

CHAPTER 50--S.F.No. 2677

An act relating to state government; repaying federal unemployment insurance trust fund loans; replenishing the unemployment insurance trust fund; freezing the base tax rate for employers; eliminating the additional assessment for calendar years 2022 and 2023; establishing a zero percent special assessment rate for calendar year 2022; authorizing frontline worker payments; managing use of COVID-19 funds; appropriating money; repealing Laws 2021, First Special Session chapter 12, article 5, section 3.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1**UNEMPLOYMENT INSURANCE TRUST FUND****Section 1. APPROPRIATION; UNEMPLOYMENT INSURANCE TRUST FUND LOAN REPAYMENT AND REPLENISHMENT.**

Subdivision 1. **Appropriation.** \$2,324,175,000 from the state fiscal recovery federal fund and \$405,825,000 from the general fund in fiscal year 2022 are appropriated to the commissioner of employment and economic development for the purposes of this section.

Subd. 2. **Repayment.** Within ten days following enactment of this section, the commissioner must determine the sum of any outstanding loans and any interest accrued on the loans from the federal unemployment insurance trust fund, and issue payments to the federal unemployment trust fund equal to that sum.

Subd. 3. **Replenishment.** Following the full repayment of outstanding loans from the federal unemployment insurance trust fund, the commissioner must deposit into the unemployment insurance trust fund all the remaining money appropriated in this section.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. UNEMPLOYMENT BASE TAX RATE AND ASSESSMENT FOR CALENDAR YEARS 2022 AND 2023.

Subdivision 1. **Tax rate.** Notwithstanding Minnesota Statutes, section 268.051, subdivision 2, in calendar years 2022 and 2023, the base tax rate under Minnesota Statutes, section 268.051, subdivision 2, paragraph (b), is one-tenth of one percent.

Subd. 2. **Additional assessment.** Notwithstanding Minnesota Statutes, section 268.051, subdivision 2, in calendar years 2022 and 2023, the additional assessment under Minnesota Statutes, section 268.051, subdivision 2, paragraph (c), is zero percent.

Subd. 3. **Special assessment.** Notwithstanding Minnesota Statutes, sections 268.051, subdivision 8, and 268.194, subdivision 6, paragraph (c), in calendar year 2022, the special assessment under Minnesota Statutes, section 268.051, subdivision 8, is zero percent.

Subd. 4. **Employer credits, refunds.** Notwithstanding any law to the contrary, the commissioner of employment and economic development must credit or refund each taxpaying employer for:

(1) any base tax rate amount assessed and paid for calendar year 2022 under Minnesota Statutes, section 268.051, subdivision 2, paragraph (b), that is greater than one-tenth of one percent;

(2) any additional assessment amount assessed and paid for calendar year 2022 under Minnesota Statutes, section 268.051, subdivision 2, paragraph (c); and

(3) any special assessment amount assessed and paid for calendar year 2022 under Minnesota Statutes, section 268.051, subdivision 8.

Subd. 5. **Waiving of penalties and interest.** Notwithstanding any law to the contrary, the commissioner must waive any interest or penalties accrued on first quarter 2022 taxes due on April 30, 2022, but not paid on or before May 31, 2022.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 3. **REPEALER.**

Laws 2021, First Special Session chapter 12, article 5, section 3, is repealed.

EFFECTIVE DATE. This section is effective the day following final enactment.

ARTICLE 2

FRONTLINE WORKER PAYMENTS

Section 1. **FRONTLINE WORKER PAYMENTS; PUBLIC PURPOSE.**

This article is intended to provide payments to frontline workers whose work put them at risk of contracting COVID-19 during the peacetime emergency declared by the governor in Executive Order 20-01. The legislature finds that payments under this section specifically, and under the premium pay provisions of the American Rescue Plan Act of 2021 generally, have a public purpose and benefit the people of Minnesota by:

(1) responding to the extraordinary circumstances of the COVID-19 pandemic which resulted in the peacetime emergency; and

(2) compensating workers for working in conditions that, in many cases, exceeded what was originally contemplated in their employment agreement to ensure our state was able to continue functioning during the pandemic.

