

Chapter 71

2020 Regular Session

Subject COVID-19 response efforts

Analyst Matt Burress
Randy Chun
Pat Dalton
Jeff Diebel
Matt Gehring
Alexandra Haigler
Marta James
Annie Mach
Larie Pampuch
Danyell Punelli
Anna Scholin
Colbey Sullivan
Sean Williams

Date March 30, 2020

Overview

This act appropriates money and modifies various state programs in response to an outbreak of the infectious disease COVID-19 in Minnesota. On March 13, 2020, Governor Tim Walz declared a peacetime emergency under Minnesota Statutes, section 12.31, for COVID-19 (see Emergency Executive Order 20-01). The Governor subsequently issued other emergency executive orders in response to COVID-19.

Unless specified otherwise, the provisions in this act took effect on March 29, 2020.

Article 1: COVID-19 Response Appropriations

This article establishes a temporary \$200 million COVID-19 Minnesota fund and appropriates additional money to issue drivers' licenses and identification cards, award child care grants, provide financial assistance to military veterans or their surviving spouses, distribute additional funding to food banks and food shelves, increase housing support payment rates, provide services and shelter to the homeless, assist tribal nations in their response to COVID-19, and provide emergency small business loans and loan guarantees.

Section Description: Article 1 – COVID-19 Response Appropriations

1 Driver and vehicle services temporary staffing; appropriation.

Appropriates \$2.4 million from the vehicle services operating account in fiscal year 2020 for temporary staff to assist in administration and issuance of driver's licenses and Minnesota identification cards. Makes the funds available until December 31, 2020. Restricts use of temporary staff to only the extent necessary to achieve an average turnaround time of 45 days in issuing licenses and ID cards. It is a onetime appropriation.

2 Peacetime emergency child care grants.

Subd. 1. Peacetime emergency child care grants. Directs the commissioner of human services to distribute funds to Child Care Aware to award emergency grants to child care programs beginning April 1, 2020.

Subd. 2. Eligible programs. Identifies child care programs eligible to apply for the grants.

Subd. 3. Requirements to receive grants. Provides requirements that a child care program must attest and agree in writing to in order to receive a grant.

Subd. 4. Health and safety guidance for child care providers. Directs the commissioner of human services, in consultation with the commissioner of health, to provide health and safety guidance to child care programs.

Subd. 5. Grant awards. Provides that: (1) a child care program may receive a monthly grant of \$4,500; (2) a program may receive an additional monthly grant of \$1,000 if the program meets the needs of specified families and children; and (3) a program licensed to serve 15 or more children may receive an additional monthly grant not to exceed \$15,500, and this additional amount must be based on the program's capacity to serve children during the peacetime public health emergency.

Subd. 6. Fees charged. Allows child care programs that receive grants to charge fees to families attending the program and prohibits the programs from requiring fees from families whose children no longer attend the program.

Subd. 7. Spaces reserved. Requires that child care programs that receive grants allow children previously attending the program to re-enroll after the peacetime public health emergency ends, under certain circumstances. Requires that programs serve children who are not children of essential workers, under certain circumstances.

Subd. 8. Expiration. Terminates the authority to award grants under this section the day after the peacetime public health emergency ends.

Section Description: Article 1 – COVID-19 Response Appropriations

Subd. 9. Appropriations. Appropriates \$29,964,000 in fiscal year 2020 to the commissioner of human services for grants under this section. Up to \$450,000 of the amount is for Child Care Aware to administer the grants. This is a onetime appropriation available until December 31, 2020.

3 Military veterans COVID-19 response assistance.

Appropriates \$6,200,000 in fiscal year 2020 to the commissioner of veterans affairs to provide emergency assistance grants to veterans or their surviving spouses who are impacted by COVID-19. Unused funds in fiscal year 2020 are available for this purpose in fiscal year 2021.

