

**Subject** Coronavirus aid and grant distributions to local governments

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### Overview

Provides \$667 million in onetime aids and grants to local governments for COVID-19 related expenses in calendar year 2020.

## Summary

Section	Description
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1	<b>Coronavirus relief fund; local government distributions.</b>
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**Subd. 1. Definitions.** Defines “commissioner” as the commissioner of revenue and defines a number of other terms for this section. Included in these definitions is the requirement that eligible cities and eligible towns have a population of 500 or more and eligible counties have a population of less than 500,000.

**Subd. 2. Local government distribution amounts.** Sets distribution amounts for eligible towns, eligible cities, and eligible counties:

- For eligible towns, the distribution is \$25 multiplied by the population of the town.
- For eligible cities, the distribution is equal to a dollar amount per capita that is the same for all eligible cities, which when set, equals the total distribution for eligible cities. This amount is approximately \$51.99 per capita.
- For eligible counties, the distribution is equal to the sum of (1) a dollar amount multiplied by the total county population, and (2) \$21.91 multiplied by the population within the county located outside of an eligible city or town. The amount under (1) is approximately \$79.54.

**Subd. 3. Distribution schedule.** Requires the commissioner to distribute funds by June 15, 2020.

**Section** **Description**

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**Subd. 4. Allowed uses.** Requires that aid distributions received by local governments be used for purposes consistent with the requirements of the CARES Act (title V of Public Law 116-136).

This subdivision also requires eligible counties to use at least 18 percent of their aid for emergency financial assistance to individuals or for economic support for businesses. A county must also share a portion of its aid with its cities and towns with a population under 500 to reimburse them for documented allowed COVID-19 expenses. The amount shared is the lesser of the documented expenses or \$25 per capita to each city or town. The county may distribute more than that to a city or town but the distribution may not exceed documented expenses.

**Subd. 5. Local government collaborative agreements.** Allows local governments to enter into collaborative agreements to share aid distributions.

**Subd. 6. Expenditure time limits.** Requires local governments to return to the commissioner any aid amount that was not spent by October 1, 2020. For local governments that have entered into an agreement under subdivision 5, any aid amounts unspent by December 15, 2020, must be returned to the commissioner. Unspent aid amounts are returned to the coronavirus relief federal fund.

**Subd. 7. Repayment of improperly spent federal funds.** Requires the commissioner to recoup money from a local government if the Department of the Treasury has determined that the state is subject to recoupment under the CARES Act, and the recoupment is the result of a local government spending the aid improperly. If the local government fails to repay the recoupment amount to the state, the local government must include in its next tax levy the full amount owed.

**Subd. 8. Onetime grants.** Allows the commissioner to make grants to local governments. The grants may be used for any purpose allowed by the CARES Act, with preference given to local governments with high outbreaks of the virus, local governments with new and unanticipated costs associated with COVID-19, and local governments establishing or conducting a recovery project or a recovery coordination office related to COVID-19.

**Subd. 9. Appropriations.** Appropriates \$667,156,931 in fiscal year 2020 from the coronavirus relief federal fund for aid distributions and grants under this section. Of this amount:

- \$255,187,800 must be used for aids to eligible towns and cities;
- \$311,896,090 must be used for aids to eligible counties; and
- \$100,073,041 must be to make grants under subdivision 8.



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