

S.F. No. 47 – Local government distributions from the coronavirus relief federal fund

Author: Senator Julie A. Rosen

Prepared by: Bjorn Arneson, Legislative Analyst (651/296-3812)

Date: June 12, 2020

Sec. 1. Coronavirus relief fund; local government distributions.

Subd. 1. Definitions. Gives responsibility for the distribution program to the commissioner of revenue, establishes eligibility criteria for local governments, defines “emergency financial assistance” and “economic support” for purposes of the program, provides other technical definitions.

Subd. 2. Local government distribution amounts. (a) Requires the commissioner to calculate the per-capita allowance available for distribution to eligible cities (cities at least 200 population) and certain eligible organized towns (towns at least 5,000 population). Under the bill as introduced, this calculated per-capita allowance equals \$75.34.

(b) Provides that the per-capita distribution for other eligible towns (200-4,999 population) equals \$25.

(c) Requires the commissioner to calculate the per-capita allowance available for base distribution to an eligible county (a county less than 500,000 population). Under the bill as introduced, this calculated per-capita allowance equals \$121.28.

(d) Provides a supplemental distribution amount for an eligible county equal to the allowance under paragraph (a) times the population of cities smaller than 200 within the county; plus \$25 times the population of unorganized territory and towns smaller than 200 within the county.

Subd. 3. Distribution schedule. Requires the commissioner to begin distributing the amounts to local governments no later than June 30, 2020, for certifications received by June 22, 2020, and continuing on a rolling basis for certifications received by September 15, 2020.

Subd. 4. Allowed uses. (a) Requires a local government to certify to the commissioner that the local government will spend the aid distributions consistent with the requirements of the federal CARES Act (Public Law 116-136).

(b) Requires an eligible county to spend at least 10 percent of its base distribution amount on emergency financial assistance and economic support.

(c) Provides that a city or town that isn't an eligible city or eligible town may apply to its home county for reimbursement to cover costs otherwise allowed under the CARES Act, to be paid from the amount distributed to the county. Provides minimum and maximum reimbursement amounts and application and payment timelines.

Subd. 5. Local government collaborative agreements. Authorizes a local government to enter into collaborative agreements to share aid distributions. Provides that the commissioner may require documentation of a collaborative agreement.

Subd. 6. Expenditure time limits. (a) Requires an eligible city or eligible town to send unexpended money as of November 15, 2020, to the city or town's home county for use by the county.

(b) Notwithstanding paragraph (a), a city in Hennepin County must transfer unexpended money on November 15, 2020, to Hennepin County Medical Center, and a city or town in Ramsey County must transfer unexpended money on November 15, 2020, to Regions Hospital.

(c) Requires an eligible county to return unexpended money on December 15, 2020, to the state (including money from the initial distribution or money transferred to the county by another local government). Amounts returned must be canceled to the coronavirus relief federal fund.

(d) Notwithstanding paragraph (a), an eligible city or eligible town that has entered into a collaborative agreement must return unexpended money to the state on December 15, 2020. Amounts returned must be canceled to the coronavirus relief federal fund.

Subd. 7. Repayment of improperly spent federal funds. Directs the commissioner to recoup money from a local government if (1) the state itself is subjected to a recoupment by the federal government, and (2) the recoupment is the result of the failure of a local government to spend aids under this section consistent with the requirements of the CARES Act. Establishes a process for the commissioner to certify a required repayment. Requires a local government to repay within 90 days or on a schedule agreed to by the commissioner. Provides that any amounts recouped from local governments must be credited to the state fund from which the federal recoupment was paid.

Subd. 8. Appropriations. Appropriates \$841,464,000 from the coronavirus relief federal fund for the local government distribution program. Requires that 55 percent of the appropriation be used for the county base distribution amount, and the remainder used to fund the other distributions required under the program.

EFFECTIVE DATE. Makes the section effective immediately.