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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 2844

03/13/2023 Authored by Lillie, Jordan, Hussein, Sencer-Mura, Her and others
The bill was read for the first time and referred to the Committee on State and Local Government Finance and Policy

1.1 A bill for an act
1.2 relating to state government; appropriating money for cultural community rescue
1.3 restart grants; requiring a report.

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

1.5 Section 1. CULTURAL COMMUNITY RESCUE RESTART GRANTS.

1.6 Subdivision 1. Definitions. (a) For the purposes of this section, the terms in this
1.7 subdivision have the meanings given.

1.8 (b) "Board" means the Minnesota State Arts Board.

1.9 (c) "Eligible organization" means an entity the board determines to be eligible to receive
1.10 a grant under subdivision 3 or 4.

1.11 Subd. 2. Grant awards. The board must award a grant to an eligible organization under
1.12 this section. No eligible organization may receive more than one grant under this section.

1.13 Subd. 3. Eligibility of certain nonprofits and not-for-profits. To be eligible for a grant
1.14 under this subdivision, an organization must:

1.15 (1) be a 501(c)(3) or equivalent not-for-profit arts or cultural organization;

1.16 (2) have primary operations located in Minnesota;

1.17 (3) have received funding in fiscal year 2019, fiscal year 2020, or fiscal year 2021 from
1.18 the arts and cultural heritage fund, the Minnesota State Arts Board, one of the regional arts
1.19 councils, the Minnesota Humanities Center, or the Minnesota Historical Society and must
1.20 have complied with all requirements related to that funding;

2.1 (4) have been an entity operating on May 1, 2020, and be able to demonstrate the
2.2 nonprofit will likely be an operating entity on May 1, 2024; and

2.3 (5) have experienced financial hardship as a result of the COVID-19 pandemic and be
2.4 able to demonstrate at least a 25 percent reduction in gross receipts between comparable
2.5 quarters in 2019 and 2020.

2.6 Subd. 4. **Eligibility of certain live entertainment organizations.** (a) To be eligible for
2.7 a grant under this subdivision, an organization must have its principal place of business in
2.8 Minnesota and:

2.9 (1) have received a Shuttered Venue Operators grant; or

2.10 (2) be an organization directly engaged in the procurement, promotion, production, or
2.11 presentation of live entertainment events to an in-person audience that:

2.12 (i) demonstrates that the organization:

2.13 (A) derived at least 33 percent of its 2022 revenue from the sale of tickets for live events;
2.14 or

2.15 (B) is directly reliant on ticketed live entertainment events but is not directly in receipt
2.16 of those ticket revenues; and

2.17 (ii) currently employs no more than 60 full-time equivalent employees, defined as an
2.18 employee who worked on average 30 hours of service per week or 130 hours of service per
2.19 month.

2.20 (b) The following entities are not eligible for a grant under this subdivision:

2.21 (1) bars, restaurants, and other facilities whose primary source of revenue is not
2.22 entertainment events;

2.23 (2) multinational or publicly owned companies; and

2.24 (3) adult entertainment operations.

2.25 Subd. 5. **Application.** An eligible organization may apply for a grant under this section.

2.26 Subd. 6. **Grant amounts; process; permissible uses.** (a) The amount of a grant awarded
2.27 under this section must be based on total revenue reported to the IRS for 2019 or, if the
2.28 eligible organization did not have revenue reported to the IRS in 2019, the organization's
2.29 second-year operating revenue, as follows:

2.30 (1) revenue of \$9,000,000 to \$19,999,999 receive \$700,000 each;

2.31 (2) revenue of \$1,700,000 to \$8,999,999 receive \$350,000 each;

3.1 (3) revenue of \$500,000 to \$1,699,999 receive \$110,000 each;

3.2 (4) revenue of \$150,000 to \$499,999 receive \$80,000 each;

3.3 (5) revenue of \$25,000 to \$149,999 receive \$40,000 each; and

3.4 (6) revenue of under \$25,000 receive \$25,000, but the award amount may not exceed
3.5 100 percent of 2019 revenue.

3.6 (b) The board must develop forms, applications, and reporting requirements for use by
3.7 eligible organizations. All organizations applying for a grant must include as part of their
3.8 application a plan for continued operation.

3.9 (c) Only revenues that can be confirmed as being spent for the benefit of Minnesotans
3.10 are eligible for the calculation of grants under this section. The recipient of a grant under
3.11 this section must use grant money to pay for the recipient's operating expenses.

3.12 (d) All grants and grant-making processes under this section are exempt from Minnesota
3.13 Statutes, sections 16A.15, subdivision 3; 16B.97; and 16B.98, subdivisions 5, 7, and 8. The
3.14 board must audit the use of grant funds under this section in accordance with standard
3.15 accounting practices. The exemptions under this paragraph expire on December 31, 2023.

3.16 Subd. 7. **Report to the legislature.** By January 15, 2025, the board must submit a report
3.17 to the chairs and ranking minority members of the legislative committees with jurisdiction
3.18 over state government detailing the use of funds under this section.

3.19 **Sec. 2. APPROPRIATIONS.**

3.20 (a) \$9,000,000 in fiscal year 2024 is appropriated from the general fund to the Minnesota
3.21 State Arts Board to provide grants under section 1. This is a onetime appropriation and is
3.22 available until June 30, 2025.

3.23 (b) \$1,000,000 in fiscal year 2024 is appropriated from the general fund to the Minnesota
3.24 State Arts Board for a grant to the Minnesota Arts and Culture Coalition for a statewide
3.25 promotional campaign seeking to encourage Minnesotans to return to arts and cultural
3.26 venues.

3.27 (c) \$1,000,000 in fiscal year 2024 is appropriated from the general fund to the Minnesota
3.28 State Arts Board for a grant to the regional arts councils for outreach in underserved
3.29 communities.

3.30 (d) \$1,000,000 in fiscal year 2024 is appropriated from the general fund to the
3.31 commissioner of administration for a grant to CreativeMN to do statewide research on

- 4.1 underserved arts and cultural organizations, including data collection and identifying barriers
- 4.2 to current state funding opportunities.