

**SENATE**  
**STATE OF MINNESOTA**  
**NINETY-SECOND SESSION**

**S.F. No. 2677**

(SENATE AUTHORS: PRATT, Rarick, Duckworth, Rosen and Putnam)

DATE	D-PG	OFFICIAL STATUS
01/31/2022	4837	Introduction and first reading Referred to Jobs and Economic Growth Finance and Policy
02/03/2022	4899	Authors added Rarick; Duckworth
02/07/2022	4929	Author added Rosen
	4933a	Comm report: To pass as amended and re-refer to Finance
02/10/2022	4938a	Comm report: To pass as amended
	4954	Second reading
	4974	Author added Putnam
02/14/2022	5003	Special Order
	5011	Third reading Passed

1.1 A bill for an act

1.2 relating to unemployment insurance; repaying unemployment insurance trust fund

1.3 loans; replenishing the unemployment insurance trust fund; freezing the base tax

1.4 rate for employers; eliminating the additional assessment for calendar years 2022

1.5 and 2023; establishing a zero percent special assessment rate for calendar year

1.6 2022; eliminating a revenue replacement transfer; appropriating money; repealing

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

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

1.9 Section 1. **APPROPRIATION; UNEMPLOYMENT INSURANCE TRUST FUND**

1.10 **LOAN REPAYMENT AND REPLENISHMENT.**

1.11 Subdivision 1. **Appropriation.** \$2,321,526,000 from the state fiscal recovery federal

1.12 fund and \$408,474,000 from the general fund in fiscal year 2022 are appropriated to the

1.13 commissioner of employment and economic development for the purposes of this section.

1.14 Subd. 2. **Repayment.** Within ten days following enactment of this section, the

1.15 commissioner must determine the sum of any outstanding loans and any interest accrued

1.16 on the loans from the federal unemployment insurance trust fund, and issue payments to

1.17 the federal unemployment trust fund equal to that sum.

1.18 Subd. 3. **Replenishment.** Following the full repayment of outstanding loans from the

1.19 federal unemployment insurance trust fund, the commissioner must deposit into the

1.20 unemployment insurance trust fund all the remaining money appropriated in this section.

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

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

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

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

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

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

2.13       Sec. 3. **REPEALER.**

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

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

*Laws 2021, First Special Session chapter 12, article 5, section 3*

**Sec. 3. REVENUE REPLACEMENT; AMERICAN RESCUE PLAN ACT STATE FISCAL RECOVERY FEDERAL FUND.**

Subdivision 1. **Transfer.** \$633,100,000 in fiscal year 2023 and \$550,000,000 in fiscal year 2024 are transferred from the state fiscal recovery federal fund to the general fund for the provision of government services. The fiscal year 2024 transfer must occur prior to December 15, 2024. The transfers in this subdivision are onetime.

Subd. 2. **State appropriation alternative.** (a) If the commissioner of management and budget determines that the transfers in subdivision 1 are ineligible uses of the state fiscal recovery federal fund, the transfers in subdivision 1 are canceled, and \$633,100,000 is appropriated from the state fiscal recovery federal fund in fiscal year 2022 to the commissioner of management and budget to replace eligible general fund appropriations in the biennium beginning July 1, 2021. Money appropriated to the commissioner of management and budget is available in either year of the biennium and may be disbursed or transferred to state agencies as necessary. The general fund appropriations being replaced are canceled. The commissioner of management and budget must determine eligible appropriations consistent with Public Law 117-2, and its corresponding guidance for use of the state fiscal recovery federal fund. For purposes of this subdivision, an ineligible use includes one that violates a maintenance of effort requirement.

(b) If the commissioner of management and budget implements the appropriations in paragraph (a), the commissioner must cancel \$550,000,000 of the forecasted general fund appropriations in the biennium beginning July 1, 2023, that are eligible to be replaced with the state fiscal recovery federal fund, under Public Law 117-2, and its corresponding guidance consistent with the method used in paragraph (a). The commissioner must allocate \$550,000,000 from the state fiscal recovery federal fund from the biennium beginning July 1, 2023, to replace the canceled general fund appropriations. The allocations made by the commissioner are appropriated in fiscal year 2024 from the state fiscal recovery federal fund and are available in either year of the biennium, but must be obligated by December 31, 2024. This is a onetime appropriation.

(c) Prior to implementing any appropriations or planning estimates under this subdivision, the commissioner of management and budget must submit the proposed appropriation and planning estimate changes to the Legislative Advisory Commission for review. Legislative Advisory Commission members have up to ten days to submit any recommendations regarding the appropriations to the commissioner.

Subd. 3. **General fund restoration.** If general fund appropriations in subdivisions 2 and 3 are reduced or replaced with state fiscal recovery federal fund appropriations, those state fiscal recovery federal fund appropriations are onetime for those years indicated, and the general fund appropriation base amounts are reinstated in subsequent fiscal years.

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