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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 2586

03/03/2014 Authored by Ward, J.E.,

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance and Policy

1.1 A bill for an act  
1.2 relating to economic development; modifying the administrative expenses for  
1.3 the Minnesota investment fund; amending Laws 2013, chapter 85, article 1,  
1.4 section 3, subdivision 2.

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

1.6 Section 1. Laws 2013, chapter 85, article 1, section 3, subdivision 2, is amended to read:

1.7 Subd. 2. **Business and Community**  
1.8 **Development** 53,642,000 45,407,000

1.9	Appropriations by Fund		
1.10	General	52,942,000	44,707,000
1.11	Remediation	700,000	700,000

1.12 (a)(1) \$15,000,000 each year is for the  
1.13 Minnesota investment fund under Minnesota  
1.14 Statutes, section 116J.8731. Of this amount,  
1.15 the commissioner of employment and  
1.16 economic development may use up to three  
1.17 percent for administrative expenses. This  
1.18 appropriation is available until spent.

1.19 (2) Of the amount available under clause  
1.20 (1), up to \$3,000,000 in fiscal year 2014  
1.21 is for a loan to facilitate initial investment  
1.22 in the purchase and operation of a  
1.23 biopharmaceutical manufacturing facility.  
1.24 This loan is not subject to the loan limitations

2.1 under Minnesota Statutes, section 116J.8731,  
2.2 and shall be forgiven by the commissioner  
2.3 of employment and economic development  
2.4 upon verification of meeting performance  
2.5 goals. Purchases related to and for the  
2.6 purposes of this loan award must be made  
2.7 between January 1, 2013, and June 30, 2015.  
2.8 The amount under this clause is available  
2.9 until expended.

2.10 (3) Of the amount available under clause (1),  
2.11 up to \$2,000,000 is available for subsequent  
2.12 investment in the biopharmaceutical facility  
2.13 project in clause (2). The amount under this  
2.14 clause is available until expended. Loan  
2.15 thresholds under clause (2) must be achieved  
2.16 and maintained to receive funding. Loans  
2.17 are not subject to the loan limitations under  
2.18 Minnesota Statutes, section 116J.8731, and  
2.19 shall be forgiven by the commissioner of  
2.20 employment and economic development  
2.21 upon verification of meeting performance  
2.22 goals. Purchases related to and for the  
2.23 purposes of loan awards must be made during  
2.24 the biennium the loan was received.

2.25 (4) Notwithstanding any law to the contrary,  
2.26 the biopharmaceutical manufacturing facility  
2.27 in this paragraph shall be deemed eligible  
2.28 for the Minnesota job creation fund under  
2.29 Minnesota Statutes, section 116J.8748,  
2.30 by having at least \$25,000,000 in capital  
2.31 investment and 190 retained employees.

2.32 (5) For purposes of clauses (1) to (4),  
2.33 "biopharmaceutical" and "biologics" are  
2.34 interchangeable and mean medical drugs  
2.35 or medicinal preparations produced using

3.1 technology that uses biological systems,  
3.2 living organisms, or derivatives of living  
3.3 organisms, to make or modify products or  
3.4 processes for specific use. The medical drugs  
3.5 or medicinal preparations include but are not  
3.6 limited to proteins, antibodies, nucleic acids,  
3.7 and vaccines.

3.8 (b) \$12,000,000 each year is for the  
3.9 Minnesota job creation fund under Minnesota  
3.10 Statutes, section 116J.8748. Of this amount,  
3.11 the commissioner of employment and  
3.12 economic development may use up to three  
3.13 percent for administrative expenses. This  
3.14 appropriation is available until spent. The  
3.15 base funding for this program shall be  
3.16 \$12,500,000 each year in the fiscal year  
3.17 2016-2017 biennium.

3.18 (c) \$1,272,000 each year is from the  
3.19 general fund for contaminated site cleanup  
3.20 and development grants under Minnesota  
3.21 Statutes, sections 116J.551 to 116J.558. This  
3.22 appropriation is available until expended.

3.23 (d) \$700,000 each year is from the  
3.24 remediation fund for contaminated site  
3.25 cleanup and development grants under  
3.26 Minnesota Statutes, sections 116J.551 to  
3.27 116J.558. This appropriation is available  
3.28 until expended.

