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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 2506

03/14/2019 Authored by Wazlawik
The bill was read for the first time and referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to economic development; appropriating money for community prosperity
1.3 grants.

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

1.5 Section 1. COMMUNITY PROSPERITY FUND GRANT PROGRAM.

1.6 Subdivision 1. Establishment; purpose. The community prosperity fund grant program
1.7 is established to provide grants to public or 501(c)(3) nonprofit entities to implement
1.8 innovative economic development projects that will support economic growth in their
1.9 community.

1.10 Subd. 2. Definitions. For the purposes of this section, the following terms have the
1.11 meanings given them:

1.12 (1) "economic development" means activities, services, investments, and infrastructure
1.13 that support the economic success of individuals, businesses, and communities by facilitating
1.14 an economic environment that produces net new jobs;

1.15 (2) "innovative project" means the provision of a public service or good that was absent
1.16 in the community or of insufficient quantity or quality;

1.17 (3) "local governmental unit" means a county, city, town, special district, public higher
1.18 education institution, or other political subdivision or public corporation; and

1.19 (4) "community" means any geographic area defined by one or more census tracts.

1.20 Subd. 3. Community prosperity fund grants. The commissioner of employment and
1.21 economic development shall:

2.1 (1) develop and implement a community prosperity fund grant program that will provide  
2.2 matching grants up to 85 percent of total project cost up to \$100,000 to implement innovative  
2.3 economic development projects that will induce economic growth in their community;

2.4 (2) develop a request for proposals;

2.5 (3) review responses to requests for proposals and award grants under this section;

2.6 (4) establish a transparent and objective accountability process focused on outcomes  
2.7 that grantees agree to achieve; and

2.8 (5) maintain data on outcomes reported by grantees.

2.9 Subd. 4. **Eligible grantees.** Organizations eligible to receive grant funding under this  
2.10 section include:

2.11 (1) local government units; and

2.12 (2) nonprofit 501(c)(3) organizations that have established partnerships with one or more  
2.13 local government units to implement economic development projects or activities.

2.14 Subd. 5. **Priority of proposals; grant awards.** The commissioner shall prioritize the  
2.15 award of grants to proposals that demonstrate that the project:

2.16 (1) will serve communities with a population of 5,000 or less;

2.17 (2) will support the economic success of individuals, businesses, and communities by  
2.18 facilitating an economic environment that produces net new jobs;

2.19 (3) will provide public services or goods that was absent in the community or of  
2.20 insufficient quantity or quality;

2.21 (4) serves a defined geographic area; racial, ethnic, or minority community; or American  
2.22 Indian community experiencing any the following: below state average wages, above state  
2.23 average unemployment rate, or below state average labor force participation rate;

2.24 (5) will be sustainable or continue to have impact beyond the one-time funding from  
2.25 this program;

2.26 (6) will be successfully implemented based on the qualifications of the lead organization;  
2.27 and

2.28 (7) will serve two or more local government units.

2.29 Subd. 6. **Geographic distribution of grants.** The commissioner shall ensure that a  
2.30 minimum of 50 percent of grant funds are awarded to communities outside the seven-county  
2.31 metropolitan area.

3.1 Subd. 7. **Report.** Grantees must report grant program outcomes to the commissioner on  
3.2 the forms and according to the timelines established by the commissioner.

3.3 Sec. 2. **APPROPRIATION.**

3.4 \$2,000,000 in fiscal year 2020 is appropriated from the general fund to the commissioner  
3.5 of employment and economic development for the community prosperity grant fund in  
3.6 section 1. This is a onetime appropriation and is available until June 30, 2021.