

**Subject** Economic response to COVID-19 peacetime emergency

**Authors** Stephenson and others

**Analyst** Anna Scholin  
Larie Pampuch  
Danyell Punelli  
Mary Mullen  
Tim Strom

**Date** May 5, 2020

## **Article 1: COVID-19 Economic Security Act: Loans During Public Emergencies**

Funds small business emergency loans in response to the COVID-19 peacetime emergency.

Allows financial institutions to open accounts for persons who have previously issued dishonored checks or been convicted of a crime related to checks.

Requires lenders to allow borrower to repay consumer small loans (a loan of \$350 or less due within 30 days) and consumer short-term loans (a loan of \$1,000 or less due within 60 days) in equal amounts over a period of 12-months during the COVID-19 peacetime emergency until February 15, 2021.

### **Section Description: Article 1 – Loans During Public Emergencies**

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**1 Required information.**

Removes inoperative language.

Effective date. This section is effective the day following final enactment.

**2 Confirmation.**

Allows a financial institution to open a transaction account, or allow signatory power over a transactional account, for a person who has previously issued dishonored checks or been convicted of a crime related to checks.

Effective date. This section is effective the day following final enactment.

**3 Repayment of consumer small loans and consumer short-term loans during public health emergency.**

**Subd. 1. Definitions.** Provides definitions.

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**Subd. 2. Repayment terms during public health emergency.** (a) Requires lenders of consumer small loans and short-term loans issued during a public health emergency to allow the loans to be paid back in equal amounts over a 12-month period.

(b) Clarifies that a loan issued with the lengthened repayment period required by this section may not cost the consumer more than if the loan had been made outside of the peacetime emergency.

(c) Allows the attorney general and commissioner of commerce to oversee and enforce this section.

(d) States that a loan that does not comply with this section is void and unenforceable against the borrower.

(e) States that a lender who violates this section is subject to damages, a \$500 civil penalty, and attorney fees and court costs.

Effective date: This section is effective the day following final enactment and applies to loans issued between that date and February 15, 2021.

**4 Small business emergency loan program; transfer.**

Transfers \$5,000,000 from the loan guarantee trust fund account to the small business emergency loan account for making loans as set forth in governor's Executive Order No. 20-15.

Effective date: This section is effective the day following final enactment.

**5 Small business emergency loan program; appropriations.**

Appropriates \$50,000,000 from the general fund for small business emergency loans as set forth in governor's Executive Order No. 20-15, except that these loans are available to any business that can demonstrate a financial impact from COVID-19 and are not limited to businesses in industries specifically mentioned in the governor's executive orders.

Allocates:

- \$11,000,000 for loans to businesses with six or less employees; those loans are limited to \$15,000, have 12 months of deferred payments, and are 100 percent forgivable after two years.
- \$8,000,000 for loans to businesses with seven to 20 employees; those loans are limited to \$20,000, have 12 months of deferred payments, and are 75 percent forgivable over three years.

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- \$10,000,000 for loans to either minority business enterprises or operators of permanent indoor retail space that has a strong ethnic cultural orientation and is leased primarily to very small businesses; those loans that go to the operators of permanent indoor retail space have no maximum amount, have 12 months of deferred payments, are 75 percent forgivable over three years under certain conditions, and must be used primarily for maintaining existing vendors as tenants, such as through forgiveness of rent.

Directs the commissioner of management and budget to determine if federal coronavirus funding may be used for this appropriation instead; if so, the federal funds will be used and the general fund appropriation reduced dollar for dollar.

Effective date: This section is effective the day following final enactment.

**6 Appropriations given effect once.**

If an appropriation in this act is enacted more than once in the 2020 regular legislative session, the appropriation must be given effect only once.

## **Article 2: COVID-19 Economic Security Act: Grants for Broadband and Telemedicine Equipment**

This article makes grants to school districts and charter schools for broadband and other telecommunication needs and makes grants to reimburse certain medical providers for telemedicine equipment and connectivity needs.

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**1 Distance learning broadband access funding.**

**Subd. 1. Definitions.** Defines commissioner to mean the commissioner of education and defines school to mean a school district, charter school, or cooperative unit (like an intermediate school district).

**Subd. 2. Establishment; purpose.** Establishes a funding program to provide wireless or wire-line broadband access for students currently lacking internet access so that the students may participate in distance learning.

**Subd. 3. Aid amount.** Allocates the aid to each school district, charter school or cooperative unit based on the number of students enrolled in the school. Makes the per student aid equal to the total aid (\$15 million) divided by the statewide total enrollment (about 888,000 students) for a per enrollee aid amount of

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slightly less than \$17 per student. Requires the full amount of aid to be spent on qualifying activities.

