

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

S.F. No. 4538

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DATE
04/30/2020

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OFFICIAL STATUS
Introduction and first reading
Referred to Jobs and Economic Growth Finance and Policy

1.1 A bill for an act
1.2 relating to economic development; modifying conditions for forgiveness of a loan
1.3 from the Minnesota investment fund; amending Laws 2019, First Special Session
1.4 chapter 7, article 1, section 2, subdivision 2, as amended.

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

1.6 Section 1. Laws 2019, First Special Session chapter 7, article 1, section 2, subdivision 2,
1.7 as amended by Laws 2019, First Special Session chapter 12, section 4, is amended to read:

1.8 Subd. 2. **Business and Community Development** 44,931,000 42,381,000

1.9 Appropriations by Fund

1.10 General 40,756,000 38,206,000

1.11 Remediation 700,000 700,000

1.12 Workforce

1.13 Development 3,475,000 3,475,000

1.14 (a) \$1,787,000 each year is for the greater
1.15 Minnesota business development public
1.16 infrastructure grant program under Minnesota
1.17 Statutes, section 116J.431. This appropriation
1.18 is available until June 30, 2023.

1.19 (b) \$1,425,000 each year is for the business
1.20 development competitive grant program. Of
1.21 this amount, up to five percent is for
1.22 administration and monitoring of the business
1.23 development competitive grant program. All

- 2.1 grant awards shall be for two consecutive
2.2 years. Grants shall be awarded in the first year.
- 2.3 (c) \$1,772,000 each year is for contaminated
2.4 site cleanup and development grants under
2.5 Minnesota Statutes, sections 116J.551 to
2.6 116J.558. This appropriation is available until
2.7 June 30, 2023.
- 2.8 (d) \$700,000 each year is from the remediation
2.9 fund for contaminated site cleanup and
2.10 development grants under Minnesota Statutes,
2.11 sections 116J.551 to 116J.558. This
2.12 appropriation is available until June 30, 2023.
- 2.13 (e) \$139,000 each year is for the Center for
2.14 Rural Policy and Development.
- 2.15 (f) \$25,000 each year is for the administration
2.16 of state aid for the Destination Medical Center
2.17 under Minnesota Statutes, sections 469.40 to
2.18 469.47.
- 2.19 (g) \$875,000 each year is for the host
2.20 community economic development program
2.21 established in Minnesota Statutes, section
2.22 116J.548.
- 2.23 (h) \$125,000 each year is from the workforce
2.24 development fund for a grant to the White
2.25 Earth Nation for the White Earth Nation
2.26 Integrated Business Development System to
2.27 provide business assistance with workforce
2.28 development, outreach, technical assistance,
2.29 infrastructure and operational support,
2.30 financing, and other business development
2.31 activities. This is a onetime appropriation.
- 2.32 (i) \$450,000 each year is from the workforce
2.33 development fund for a grant to Enterprise
2.34 Minnesota, Inc. for the small business growth

3.1 acceleration program under Minnesota
3.2 Statutes, section 116O.115. This is a onetime
3.3 appropriation.

3.4 (j) \$250,000 the first year is for a grant to the
3.5 Rondo Community Land Trust for
3.6 improvements to leased commercial space in
3.7 the Selby Milton Victoria Project that will
3.8 create long-term affordable space for small
3.9 businesses and for build-out and development
3.10 of new businesses.

3.11 (k) \$400,000 each year is from the workforce
3.12 development fund for a grant to the
3.13 Metropolitan Economic Development
3.14 Association (MEDA) for statewide business
3.15 development and assistance services, including
3.16 services to entrepreneurs with businesses that
3.17 have the potential to create job opportunities
3.18 for unemployed and underemployed people,
3.19 with an emphasis on minority-owned
3.20 businesses. This is a onetime appropriation.

3.21 (l) \$750,000 in fiscal year 2020 is for grants
3.22 to local communities to increase the supply of
3.23 quality child care providers to support
3.24 economic development. At least 60 percent of
3.25 grant funds must go to communities located
3.26 outside of the seven-county metropolitan area
3.27 as defined under Minnesota Statutes, section
3.28 473.121, subdivision 2. Grant recipients must
3.29 obtain a 50 percent nonstate match to grant
3.30 funds in either cash or in-kind contributions.
3.31 Grant funds available under this section must
3.32 be used to implement projects to reduce the
3.33 child care shortage in the state, including but
3.34 not limited to funding for child care business
3.35 start-ups or expansion, training, facility

4.1 modifications or improvements required for
4.2 licensing, and assistance with licensing and
4.3 other regulatory requirements. In awarding
4.4 grants, the commissioner must give priority
4.5 to communities that have demonstrated a
4.6 shortage of child care providers in the area.
4.7 This is a onetime appropriation. Within one
4.8 year of receiving grant funds, grant recipients
4.9 must report to the commissioner on the
4.10 outcomes of the grant program, including but
4.11 not limited to the number of new providers,
4.12 the number of additional child care provider
4.13 jobs created, the number of additional child
4.14 care slots, and the amount of cash and in-kind
4.15 local funds invested.