4 Appropriation; food shelf programs.

Provides a \$9 million general fund appropriation in fiscal year 2020 to the commissioner of human services for food shelf programs to address food bank, food shelf, and transportation needs in responding to the COVID-19 pandemic. Specifies how the funds must be allocated and used. Specifies this is a onetime appropriation and is available until June 30, 2021.

5 Appropriation; housing support.

Provides a \$5.53 million general fund appropriation in fiscal year 2020 to the commissioner of human services to increase certain housing support rates by 15 percent for three consecutive months for purposes of maintaining access to room and board, including activities necessary to comply with federal and state health and safety guidance in response to the COVID-19 pandemic. Requires providers to submit documentation demonstrating increased funding was used for needs related to COVID-19. Specifies this is a onetime appropriation.

6 Appropriation; emergency services grants.

Provides a \$26.537 million general fund appropriation in fiscal year 2020 to the commissioner of human services for emergency services grants to provide homeless persons essential services and emergency shelter in response to COVID-19. Specifies activities for which the money may be used. Allows the commissioner to transfer funds between the allowable activities. Requires the commissioner to report to the legislature on any fund transfers and whether grant applicants are requesting funds for activities other than those allowed. Specifies the process for allocating funds. Specifies this is a onetime appropriation and is available until February 1, 2021, or until 60 days after the expiration of the peacetime emergency declared by the Governor in an executive order that relates to COVID-19, whichever occurs earlier.

7 COVID-19 Minnesota fund.

Creates a new \$200 million fund in the state treasury for expenditures related to a COVID-19 peacetime emergency declared by Governor Tim Walz. A new COVID-19

Section Description: Article 1 – COVID-19 Response Appropriations

legislative oversight commission will review, and can block, a proposed expenditure of \$1 million or more. Any unobligated money remaining in the fund on May 11, 2020, will cancel back to the general fund.

Subd. 1. Fund created. Establishes the fund and appropriates money in the fund to the executive branch to (1) protect Minnesotans from the COVID-19 outbreak, and (2) maintain state government operations during the duration of a COVID-19 peacetime emergency declared by Governor Tim Walz. Appropriates the money to Minnesota Management and Budget and authorizes the agency to disburse or transfer funds to other state agencies. Cancels unobligated money to the general fund on May 11, 2020.

Subd. 2. Legislative COVID-19 Response Commission review. Establishes a temporary joint commission comprised of certain house and senate leaders, or their designees. Requires MMB to submit for commission review any proposed single expenditure from the COVID-19 fund that exceeds \$1 million. Grants the commission 24 hours to review these proposed expenditures and authorizes the commission to make a positive or negative recommendation, or no recommendation at all. If a majority of the commission's house members and a majority of the commission's senate members make a negative recommendation, the executive branch is prohibited from expending the money. Authorizes the commission to hold public meetings and, notwithstanding the legislative open meeting law, to conduct a meeting remotely. Allows commission members to approve or disapprove of proposed expenditures via written communication to MMB.

Subd. 3. Biweekly expenditure report. Requires MMB to report actual fund expenditures to the commission bimonthly.

Effective date: This section expires May 11, 2020.

8 Final Report.

Requires MMB to compile and report all COVID-19 response fund expenditures by July 15, 2021. MMB must submit this report to the chairs and ranking minority members of the house Ways and Means Committee and the senate Finance Committee.

Effective date: This section expires July 16, 2021.

9 Transfer.

Transfers \$200 million from the general fund to the new COVID-19 fund. As provided in section 7, any unobligated money remaining in the fund on May 11, 2020, cancels back to the general fund.

Section Description: Article 1 – COVID-19 Response Appropriations

Effective date: This section expires May 11, 2020.

10 Tribal nations grants.

Appropriates \$11 million to the commissioner of revenue to make grants in 2020 to each of the 11 Native American tribes in Minnesota to pay for emergency response activities in response to the infectious disease known as COVID-19. A tribe may apply by April 1, for up to a \$1 million grant and must agree to spend the grant money for activities that mitigate the immediate health and economic impacts of COVID-19. Any money not applied for by April 1 will be split equally among the applicant tribes. Grants must be paid out by April 8, 2020, and a tribe must report by April 14, 2020 on the use of the grant, as required by the commissioner.

