2.15 Subd. 2. **Application process.** (a) A business eligible to apply for a grant under this
2.16 section includes any business that is a public accommodation and that was closed to ingress,
2.17 egress, use, and occupancy by members of the public by Executive Order 20-04, as extended,
2.18 amended, and otherwise modified by Executive Order 20-08, Executive Order 20-18,
2.19 Executive Order 20-33, and any related executive orders issued pursuant to Minnesota
2.20 Statutes, section 12.21 or 12.31.

2.21 (b) Eligible applicants must apply to the commissioner of management and budget or
2.22 the commissioner's designee in the form and manner determined by the commissioner. The
2.23 commissioner may consult with other state agencies as necessary to develop the application
2.24 materials and grant award criteria. The commissioner must publish the application materials
2.25 and grant award criteria and begin accepting grant applications no later than June 1, 2020.

2.26 Subd. 3. **Grant awards.** (a) The commissioner must evaluate all completed grant
2.27 applications submitted on or before July 1, 2020, and award grants no later than July 15,
2.28 2020.

2.29 (b) A grant award may not exceed \$100,000 per applicant.

2.30 (c) If the total sum of approved grant requests exceeds the amount available for the grant
2.31 program, the commissioner must prorate each approved grant award as necessary.

3.1 (d) If funds remain after the commissioner awards grants to applications submitted on
3.2 or before July 1, 2020, the commissioner must consider additional grant applications on a
3.3 first-come, first-served basis.

3.4 Subd. 4. **Allocation; transfer authority.** (a) In fiscal year 2021 only, the commissioner
3.5 of management and budget must allocate \$100,000,000 from federal funds received by the
3.6 state under title V of Public Law 116-136 to pay for the costs of the grant program under
3.7 this section. Notwithstanding Minnesota Statutes, section 3.3005, the commissioner is not
3.8 required to submit this allocation of federal funds for review by the Legislative Advisory
3.9 Commission. The commissioner may transfer funds allocated under this section to other
3.10 state agencies to fulfill the requirements of title V of Public Law 116-136.

3.11 (b) Any amount of this allocation remaining unexpended on December 15, 2020, cancels
3.12 to the federal fund.

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

3.14 Sec. 3. **COVID-19 AGRICULTURAL DISASTER GRANT PROGRAM.**

3.15 Subdivision 1. **Grant program established.** A grant program administered by the
3.16 commissioner of management and budget is established to support Minnesota farmers who
3.17 experienced a disruption in operation as a result of the COVID-19 pandemic.

3.18 Subd. 2. **Application process.** (a) A farmer eligible to apply for a grant under this section
3.19 includes any farmer whose farming operation was impacted by animal euthanasia, loss of
3.20 markets, or other perils related to the COVID-19 pandemic.

3.21 (b) Eligible applicants must apply to the commissioner of management and budget or
3.22 the commissioner's designee in the form and manner determined by the commissioner. The
3.23 commissioner must consult with the commissioner of agriculture and other state agencies
3.24 as necessary to develop the application materials and grant award criteria. The commissioner
3.25 must publish the application materials and grant award criteria and begin accepting grant
3.26 applications no later than June 1, 2020.

3.27 Subd. 3. **Grant awards.** (a) The commissioner must evaluate all completed grant
3.28 applications submitted on or before July 1, 2020, and award grants no later than July 15,
3.29 2020.

3.30 (b) A grant award may not exceed 50 percent of the applicant's demonstrated losses.

3.31 (c) If the total sum of approved grant requests exceeds the amount available for the grant
3.32 program, the commissioner must prorate each approved grant award as necessary.

4.1 (d) If funds remain after the commissioner awards grants to applications submitted on
4.2 or before July 1, 2020, the commissioner must consider additional grant applications on a
4.3 first-come, first-served basis.

4.4 Subd. 4. **Allocation; transfer authority.** (a) In fiscal year 2021 only, the commissioner
4.5 of management and budget must allocate \$100,000,000 from federal funds received by the
4.6 state under title V of Public Law 116-136 to pay for the costs of the grant program under
4.7 this section. Notwithstanding Minnesota Statutes, section 3.3005, the commissioner is not
4.8 required to submit this allocation of federal funds for review by the Legislative Advisory
4.9 Commission. The commissioner may transfer funds allocated under this section to other
4.10 state agencies to fulfill the requirements of title V of Public Law 116-136.

4.11 (b) Any amount of this allocation remaining unexpended on December 15, 2020, cancels
4.12 to the federal fund.

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