4.16 (m) \$750,000 in fiscal year 2020 is for a grant
4.17 to the Minnesota Initiative Foundations. This
4.18 is a onetime appropriation and is available
4.19 until June 30, 2023. The Minnesota Initiative
4.20 Foundations must use grant funds under this
4.21 section to:

4.22 (1) facilitate planning processes for rural
4.23 communities resulting in a community solution
4.24 action plan that guides decision making to
4.25 sustain and increase the supply of quality child
4.26 care in the region to support economic
4.27 development;

4.28 (2) engage the private sector to invest local
4.29 resources to support the community solution
4.30 action plan and ensure quality child care is a
4.31 vital component of additional regional
4.32 economic development planning processes;

4.33 (3) provide locally based training and technical
4.34 assistance to rural child care business owners
4.35 individually or through a learning cohort.

5.1 Access to financial and business development
5.2 assistance must prepare child care businesses
5.3 for quality engagement and improvement by
5.4 stabilizing operations, leveraging funding from
5.5 other sources, and fostering business acumen
5.6 that allows child care businesses to plan for
5.7 and afford the cost of providing quality child
5.8 care; or

5.9 (4) recruit child care programs to participate
5.10 in Parent Aware, Minnesota's quality and
5.11 improvement rating system, and other high
5.12 quality measurement programs. The Minnesota
5.13 Initiative Foundations must work with local
5.14 partners to provide low-cost training,
5.15 professional development opportunities, and
5.16 continuing education curricula. The Minnesota
5.17 Initiative Foundations must fund, through local
5.18 partners, an enhanced level of coaching to
5.19 rural child care providers to obtain a quality
5.20 rating through Parent Aware or other high
5.21 quality measurement programs.

5.22 (n)(1) \$650,000 each year from the workforce
5.23 development fund is for grants to the
5.24 Neighborhood Development Center for small
5.25 business programs. This is a onetime
5.26 appropriation.

5.27 (2) Of the amount appropriated in the first
5.28 year, \$150,000 is for outreach and training
5.29 activities outside the seven-county
5.30 metropolitan area, as defined in Minnesota
5.31 Statutes, section 473.121, subdivision 2.

5.32 (o) \$8,000,000 each year is for the Minnesota
5.33 job creation fund under Minnesota Statutes,
5.34 section 116J.8748. Of this amount, the
5.35 commissioner of employment and economic

6.1 development may use up to three percent for
6.2 administrative expenses. This appropriation
6.3 is available until expended.

6.4 (p)(1) \$11,970,000 each year is for the
6.5 Minnesota investment fund under Minnesota
6.6 Statutes, section 116J.8731. Of this amount,
6.7 the commissioner of employment and
6.8 economic development may use up to three
6.9 percent for administration and monitoring of
6.10 the program. In fiscal year 2022 and beyond,
6.11 the base amount is \$12,370,000. This
6.12 appropriation is available until expended.

6.13 Notwithstanding Minnesota Statutes, section
6.14 116J.8731, funds appropriated to the
6.15 commissioner for the Minnesota investment
6.16 fund may be used for the redevelopment
6.17 program under Minnesota Statutes, sections
6.18 116J.575 and 116J.5761, at the discretion of
6.19 the commissioner. Grants under this paragraph
6.20 are not subject to the grant amount limitation
6.21 under Minnesota Statutes, section 116J.8731.

6.22 (2) Of the amount appropriated in the first
6.23 year, \$2,000,000 is for a loan to a paper mill
6.24 in Duluth for a retrofit project that will support
6.25 the operation and manufacture of packaging
6.26 paper grades. The company that owns the
6.27 paper mill must spend \$20,000,000 on project
6.28 activities by December 31, 2020, in order to
6.29 be eligible to receive this loan. Loan funds
6.30 may be used for purchases of materials,
6.31 supplies, and equipment for the project and
6.32 are available from July 1, 2019, to July 30,
6.33 2021. The commissioner of employment and
6.34 economic development shall forgive 25
6.35 percent of the loan each year after the second

7.1 year during a five-year period if the mill has
7.2 retained at least ~~200~~ 150 full-time equivalent
7.3 employees and has satisfied other performance
7.4 goals and contractual obligations as required
7.5 under Minnesota Statutes, section 116J.8731.