**Subd. 4. Eligible expenditures.** Defines eligible expenditures to include necessary equipment for a student to use a broadband connection, the costs of emergency distance learning wireless or wire-line broadband, and the household costs for connectivity for students who did not otherwise have access to the Internet.

**Subd. 5. School to report expenditures.** Requires the schools to report their expenditures in the form and manner required by the commissioner.

Effective date: This section is effective the day following final enactment.

**2 Telemedicine equipment reimbursement grant program.**

**Subd. 1. Definitions.** Defines key terms.

**Subd. 2. Establishment.** Creates a grant program in the Department of Employment and Economic Development to award grants to reimburse certain healthcare providers (defined in subdivision 3) for the cost of telemedicine equipment necessary to provide care during the COVID-19 pandemic.

**Subd. 3. Eligible applicants.** Defines which health care entities are eligible for grants under this section. Includes community health clinics, critical access hospitals, local public health departments, county boards, primary care practices, and nursing facilities as eligible applicants.

**Subd. 4. Eligible expenditures.** Allows grants to be used to reimburse for the purchase and installation of telemedicine equipment necessary to provide care during the COVID-19 pandemic.

**Subd. 5. Application; review.** Requires applicants to submit an application to the commissioner of employment and economic development, stating the amount requested and the type and intended use of the equipment. Directs the commissioner to award grants first-come, first-served, with priority to applicants serving uninsured, underinsured, and medically underserved individuals or located in areas the commissioner of health has determined would be particularly helpful during the pandemic.

**Subd. 6. Limitation.** Allows the commissioner to establish a maximum grant amount.

**Subd. 7. Assistance from other federal coronavirus-related sources.** Requires grantees that receive federal funds for a similar purpose to notify the

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commissioner; if the total received exceeds the cost of the equipment, the commissioner must reduce the state grant accordingly.

**3 Appropriations.**

Appropriates \$15 million for emergency distance learning wireless needs, \$2 million for telemedicine needs, and \$10 million for border-to-border broadband needs. Makes all of the appropriations during fiscal year 2020 from general fund money but requires the commissioner of management and budget to replace the state aid with federal fund for the Coronavirus Aid, Relief, and Economic Security (CARES) Act if so allowed.

Effective date: This section is effective the day after final enactment.

### **Article 3: COVID-19 Economic Security Act: Housing Assistance**

This article provides financial assistance to residential tenants, homeowners, and manufactured home owners to pay for housing costs if they have lost income due to COVID-19. This section also limits landlords from assessing late fees and terminating or failing to renew leases during the peacetime emergency, and initiating evictions after a peacetime emergency related to COVID-19. This section also prevents foreclosures from being started during a peacetime emergency related to COVID-19.

**Effective dates.** All of the provisions of this article are effective the day following final enactment. Tenant’s rights apply to actions taken during a peacetime emergency related to COVID-19, and the moratorium on foreclosures apply to actions taken after the date of final enactment.

**Section Description: Article 3 – Housing Assistance**

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**1 Eviction notice and late fees; state of emergency.**

Prohibits landlords from changing late fees and terminating leases or failing to renew leases during a peacetime emergency related to COVID-19 until January 15, 2021. This section also requires landlords in residential units to provide a notice after a peacetime emergency related to COVID-19 before initiating an eviction action. A defendant tenant may request an action against them be dismissed if the landlord has violated the provision of this section.

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**2 Foreclosure; state of emergency.**

Prevents the initiation of a foreclosure by advertisement or judicial action from the date of enactment during a peacetime emergency related to COVID-19 until January 15, 2021.

**3 Assistance fraud.**

Provides that an individual who lies while attempting to claim relief under the tenant’s rights or foreclosure moratorium, or in an application for rental assistance, is guilty of public assistance fraud.

**4 Appropriation; 2020 emergency housing assistance grants.**

Provides \$100 million dollars in funding to the Minnesota Housing Finance Agency to administer a grant fund under the Family Homeless Prevention and Assistance Program to provide funding to households to pay rent, mortgage payments, mobile home lot rent, or payments on a contract for deed, as well as utility payments and property taxes in order to remain in their home after they have lost income due to illness related to COVID-19, or due to lost income because of a government action related to COVID-19. This section provides grant distribution requirements, grant eligibility, and requires the agency to submit a report on the use of the funding.