11 Transfers; small business emergency loan program.

Transfers \$20,000,000 from the Minnesota 21st century fund and \$10,000,000 from the Minnesota investment revolving loan account to a new account (see article 2, section 4) for the small business emergency loan program outlined in the Governor's Executive Order 20-15. Funds are to be used to make emergency loans to small businesses during the COVID-19 peacetime emergency. Directs repayments of these loans proportionately into the accounts these funds were originally transferred from. Cancels all remaining unexpended and unobligated funds in the small business emergency loan account back to the original accounts at the end of fiscal year 2020.

12 Appropriation; small business loan guarantee program.

Appropriates \$10,000,000 in fiscal year 2020 from the general fund to the small business loan guarantee program, onetime. For details of this program, see article 2, section 3.

Article 2: COVID-19 Response Provisions

This article modifies various state programs, including those that authorize disaster recovery loans to farmers, provide financial assistance to eligible small businesses, prescribe fees for drug manufacturers and wholesalers, limit drug prescriptions, prescribe allowable evidence of residency for drivers' licenses, concern the provision of health care to incarcerated individuals placed on conditional medical release, authorize placement of certain persons in county jails or detention centers, concern industries and professions regulated by the Department of Commerce, apply to work study and other higher education assistance programs, establish state procurement requirements, determine the distribution of food shelf support, concern property taxes payable in 2020, establish pesticide applicator license requirements, and establish eligibility for unemployment assistance.

Section Description: Article 2 – COVID-19 Response Provisions

1 Establishment.

Expands the Rural Finance Authority’s disaster recovery loan program, which facilitates no-or-low-interest loans to eligible farmers. Authorizes RFA to participate in loans to help farmers clean up, repair, or replace farm structures, inputs, livestock, etc., regardless of the cause of the damage. Authorizes RFA to participate in loans to livestock (cattle, hogs, farmed deer, etc.) and poultry farmers when their eligible expenses or lost revenue are due to the confirmed presence of any contagious animal disease that exists in Minnesota. Authorizes RFA to participate in loans to farmers to offset lost revenue when the loss is due to COVID-19 or another infectious human disease for which a Governor declares a peacetime emergency.

2 Eligibility.

Makes conforming changes to the statute that prescribes farmer eligibility for disaster recovery loans (see section 1).

3 Small business loan guarantee program.

Retools an old program, unfunded since 2012, to provide state guarantees of loans to small businesses made within 12 months of the declaration of the COVID-19 peacetime emergency. Provides loan guarantees of 80 percent of a loan provided by a lender, up to a limit of \$200,000. Allows loans to be made by banks, commercial lenders, public entities, and private nonprofit economic development organizations with at least three years of experience actively lending to small businesses. Defines small businesses as those that employ the equivalent of 250 fulltime workers or less. Allows funds to be used primarily for working capital, as well as machinery and equipment and a few other expenses. Outlines how default and nonpayment can be handled. Requires a report to the legislature by December 31, 2020, on the loan guarantees that are provided.

4 Small business emergency loan account.

Creates an account in the special revenue fund for the small business emergency loan program outlined in the Governor’s Executive Order 20-15.

5 Application fees.

Amends § 151.065, subd. 1. The amendment to clause (9) requires wholesalers of medical gases that operate multiple facilities to pay application fees for licensure and registration to the Board of Pharmacy of \$5,260 for the first facility, and reduces fees to \$260 for each additional facility.

The amendment to clause (14) requires manufacturers of medical gases that operate multiple facilities to pay application fees for licensure and registration to the Board of Pharmacy of \$5,260 for the first facility, and reduces fees to \$260 for each additional facility.

Section Description: Article 2 – COVID-19 Response Provisions

The amendment to clause (17) reduces the application fee for medical gas distributors from \$5,260 to \$260.