Sec. 2. **FRONTLINE WORKER PAYMENTS.**

Subdivision 1. **Program established; payments authorized.** To the extent feasible, the commissioner of revenue, in coordination with the commissioners of labor and industry and employment and economic development, must make payments to eligible frontline workers as provided in this section.

Subd. 2. **Frontline sector defined.** "Frontline sector" means the following sectors:

(1) long-term care and home care;

- (2) health care;
- (3) emergency responders;
- (4) public health, social service, and regulatory service;
- (5) courts and corrections;
- (6) child care;
- (7) schools, including charter schools, state schools, and higher education;
- (8) food service, including production, processing, preparation, sale, and delivery;
- (9) retail, including sales, fulfillment, distribution, and delivery;
- (10) temporary shelters and hotels;
- (11) building services, including maintenance, janitorial, and security;
- (12) public transit;
- (13) ground and air transportation services;
- (14) manufacturing; and
- (15) vocational rehabilitation.

Subd. 3. **Eligible frontline workers.** (a) An individual is eligible to receive a payment under this section if the individual:

(1) was employed for at least 120 hours in Minnesota in one or more frontline sectors during the time period beginning March 15, 2020, and ending June 30, 2021;

(2) for the hours worked under clause (1), was not able to telework due to the nature of the individual's work and worked in close proximity to individuals outside of the individual's household;

(3) meets the income requirement in paragraph (b); and

(4) did not receive an unemployment insurance benefit payment or serve a nonpayable week under Minnesota Statutes, section 268.085, subdivision 1, clause (6), for more than 20 weeks on a cumulative basis for weeks between March 15, 2020, and June 26, 2021. An unemployment insurance benefit payment shall include payments made by the state of Minnesota under Minnesota Statutes, sections 268.001 to 268.23, pandemic emergency unemployment compensation, extended benefits, pandemic unemployment assistance, federal pandemic unemployment compensation, lost wages assistance, mixed earnings unemployment compensation, and trade readjustment allowance. Unemployment insurance benefit payments shall include the amounts withheld from an unemployment insurance benefit payment for income tax, deducted for a child support obligation or an offset from unemployment benefits under Minnesota Statutes, section 268.18, subdivision 3a. Unemployment insurance benefit payments shall include amounts found to be overpaid under Minnesota Statutes, section 268.18. The calculations under this clause shall be made based exclusively on data held by DEED as of the effective date of this act.

(b) To qualify for a payment, an individual's adjusted gross income, as defined in Minnesota Statutes, section 290.01, subdivision 21a, as amended to April 1, 2022, must be less than the following amounts for at least one of the taxable years beginning after December 31, 2019, and before January 1, 2022:

(1) for an individual who was employed in an occupation with direct COVID-19 patient care responsibilities, \$350,000 for a married taxpayer filing a joint return and \$175,000 for all other filers; or

(2) for all other individuals, \$185,000 for a married taxpayer filing a joint return and \$85,000 for all other filers.

Subd. 4. **Application; verification of eligibility.** (a) To qualify for a payment under this section, an individual must apply to the commissioner of labor and industry in the form and manner specified by the commissioner. As part of the application, an individual must certify to the commissioner of labor and industry that the individual meets the eligibility requirements in subdivision 3.

(b) As soon as practicable after final enactment of this act, the commissioner of labor and industry must establish a process for accepting applications for payments under this section and begin accepting applications. The commissioner must not accept an application submitted more than 45 days after opening the application period.

(c) The commissioner of labor and industry must assist applicants in submitting an application under this section, including but not limited to:

(1) establishing a multilingual temporary help line for applicants; and

(2) offering multilingual applications and multilingual instructions.

(d) To the extent possible, the commissioners of revenue, employment and economic development, and labor and industry must verify applicant eligibility for a payment under this section.

(e) An applicant for a payment under this section may appeal a denial of eligibility under this subdivision to the commissioner of labor and industry within 15 days of notice of denial. The commissioner of labor and industry's decision on an appeal is final.

(f) The commissioner of labor and industry may contract with a third party to implement part or all of the application process and assistance required under this subdivision.