**5 Alternate appropriation.**

Requires that if the funding provided in section 4 is an eligible expenditure under the federal CARES Act funding, then the CARES Act funding shall be appropriated for the 2020 emergency housing assistance grants and that money appropriated in section 4 be returned to the general fund.

**Article 4: COVID-19 Economic Security Act: Personal Care Assistants**

This article modifies the personal care assistance (PCA) program by increasing the monthly limit on the number of hours a personal care assistant may provide PCA services under MA, temporarily suspending the prohibition on parents of minors who are receiving PCA services or the spouse of a recipient from providing and being paid for providing PCA services under MA, and temporarily increasing PCA rates and enhanced rates by 15 percent in response to COVID-19.

**Section Description: Article 4 – Personal Care Assistants**

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**1 Personal care assistant; requirements.**

Amends § 256B.0659, subd. 11. Increases the monthly limit on the number of hours a personal care assistant may provide PCA services under MA from 275 hours to 310 hours. Provides an immediate effective date.

**2 Support workers requirements.**

Amends § 256B.85, subd. 16. Increases the monthly limit on the number of hours a support worker may provide CFSS services under MA from 275 hours to 310 hours. Provides an immediate effective date.

**3 Temporary allowance of PCA compensation for services provided by a parent or spouse.**

Allows a parent, stepparent, or legal guardian of a minor who is receiving PCA services or the spouse of a PCA recipient to provide and be paid for providing PCA services during the peacetime emergency declared for the COVID-19 outbreak. Specifies this section expires January 31, 2021, or 60 days after the peacetime emergency declared by the governor for the COVID-19 outbreak is terminated or rescinded by the proper authority, whichever is earlier. Specifies that this section is effective the day following final enactment or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.

**4 Appropriation; PCA temporary rate increase.**

Appropriates an unspecified amount for a temporary 15 percent PCA rate increase.

**Subd. 1. Definitions.** Defines “commissioner,” “covered program,” “direct support professional,” and “direct support services.”

**Subd. 2. Temporary rates for direct support services.** Paragraph (a) requires the commissioner to temporarily increase rates and enhanced rates by 15 percent for covered programs and the PCA program to respond to COVID-19 while this section is effective.

Paragraph (b) requires providers that receive the temporary rate increase to use at least 80 percent of the additional revenue to increase wages, salaries, and benefits for personal care assistants, and to use the remainder of the additional revenue for activities and items necessary to comply with the CDC guidance on sanitation and personal protective equipment.

**Subd. 3. Capitation rates and directed payments.** Paragraph (a) requires managed care plans and county-based purchasing plans to increase PCA rates and enhanced rates by 15 percent for direct support services.

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Paragraph (b) requires the commissioner to adjust capitation rates paid to managed care plans and county-based purchasing plans as needed to maintain expected medical loss ratios.

Paragraph (c) requires contracts between the plans and providers to allow recovery of payments from providers if federal approval is not obtained and the commissioner reduces capitation payments as a result.

**Subd. 4. Consumer-directed community supports (CDCS) budgets.** Requires lead agencies to temporarily increase the budget for each CDCS recipient to reflect the 15 percent increase for direct support services.

**Subd. 5. Consumer support grants; increased maximum allowable grant.** Requires the commissioner to temporarily increase the maximum allowable monthly grant level for each consumer support grant recipient to reflect the 15 percent increase for direct support services.

**Subd. 6. Distribution plans.** Paragraph (a) requires provider agencies and individual providers that receive the temporary rate increase to prepare and submit to the commissioner upon request a distribution plan that specifies the additional amount and proposed uses of the additional revenue the provider will receive.

Paragraph (b) requires providers to post the distribution plan and instructions on how to file an appeal with the commissioner if the direct support professional does not believe they have received the wage increases or benefits specified in the distribution plan.

**Subd. 7. Expiration.** Specifies this section expires January 31, 2021, or 60 days after the peacetime emergency declared by the governor for the COVID-19 outbreak is terminated or rescinded by the proper authority, whichever is earlier.

Specifies this section is effective the day following final enactment or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.

**5 Appropriation; personal care assistance.**

Paragraph (a) appropriates \$43,000 in fiscal year 2020 and \$26,170,000 in fiscal year 2021 from the general fund to the commissioner of human services to implement the PCA provisions in this act. Specifies this is a onetime appropriation.

Paragraph (b) requires the commissioner of MMB to determine if any expenditure under this section is eligible for federal CARES Act funding. If the commissioner of MMB determines that an expenditure is eligible for federal CARES Act funding,



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requires the funding for the eligible expenditure to be appropriated from the account where CARES Act money has been deposited and the corresponding amount appropriated in this section cancels to the general fund.



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