States that the section is effective June 1, 2020, and applies to licenses issued on or after that date.

6 Annual renewal fees.

Amends § 151.065, subd. 3. The amendment to clause (7) requires wholesalers of medical gases that operate multiple facilities to pay annual licensure and registration renewal fees to the Board of Pharmacy of \$5,260 for the first facility, and reduces fees to \$260 for each additional facility.

The amendment to clause (12) requires manufacturers of medical gases that operate multiple facilities to pay annual licensure and registration renewal fees to the Board of Pharmacy of \$5,260 for the first facility, and reduces fees to \$260 for each additional facility.

The amendment to clause (15) reduces the renewal fee for medical gas distributors from \$5,260 to \$260.

States that the section is effective June 1, 2020, and applies to licenses renewed on or after that date.

7 Deposit of fees.

Amends § 151.065, subd. 7. Makes conforming changes to the reduction in annual application and renewal fees for medical gas distributors. Also removes the requirement that \$5,000 of the application and renewal fees for third-party logistic providers be deposited into the opiate epidemic response account (this is a correction that reflects the fee level of \$260 for these entities). States that the section is effective June 1, 2020.

8 General prescription requirements for controlled substances.

Amends § 152.11, subd. 1. Eliminates the requirement that prescriptions for opiate or narcotic pain relievers listed in Schedules II through IV not be initially dispensed more than 30 days after the date on which the prescription was issued, and not refilled more than 30 days after the previous date on which the prescription was initially filled or refilled. Also eliminates related language on additional authorizations.

9 Evidence; residence in Minnesota.

Modifies and generally broadens the list of documents that can be used to demonstrate Minnesota residency when applying for a REAL ID-compliant driver's

Section Description: Article 2 – COVID-19 Response Provisions

license or identification card. The changes are effective the earlier of four weeks following March 28, 2020, or when implemented by the Department of Public Safety.

10 Health care decisions.

Extends the commissioner of corrections' authority to make healthcare decisions for inmates who are incapable of making their own healthcare decisions (and who have not designated another person to make decisions for them) to situations where an inmate is receiving medical care outside of a correctional facility while on conditional medical release. Current law grants this authority to the commissioner only when the medical care is being provided within a correctional facility.

11 Place of confinement.

Authorizes the commissioner of corrections to contract with county jails to house offenders who have 90 days or less to serve at the time they are committed to the custody of the commissioner.

12 Commissioner of commerce authority.

(a) Allows the commissioner of commerce, if an emergency is declared, to delay, stay, or waive licensing and investigation deadlines relating to the chapters of law which the commissioner oversees.

(b) Actions taken by the commissioner must treat people equally and be intended to provide relief from obligations for licensee or regulated persons by the Department of Commerce to ensure continuity of the department operations and processes.

(c) Limits the authority under this section to last until 60 days after the peacetime emergency declared in response to COVID-19 is terminated or rescinded.

(d) Requires the commissioner to notify the legislature, including the committees that have jurisdiction over commerce and energy policy, and health care, if applicable, that the commissioner has taken the actions allowed under this section. Notification must be made within two business days of the action being taken, by e-mail, include the new deadlines, and include the relevant statutes and rules that have been changed.

13 Office of Higher Education.

Grants the Office of Higher Education (OHE) emergency powers to respond to COVID-19. The emergency powers permit OHE to waive statutory requirements or administrative rules governing state financial aid programs in response to a COVID-19 outbreak.

Subd. 1. Applicability. Limits the duration of the emergency powers granted to the Office of Higher Education (OHE). The powers became available upon the

Section Description: Article 2 – COVID-19 Response Provisions

Governor’s declaration of a peacetime emergency to respond to COVID-19. The powers expire 60 days after the peacetime emergency expires.

Subd. 2. Temporary powers granted; limitations. Grants OHE temporary powers to protect the financial stability and academic standing of students, grantees, or borrowers. The powers may only be used to prepare for or respond to an outbreak of COVID-19 or preserve access to OHE programs and services.