Subd. 5. **Eligibility; payments.** (a) After the deadline for applications under subdivision 4 has elapsed, the commissioner of revenue must determine the payment amount based on available appropriations and the number of applications received from eligible frontline workers. The payment amount must be the same for each eligible frontline worker and must not exceed \$1,500.

(b) As soon as practicable, the commissioner of revenue must make payments of the amount determined under paragraph (a) to all eligible frontline workers who applied in accordance with subdivision 4.

(c) The commissioner of revenue may contract with a third party to implement part or all of the payment process required under this subdivision.

(d) If the commissioner of revenue determines that a payment was made under this section to an ineligible individual, the commissioner may issue an order of assessment to the individual receiving the payment for the amount of the payment. The order must be made within two years after the date of the payment or six years after the date of the payment in the case of fraud. The audit, assessment, appeal, collection, enforcement, and administrative provisions of Minnesota Statutes, chapters 270C and 289A, apply to the orders issued under this section.

Subd. 6. **Data practices.** (a) Data collected or created by the commissioners of revenue, labor and industry, and employment and economic development because an individual has sought information about,

applied for, been denied, or received a payment under this section are classified as nonpublic data or private data on individuals, as defined in Minnesota Statutes, section 13.02, subdivisions 9 and 12.

(b) Data classified as nonpublic data or private data on individuals, including return information, as defined in Minnesota Statutes, section 270B.01, subdivision 3, may be shared or disclosed between the commissioners of revenue, employment and economic development, and labor and industry, and any third-party vendor contracted with under subdivision 4, to the extent necessary to verify eligibility and administer payments under this section.

Subd. 7. **Notice requirement.** (a) No later than 15 days after the application period is opened under subdivision 4, employers in a frontline sector must provide notice, in a form approved by the commissioner of labor and industry, advising all current workers who may be eligible for payments under this section of the assistance potentially available to them and how to apply for benefits. An employer must provide notice using the same means the employer uses to provide other work-related notices to employees.

(b) Notice provided under paragraph (a) must be at least as conspicuous as:

(1) posting a copy of the notice at each work site where workers work and where the notice may be readily observed and reviewed by all workers working at the site; or

(2) providing a paper or electronic copy of the notice to all workers.

Subd. 8. **Payments not to be considered income.** (a) For the purposes of this subdivision, "subtraction" has the meaning given in Minnesota Statutes, section 290.0132, subdivision 1, and the rules in that subdivision apply for this subdivision. The definitions in Minnesota Statutes, section 290.01, apply to this subdivision.

(b) The amount of frontline worker payments received under this section is a subtraction.

(c) Frontline worker payments under this section are excluded from income, as defined in Minnesota Statutes, sections 290.0674, subdivision 2a, and 290A.03, subdivision 3.

(d) Notwithstanding any law to the contrary, payments under this section must not be considered income, assets, or personal property for purposes of determining eligibility or recertifying eligibility for:

(1) child care assistance programs under Minnesota Statutes, chapter 119B;

(2) general assistance, Minnesota supplemental aid, and food support under Minnesota Statutes, chapter 256D;

(3) housing support under Minnesota Statutes, chapter 256I;

(4) Minnesota family investment program and diversionary work program under Minnesota Statutes, chapter 256J; and

(5) economic assistance programs under Minnesota Statutes, chapter 256P.

(e) The commissioner of human services must not consider frontline worker payments under this section as income or assets under Minnesota Statutes, section 256B.056, subdivision 1a, paragraph (a); 3; or 3c, or for persons with eligibility determined under Minnesota Statutes, section 256B.057, subdivision 3, 3a, or 3b.

Subd. 9. **Report.** No later than 90 days following the end of the payments to eligible frontline workers under subdivision 5, the commissioners of revenue and labor and industry shall report to the legislative

committees with jurisdiction over economic development policy and finance about the program established under this section. The report must include:

(1) the number of eligible frontline workers who applied, including the number in each sector and county, and the payment each worker received;

(2) if the initial payment to frontline workers under subdivision 5 was less than \$1,500, the additional appropriation needed to provide an additional payment equal to the difference between \$1,500 and the payment amount under subdivision 5; and

(3) the number of applications that were denied and the reason for denial.

