



# Minnesota and the American Rescue Plan



# American Rescue Plan

The American Rescue Plan Act of 2021 (ARP) — the recently enacted pandemic relief package passed by Congress and signed by President Biden — has significant impacts for Minnesota governments, businesses and individuals. Here is a summary of key provisions and how they impact Minnesota. For more information, visit the Faegre Drinker Coronavirus Resource Center.

#### State and Local Governments

Minnesota state and local governments will receive approximately \$8 billion in aid, allocated as follows:



- \$2.6 billion to the State of Minnesota.
- **\$2.1 billion** to local units of government:
  - All 87 Minnesota counties will receive federal funding, with the largest amounts going to Hennepin (\$245.5 million), Ramsey (\$106.7 million).
  - Over 2,600 Minnesota cities will receive federal funding, with the largest amounts going to Minneapolis (\$281.5 million), St. Paul (\$171.8 million).



- State and local fiscal aid can be used to cover recoupment of lost revenue, pandemic related response costs, infrastructure for broadband, sewer and water and premium pay for essential workers.
- Funds cannot be used to make a deposit into a pension trust or offset or delay a tax increase. Funds must be used by December 31, 2024.
- \$178.8 million for coronavirus related capital projects, including broadband and other necessary infrastructure.



- \$1.32 billion to assist E-12 public schools to open safely and bring students and teachers back to the classroom.
- \$552 million for Minnesota colleges and universities.



 \$337 million in transit funding to the Met Council and other urbanized transit providers in Mankato, St. Cloud, Rochester, and Duluth.



- **\$200 million** to state and local governments for emergency rental assistance.
- \$55 million for homeowner assistance.

Further federal guidance on how funds can specifically be distributed is expected in the next few weeks.



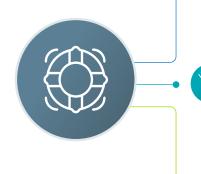
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Minnesota businesses and individuals are eligible for these federal fund programs:



#### **Businesses**

- Adds \$7.25 billion to the Paycheck Protection Program (PPP) in forgivable loans to help businesses keep their workforce employed during the pandemic, with extended eligibility for nonprofits.
- Additional \$15 billion for Shuttered Venue Operators Grant ("SVOG"). To
  qualify entities must have a fixed performance or audience space with
  a principal business activity primarily based in the performing arts. This
  assistance targets live venue operators and promoters, theatrical producers,
  arts organizations, motion picture theaters and museum operators.
- \$50 million for the State Small Business Credit Initiative.



## **Bars and Restaurants**

- Restaurants and small franchises (less than 20 locations) are eligible for tax-free grants of up to \$10 million depending on size, number of locations and amount of pandemic-related revenue loss.
- Can be used for mortgages or rent, utilities, supplies, food and beverage inventory, payroll and operational expenses



# **Individual and Family Impact**

- Stimulus Payments: Individuals who earn up to \$75,000, heads of household with up to \$112,500, and joint filers with up to \$150,000 will receive the full \$1,400 stimulus payment per individual. Payments are phased out at \$80,000 per individual, \$120,000 for heads of household and \$160,000 for joint filers.
- Tax Credits: Eligible parents receive a total of \$3,600 for each child under six and \$3,000 for each child under 18.
- UI Benefits: Additional \$300 per week UI benefit through September 6.
   First \$10,200 of UI benefits received in 2020 are non-taxable for household incomes under \$150,000.



Visit the Faegre Drinker Coronavirus Resource Center

#### **Questions? Contact Us**

Our team partners with state and local government entities and businesses like you to develop effective programming that meets the needs of the community and organizations alike. Contact us to talk about ARP options and next steps.



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