7.6 (q) \$700,000 in fiscal year 2020 is for the
7.7 airport infrastructure renewal (AIR) grant
7.8 program under Minnesota Statutes, section
7.9 116J.439.

7.10 (r) \$100,000 in fiscal year 2020 is for a grant
7.11 to FIRST in Upper Midwest to support
7.12 competitive robotics teams. Funds must be
7.13 used to make up to five awards of no more
7.14 than \$20,000 each to Minnesota-based public
7.15 entities or private nonprofit organizations for
7.16 the creation of competitive robotics hubs.

7.17 Awards may be used for tools, equipment, and
7.18 physical space to be utilized by robotics teams.
7.19 At least 50 percent of grant funds must be used
7.20 outside of the seven-county metropolitan area,
7.21 as defined under Minnesota Statutes, section
7.22 473.121, subdivision 2. The grant recipient
7.23 shall report to the chairs and ranking minority
7.24 members of the legislative committees with
7.25 jurisdiction over jobs and economic growth
7.26 by February 1, 2021, on the status of awards
7.27 and include information on the number and
7.28 amount of awards made, the number of
7.29 customers served, and any outcomes resulting
7.30 from the grant. The grant requires a 50 percent
7.31 match from nonstate sources.

7.32 (s) \$1,000,000 each year is for the Minnesota
7.33 emerging entrepreneur loan program under
7.34 Minnesota Statutes, section 116M.18. Funds
7.35 available under this paragraph are for transfer

8.1 into the emerging entrepreneur program
8.2 special revenue fund account created under
8.3 Minnesota Statutes, chapter 116M, and are
8.4 available until expended. Of this amount, up
8.5 to four percent is for administration and
8.6 monitoring of the program.

8.7 (t) \$163,000 each year is for the Minnesota
8.8 Film and TV Board. The appropriation in each
8.9 year is available only upon receipt by the
8.10 board of \$1 in matching contributions of
8.11 money or in-kind contributions from nonstate
8.12 sources for every \$3 provided by this
8.13 appropriation, except that each year up to
8.14 \$50,000 is available on July 1 even if the
8.15 required matching contribution has not been
8.16 received by that date.

8.17 (u) \$12,000 each year is for a grant to the
8.18 Upper Minnesota Film Office.

8.19 (v) \$500,000 each year is from the general
8.20 fund for a grant to the Minnesota Film and TV
8.21 Board for the film production jobs program
8.22 under Minnesota Statutes, section 116U.26.
8.23 This appropriation is available until June 30,
8.24 2023.

8.25 (w) \$4,195,000 each year is for the Minnesota
8.26 job skills partnership program under
8.27 Minnesota Statutes, sections 116L.01 to
8.28 116L.17. If the appropriation for either year
8.29 is insufficient, the appropriation for the other
8.30 year is available. This appropriation is
8.31 available until expended.

8.32 (x) \$1,350,000 each year is from the
8.33 workforce development fund for jobs training

9.1 grants under Minnesota Statutes, section
9.2 116L.42.

9.3 (y) \$2,500,000 each year is for Launch
9.4 Minnesota. This is a onetime appropriation
9.5 and funds are available until June 30, 2023.
9.6 Of this amount:

9.7 (1) \$1,600,000 each year is for innovation
9.8 grants to eligible Minnesota entrepreneurs or
9.9 start-up businesses to assist with their
9.10 operating needs;

9.11 (2) \$450,000 each year is for administration
9.12 of Launch Minnesota; and

9.13 (3) \$450,000 each year is for grantee activities
9.14 at Launch Minnesota.

9.15 (z) \$500,000 each year is from the workforce
9.16 development fund for a grant to Youthprise
9.17 to give grants through a competitive process
9.18 to community organizations to provide
9.19 economic development services designed to
9.20 enhance long-term economic self-sufficiency
9.21 in communities with concentrated East African
9.22 populations. Such communities include but
9.23 are not limited to Faribault, Rochester, St.
9.24 Cloud, Moorhead, and Willmar. To the extent
9.25 possible, Youthprise must make at least 50
9.26 percent of these grants to organizations serving
9.27 communities located outside the seven-county
9.28 metropolitan area, as defined in Minnesota
9.29 Statutes, section 473.121, subdivision 2. This
9.30 is a onetime appropriation and is available
9.31 until June 30, 2022.

9.32 (aa) \$125,000 each year is for a grant to the
9.33 Hmong Chamber of Commerce to train
9.34 ethnically Southeast Asian business owners

10.1 and operators in better business practices. This

10.2 is a onetime appropriation.

10.3 **EFFECTIVE DATE.** This section is effective retroactive from July 1, 2019.