Subd. 10. **Procurement.** The commissioners of labor and industry and revenue are exempt from the requirements of Minnesota Statutes, sections 16A.15, subdivision 3; 16B.97; and 16B.98, subdivisions 5, 7, and 8; and chapter 16C, and any other state procurement laws and procedures in administering the program under this section.

Subd. 11. **Appropriations.** (a) \$500,000,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of revenue for payments under this section. This is a onetime appropriation.

(b) \$11,650,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of labor and industry for administrative costs to implement the payments under this section.

(c) The commissioner of labor and industry may transfer money from this appropriation to the commissioner of revenue or the commissioner of employment and economic development for administrative costs to implement the program and payments under this section.

(d) The appropriations in this subdivision are available until June 30, 2023.

Subd. 12. **Audit.** The Office of the Legislative Auditor is encouraged to begin work on an audit of the use of all funds appropriated under subdivision 11 no later than February 1, 2023.

EFFECTIVE DATE. (a) Unless otherwise specified, this section is effective the day following final enactment.

(b) Subdivision 8, paragraphs (a), (b), and (c), are effective for taxable years beginning after December 31, 2021, and before January 1, 2024, for property tax refunds based on rent paid in 2021 or 2022, and for property tax refunds based on property taxes payable in 2022 or 2023. Subdivision 8, paragraphs (d) and (e), are effective the day following final enactment, except for a program for which federal approval is required, changes affecting the program are effective upon federal approval.

Sec. 3. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation in this act is enacted more than once during the 2022 regular session, the appropriation is to be given effect only once.

EFFECTIVE DATE. This section is effective the day following final enactment.

ARTICLE 3
COVID-19 MANAGEMENT

Section 1. **APPROPRIATION; COVID-19 MANAGEMENT.**

(a) \$190,000,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of management and budget to pay for COVID-19 management costs incurred between May 23, 2022, and February 15, 2023, for testing, vaccinations, COVID-19 outbreak management, local and Tribal health, public education, and health system supports. The commissioner may transfer funds appropriated in this section to state agencies as necessary. This is a onetime appropriation and is available until March 31, 2023.

(b) The Legislative COVID-19 Response Commission, established under Laws 2020, chapter 71, article 1, section 7, must review a proposed allocation of the appropriation in this section as provided in paragraphs (c), (d), and (e), before the commissioner may expend the appropriation.

(c) The commissioner of management and budget must submit proposed single expenditures of the appropriation in this section that exceed \$2,500,000 to the Legislative COVID-19 Response Commission for its review and recommendations. The submission must include the total amount of the proposed expenditure, the purpose of the proposed expenditure, the time period of the proposed expenditure, and any additional information the commissioner of management and budget determines necessary to properly document the proposed expenditure. Upon receiving a submission, the commission has three days after the request is submitted to review the proposed expenditures.

(d) Commission members may make a positive recommendation, a negative recommendation, or no recommendation on a proposed expenditure. If a majority of the commission members from the senate or a majority of the commission members from the house of representatives make a negative recommendation on a proposed expenditure, the commissioner is prohibited from expending the money. If a majority of the commission members from the senate or a majority of the commission members from the house of representatives do not make a negative recommendation, or if the commission makes no recommendation, the commissioner may expend the money.

(e) The commission may hold a public meeting to approve or disapprove a proposed expenditure from the appropriation in this section. Notwithstanding Minnesota Statutes, section 3.055, the commission may conduct a public meeting remotely. The commission may approve or disapprove proposed expenditures without a public meeting. The commission members may approve or disapprove proposed expenditures via written communication sent to the commissioner of management and budget. Notwithstanding Laws 2020, chapter 71, article 1, section 7, if a commission member is unable to review a particular expenditure, a designee from the commission member's legislative body may serve as a designee on behalf of the absent member.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. **LEGISLATIVE COVID-19 RESPONSE COMMISSION.**

Laws 2020, chapter 71, article 1, section 7, as amended by Laws 2020, chapter 81, sections 1 and 2, is revived and reenacted as of December 30, 2020.

EFFECTIVE DATE. This section is effective retroactively from December 30, 2020, and applies to duties required under this article.

Presented to the governor April 29, 2022

Signed by the governor April 29, 2022, 7:49 p.m.