Subd. 3. Authority to modify or waive rules. Grants OHE the authority to modify or waive statutory requirements or administrative rules related to the state work study program, the SELF loan program, the state grant program, and other student grants, aids, and scholarships administered by the office.

Subd. 4. Fiscal impact. Requires OHE to seek legislative approval for any action with a fiscal impact that the agency cannot absorb.

Subd. 5. Consultation. Requires OHE to consult with the chairs and ranking members of the legislative higher education committees before exercising temporary powers.

Subd. 6. Report. Requires OHE to report to the legislature within 90 days of the expiration of a peacetime emergency. The report must describe any emergency powers that were exercised, statutes or rules that were modified or waived, a timeline about when the powers were exercised, and an explanation for why the powers were necessary.

The section expires on the later of December 31, 2020, or 60 days after the expiration of a peacetime emergency declared before December 31, 2020.

14 Emergency purchasing; workforce and equal pay certificates.

Exempts state contracts for certain emergency purchases from an existing requirement that the vendor submit a workforce affirmative action plan and a certificate of compliance with equal pay laws. This exemption is intended to streamline the process for contracting with vendors who have not previously entered a contract with a state agency in Minnesota, and applies only during the period of a peacetime emergency declared by the Governor.

Current law requires both of these documents for most large vendors: in the case of the affirmative action plan, for contracts exceeding \$100,000 with vendors that employ more than 40 people; in the case of the pay equity certificate, for contracts exceeding \$500,000 with vendors that employ more than 40 people.

Section Description: Article 2 – COVID-19 Response Provisions

A preliminary legislative report on use of the exemption must be submitted by December 31, 2020, and a final report is due by March 31, 2021. The exemption expires January 31, 2021.

15 Peacetime public health emergency; driver’s license, identification card, and disability parking certificate extensions.

Extends the expiration date for driver’s licenses, Minnesota identification cards, and disability parking certificates and permits, in conjunction with peacetime public health emergencies declared by the Governor during 2020.

Subd. 1. Definition. Defines “peacetime public health emergency period” to be the time declared by the Governor under executive orders related to the COVID-19 disease, but the period ends no later than January 31, 2021.

Subd. 2. Licenses and identification cards. Extends the expiration date for driver’s licenses and Minnesota identification cards that would otherwise expire during the peacetime public health emergency period or at any point during the last month of the declared emergency. The extension is to the end of the second month following the month in which the peacetime public health emergency terminates. Establishes that once renewed, the valid period for the license or identification card is unchanged. Prevents imposition of a fee or surcharge for the extension. Directs that information on the extension is provided in a person’s driving record.

Subd. 3. Out of state licenses. Allows a person with an out-of-state noncommercial driver’s license who becomes a Minnesota resident to use that license beyond the usual 60 day time period, and extends the expiration date for that license (parallel to the extension in subdivision 2). Requires the person to apply for a Minnesota license by the end of the second month following the month in which the peacetime public health emergency terminates.

Subd. 4. Disability certificates and permits. Extends the expiration date for disability parking certificates and temporary permits that would otherwise expire during the peacetime emergency or at any point during the last month in which the peacetime emergency is in place. The extension is to the end of the second month following the month in which the peacetime emergency terminates. Prevents imposition of a fee or surcharge for the extension.

Subd. 5. Law enforcement. Directs the Department of Public Safety to work with law enforcement agencies to ensure awareness about the expiration date extensions.

Section Description: Article 2 – COVID-19 Response Provisions

Subd. 6. Public information. Directs the Department of Public Safety to publicize information on the expiration date extensions to the general public.

