

Subject Civil Unrest Special Master Panel

Authors Winkler and others

Analyst Matt Gehring

Date June 15, 2020

Overview

This bill establishes a special master panel to consider claims for damages resulting from the civil unrest that occurred in Minneapolis and St. Paul in late May and early June of 2020. The panel is empowered to determine and issue awards to eligible persons to cover damages that are not otherwise covered by applicable insurance policies.

To be eligible for an award, several eligibility requirements must be met, including that the damage is reasonably the result of the civil unrest, that it occurred in an eligible zone where widespread damage occurred, and that the person is connected to the damage in some way – as an owner or employee, or as resident at the property where damage occurred. Both physical and economic damage is eligible for an award.

Award claims must be made by September 1, 2020, and a determination of award amounts for eligible claimants must be made by March 1, 2021.

While the circumstances leading to this bill are different, the process established here is roughly similar to a process used to provide damage settlements to victims of the I-35W bridge collapse in Minneapolis in 2007.

Summary

Section	Description
---------	-------------

- | | |
|---|--|
| 1 | <p>Purpose; emergency assistance for damage due to civil unrest.</p> <p>Establishes legislative findings that recognize the circumstances that led to civil unrest in Minneapolis and St. Paul in May and June of 2020, and the subsequent damage to businesses and other private property that occurred as a result. This section also states the intent of the award process established by this bill: to provide</p> |
|---|--|

Section	Description
	a onetime disaster assistance payment to provide support to eligible persons for losses not covered by insurance.
2	Definitions. Establishes definitions for key terms used in the bill, including “damage,” “eligible person,” and “eligible zone.”
3	Consideration and payment of damage awards. Creates a special master panel, consisting of between three and nine attorneys, to administer a damage award process for eligible applicants. Subd. 1. Special master panel; appointment. Provides details on the appointment of the special master panel. Members of the panel are appointed by the governor, and must be attorneys experienced in legal and business issues involving the calculation of damage awards. Members of the panel must also be knowledgeable and representative of the impacted communities. Standards for pay and expenses are also provided. Subd. 2. Staff; community outreach. Permits the commissioner of management and budget to hire staff to assist the panel in its work. Current state employees and contractors may also be used to support the work. The panel is also required to engage nonprofit organizations to assist with community outreach and in providing technical assistance to applicants when submitting a claim. Subd. 3. General duties; procedure. Directs the panel to make damage awards, and authorizes it to establish procedures, rules, and forms necessary for eligible applicants to make a claim. These procedures, rules, and forms are not subject to the rulemaking provisions of law. Subd. 4. Deadlines. Establishes a September 1, 2020, deadline for the submission of claim requests, and a deadline of March 1, 2021, for the panel to make determination of an award amount for each eligible applicant. The panel is permitted to consider late-arriving claims on a case-by-case basis. Subd. 5. Calculation of award amount. Establishes the method of determining an award amount for each eligible applicant. A person’s award would start with a base amount, determined after considering the amount of damages suffered that are not covered by insurance. After that base amount is calculated, the panel is permitted to provide an equity adjustment – up or down – based on the totality of the person’s circumstances.

Section	Description
---------	-------------

Award determinations for any individual person may not be made until the panel has received and considered all of the claims filed prior to the September 1 deadline. If the total amount of eligible claims exceeds the available funding for making awards, the panel must proportionally reduce awards as necessary to match the available amount.

The panel is not permitted to consider or determine whether the applicant, or any other person, is responsible for the damage when making an award calculation.

Subd. 6. Payment. Requires the commissioner of management and budget to make payments to the eligible person within 30 days after receiving proper documentation from the panel describing the award amount.

Subd. 7. Immunity; indemnification. Provides that members of the panel are subject to the same immunity and indemnification protections provided in law to other state employees.

Subd. 8. Data practices; open meetings. Establishes data practices and open meeting standards for the panel. The only public data related to an award is the amount awarded and the name of the recipient. The panel's meetings are not subject to the open meetings law.

Subd. 9. Effect of awards process. Provides that the panel's determination of an award amount is final and may not be appealed. The award may also not be used in a future court proceeding to determine the rights, responsibilities, or duties of any person. Members of the panel are prohibited from testifying in a civil or administrative proceeding regarding their work.

4	Relationship to other law.
---	-----------------------------------

Describes how the work of the panel interacts with obligations provided in other state laws.

Subd. 1. No state liability or duty created. Provides that the awards process is not an admission of liability on the part of the state or a local government for any damage that occurred.

Subd. 2. Payments as additional compensation. Specifies that the award process is intended to supplement any payments that are required to be paid by another person under law or a contract.

Subd. 3. Payments from other sources. Specifies that the awards process does not negate the obligation of other third-parties, particularly insurance

Section **Description**

companies, from making payments required under the terms of their agreement with an eligible person. These payments may not be stopped or reduced as a result of an award under this section. A list of industries specifically included in this requirement is provided.

Subd. 4. Qualification for public assistance programs. Provides that amounts received from an award under this section are not counted when determining a person's eligibility for certain health care, income maintenance, and other public assistance programs provided in law.

5 Appropriations.

Provides appropriations from the general fund to the commissioner of management and budget to make awards, as well as for the administrative expenses of the panel. A legislative report is required by April 15, 2021.



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