3.29 (e) \$1,425,000 the first year and \$1,425,000  
3.30 the second year are from the general fund for  
3.31 the business development competitive grant  
3.32 program. Of this amount, up to five percent  
3.33 is for administration and monitoring of the  
3.34 business development competitive grant  
3.35 program. All grant awards shall be for two

4.1 consecutive years. Grants shall be awarded  
4.2 in the first year.

4.3 (f) \$4,195,000 each year is from the general  
4.4 fund for the Minnesota job skills partnership  
4.5 program under Minnesota Statutes, sections  
4.6 116L.01 to 116L.17. If the appropriation for  
4.7 either year is insufficient, the appropriation  
4.8 for the other year is available. This  
4.9 appropriation is available until spent.

4.10 (g) \$6,000,000 the first year is from the  
4.11 general fund for the redevelopment program  
4.12 under Minnesota Statutes, section 116J.571.  
4.13 This is a onetime appropriation and is  
4.14 available until spent.

4.15 (h) \$12,000 each year is from the general  
4.16 fund for a grant to the Upper Minnesota Film  
4.17 Office.

4.18 (i) \$325,000 each year is from the general  
4.19 fund for the Minnesota Film and TV Board.  
4.20 The appropriation in each year is available  
4.21 only upon receipt by the board of \$1 in  
4.22 matching contributions of money or in-kind  
4.23 contributions from nonstate sources for every  
4.24 \$3 provided by this appropriation, except that  
4.25 each year up to \$50,000 is available on July  
4.26 1 even if the required matching contribution  
4.27 has not been received by that date.

4.28 (j) \$100,000 each year is for a grant to the  
4.29 Northern Lights International Music Festival.

4.30 (k) \$5,000,000 each year is from the general  
4.31 fund for a grant to the Minnesota Film  
4.32 and TV Board for the film production jobs  
4.33 program under Minnesota Statutes, section  
4.34 116U.26. This appropriation is available  
4.35 until expended. The base funding for this

5.1 program shall be \$1,500,000 each year in the  
5.2 fiscal year 2016-2017 biennium.

5.3 (l) \$375,000 each year is from the general  
5.4 fund for a grant to Enterprise Minnesota, Inc.,  
5.5 for the small business growth acceleration  
5.6 program under Minnesota Statutes, section  
5.7 116O.115. This is a onetime appropriation.

5.8 (m) \$160,000 each year is from the general  
5.9 fund for a grant to develop and implement  
5.10 a southern and southwestern Minnesota  
5.11 initiative foundation collaborative pilot  
5.12 project. Funds available under this paragraph  
5.13 must be used to support and develop  
5.14 entrepreneurs in diverse populations in  
5.15 southern and southwestern Minnesota. This  
5.16 is a onetime appropriation and is available  
5.17 until expended.

5.18 (n) \$100,000 each year is from the general  
5.19 fund for the Center for Rural Policy  
5.20 and Development. This is a onetime  
5.21 appropriation.

5.22 (o) \$250,000 each year is from the general  
5.23 fund for the Broadband Development Office.

5.24 (p) \$250,000 the first year is from the  
5.25 general fund for a onetime grant to the St.  
5.26 Paul Planning and Economic Development  
5.27 Department for neighborhood stabilization  
5.28 use in NSP3.

5.29 (q) \$1,235,000 the first year is from the  
5.30 general fund for a onetime grant to a city  
5.31 of the second class that is designated as an  
5.32 economically depressed area by the United  
5.33 States Department of Commerce. The  
5.34 appropriation is for economic development,  
5.35 redevelopment, and job creation programs

6.1 and projects. This appropriation is available  
6.2 until expended.

6.3 (r) \$875,000 each year is from the general  
6.4 fund for the Host Community Economic  
6.5 Development Program established in  
6.6 Minnesota Statutes, section 116J.548.

6.7 (s) \$750,000 the first year is from the general  
6.8 fund for a onetime grant to the city of Morris  
6.9 for loans or grants to agricultural processing  
6.10 facilities for energy efficiency improvements.  
6.11 Funds available under this section shall be  
6.12 used to increase conservation and promote  
6.13 energy efficiency through retrofitting existing  
6.14 systems and installing new systems to  
6.15 recover waste heat from industrial processes  
6.16 and reuse energy. This appropriation is not  
6.17 available until the commissioner determines  
6.18 that at least \$1,250,000 is committed to  
6.19 the project from nonpublic sources. This  
6.20 appropriation is available until expended.

6.21 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2013.