- 16 **Report to legislature; powers exercised by commissioner of public safety during peacetime public health emergency.**
Requires a legislative report from the Department of Public Safety about use of temporary powers and expiration date extensions during the peacetime public health emergency. The report is due within 30 days of expiration of the emergency.
- 17 **Food shelves; peacetime emergency distribution.**
Allows the additional food shelf funding appropriated in article 1, section 4 to be distributed to food banks, food shelves, and additional transportation providers, and to be used for items not typically allowed under the food shelf program, such as diapers and toilet paper.
- 18 **Defense or objection to real and personal property taxes; filing extension.**
This provision extends the deadline for which property tax petitions must be filed in district court or tax court from April 30 to May 30. The extension will provide additional time for petitioners to serve the petition on county officials if county offices are closed due to COVID-19.
- 19 **Uses of general-use sanitizers and disinfectants for treatment of COVID-19.**
Requires the Minnesota Department of Agriculture to exempt from commercial pesticide applicator license requirements a person who applies general-use sanitizers and disinfectants in response to COVID-19. Under current law, these products are defined as pesticides and a person applying them for-hire must obtain a commercial pesticide applicator license from MDA, which under Minnesota Statutes, section 18B.33, involves passing a test, paying a fee, and obtaining a surety bond or otherwise demonstrating proof of financial responsibility.
- 20 **Suitable employment during COVID-19 pandemic.**
For an applicant applying for unemployment insurance benefits between March 1, 2020, and December 31, 2020, “suitable employment” does not include employment that puts the health and safety of the applicant, other workers, or the public at risk due to their potential exposure to COVID-19. Under existing law, an applicant must be actively seeking and available for “suitable employment” to be eligible for unemployment insurance benefits.

Section Description: Article 2 – COVID-19 Response Provisions

- 21 **Temporary suspension of one-week waiting period.**
Waives the one-week waiting period for an applicant to start receiving unemployment insurance benefits for benefit accounts established between March 1, 2020, and December 31, 2020, so payments may start immediately.
- 22 **Temporary suspension of five-week business owner benefit limitation.**
For unemployment insurance benefit accounts established between March 1, 2020, and December 31, 2020, suspends the five-week limitation on business owners, so business owners may be eligible for more than five weeks of benefits during COVID-19 pandemic.
- 23 **Leave of absence due to COVID-19.**
For unemployment insurance benefit accounts established between March 1, 2020, and December 31, 2020, certain “leaves of absence” by an applicant are considered involuntary, so the leave does not make the applicant ineligible for benefits. Leaves considered involuntary during the COVID-19 pandemic include: (1) determination by a health authority or health care professional that the applicant’s presence in the workplace is a risk to the health of others; (2) quarantine or isolation order; (3) self-isolation or self-quarantine; (4) direction by employer not to come to work; or (5) schools or child care are cancelled or unavailable and no other child care or time off from employer is available.
- 24 **Computation of future tax rate; effect of payment from trust fund.**
Starting March 1, 2020, and ending December 31, 2020, unemployment insurance benefits paid to an applicant unable to work due to COVID-19 do not count toward unemployment benefit usage for a taxpaying employer’s “experience rating” and will not impact the employer’s future unemployment insurance tax rate.
- 25 **Onetime exception to restrictions on use of Minnesota investment fund local government loan repayment funds.**
Allows municipalities currently holding uncommitted money from the repayment of Minnesota investment fund loans to use those funds to make loans to retail stores, service providers, and hospitality businesses as well until the end of fiscal year 2020, uses usually not permitted. Requires any municipality who makes use of this exception to submit a report on how the funds were used to the legislature by February 15, 2021.
- 26 **Peacetime emergency; delayed submission of fingerprints authorized.**
Authorizes the superintendent of the Bureau of Criminal Apprehension to delay submission of fingerprints as part of background checks for “essential workers” during peacetime emergencies declared by the Governor. Provides a gross misdemeanor penalty for “essential workers” who provide false information as part

Section Description: Article 2 – COVID-19 Response Provisions

of a background check while the fingerprint requirement is suspended. Requires the superintendent to report to the legislature on the exercise of this emergency power.



**MN HOUSE
RESEARCH**

Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn/hrd | 651-296-6753 | 600 State Office Building | St. Paul, MN 55155