



# Governor Will Distribute Coronavirus Relief Funds to Cities, Counties, and Townships

June 25, 2020

**The funds may be used for COVID-19-related costs that occur between March 1, 2020, and Nov. 15, 2020.**

Gov. Tim Walz announced today that he will distribute \$841 million in federal funds to cities, counties, and townships for coronavirus-related expenses.

The governor will use the framework of the legislative agreement debated in the recent special session, and will distribute the funds via the Legislative Advisory Commission process allowed by state law.

Under the governor's action, the Department of Revenue (DOR) will distribute a portion of the state's allocation from the Coronavirus Relief Fund, which was created by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The funds may be used for COVID-19-related costs that occur between March 1, 2020, and Nov. 15, 2020.

## Guidance for use of the funds

The U.S. Treasury Department has developed guidance and a frequently asked questions (FAQs) document for the uses of the funds. The guidance and FAQ documents have been regularly updated to clarify the allowable uses to include broader categories of costs and employees presumed to be performing work related to the pandemic or having work impacted by pandemic considerations.

The last update was issued on June 24. Local governments receiving Coronavirus Relief Funds must adhere to the parameters outlined by the CARES Act and should follow the Treasury guidance closely to ensure that any funds are expended for allowable uses.

—[Access the U.S. Treasury guidance \(https://home.treasury.gov/policy-issues/cares/state-and-local-governments\)](https://home.treasury.gov/policy-issues/cares/state-and-local-governments)

## Distributions under the plan and certification process

Under the plan, cities with populations of 200 or more will be eligible to receive a distribution from the DOR of \$75.34 per capita. Cities must certify with the Department of Revenue their intent to comply with the eligible use parameters outlined by the CARES Act prior to receiving a distribution.

The DOR will be sending an email to all cities on June 25 with more information. Distributions will be made for certification requests made by cities beginning in early July.

—[Learn more from DOR about how to apply for the funds and how much your city will receive \(https://www.revenue.state.mn.us/coronavirus-relief-fund-local-governments\)](https://www.revenue.state.mn.us/coronavirus-relief-fund-local-governments)

Cities under 200 in population will not see a direct distribution but will be eligible to receive a distribution from their county if they apply to the county before Sept. 1. Distributions would be made before Sept. 20.

Townships with a population between 200 and 4,999 will be eligible to receive a distribution from the DOR of \$25 per capita. Townships with a population of 5,000 or more will be eligible to receive a distribution \$75.34 per capita. Townships with populations under 200 are eligible to receive distributions from their counties under the same process for small cities.

Counties (except Hennepin and Ramsey, both of which met the 500,000 population threshold for a direct allocation from the U.S. Treasury) will receive \$121.28 per capita, plus an additional amount for cities and townships under 200 in population. Counties will be required to allocate funds to cities and townships under 200 in population through an application process and will also have to set aside at least 10% of their allocation for emergency financial assistance to individuals or for economic support for businesses.

Local units of government will be allowed to enter into collaborative agreements with other units of government to share aid distributions to cover COVID-related costs.

## Unused funds

If a city, county, or township does not use all of the distribution by Nov. 15, 2020, those unused funds must be returned to the home county for reuse on eligible pandemic costs. However, cities in Hennepin and Ramsey counties will return unused funds to the Hennepin County Medical Center (HCMC), Regions Hospital, or another area hospital in Hennepin or Ramsey

counties for reuse.

Any remaining aid amounts unspent by counties, HCMC, Regions Hospital, or other hospital in Hennepin or Ramsey counties by Dec. 15, 2020, must be returned to the commissioner of Revenue.

Unlike the regular session House proposal, the distribution via the LAC process follows the bill debated during special session (SF 47) and does not set aside any of the allocation to local units of government for undefined future uses. The regular session House bill had set aside \$100 million for future uses.

For more background information about SF 47, read [a previous article \(https://www.lmc.org/news-publications/news/all/coronavirus-funds-distribution/\)](https://www.lmc.org/news-publications/news/all/coronavirus-funds-distribution/).

[—Read a statement from the League of Minnesota Cities regarding allocation of CARES Act Funding \(https://www.lmc.org/about/for-the-media/news-releases/allocation-of-cares-act-funding/\)](https://www.lmc.org/about/for-the-media/news-releases/allocation-of-cares-act-funding/)

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