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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2302

03/18/2021

Authorred by Xiong, T.; Davnie and Baker  
The bill was read for the first time and referred to the Committee on Workforce and Business Development Finance and Policy

- 1.1

A bill for an act
- 1.2

relating to economic development; appropriating money for the business
- 1.3

development competitive grant program; amending Laws 2011, First Special
- 1.4

Session chapter 4, article 1, section 3, subdivision 2.
- 1.5

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6

Section 1. Laws 2011, First Special Session chapter 4, article 1, section 3, subdivision 2,
- 1.7

is amended to read:
- 1.8

Subd. 2. **Business and Community Development**13,281,0008,281,000
- 1.9

Appropriations by Fund
- 1.10

General12,242,0007,242,000
- 1.11

Remediation700,000700,000
- 1.12

Workforce
- 1.13

Development339,000339,000
- 1.14

(a) \$700,000 the first year and \$700,000 the
- 1.15

second year are from the remediation fund for
- 1.16

contaminated site cleanup and development
- 1.17

grants under Minnesota Statutes, section
- 1.18

116J.554. This appropriation is available until
- 1.19

expended.
- 1.20

(b) \$1,022,000 the first year and \$1,022,000
- 1.21

the second year are from the general fund for
- 1.22

contaminated site cleanup and development
- 1.23

grants under Minnesota Statutes, section

2.1 116J.554. The base funding for this program  
2.2 is \$1,272,000 each year beginning in fiscal  
2.3 year 2014 and thereafter.

2.4 (c) \$150,000 the first year is from the general  
2.5 fund for a grant to WomenVenture for  
2.6 women's business development programs and  
2.7 for programs that encourage and assist women  
2.8 to enter nontraditional careers in the trades;  
2.9 manual and technical occupations; science,  
2.10 technology, engineering, and  
2.11 mathematics-related occupations; and green  
2.12 jobs. This appropriation may be matched  
2.13 dollar for dollar with any resources available  
2.14 from the federal government for these  
2.15 purposes with priority given to initiatives that  
2.16 have a goal of increasing by at least ten  
2.17 percent the number of women in occupations  
2.18 where women currently comprise less than 25  
2.19 percent of the workforce. This is a onetime  
2.20 appropriation.

2.21 (d) \$79,000 the first year is from the general  
2.22 fund and \$50,000 the first year is from the  
2.23 workforce development fund for a grant to the  
2.24 Metropolitan Economic Development  
2.25 Association for continuing minority business  
2.26 development programs in the metropolitan  
2.27 area. This appropriation must be used for the  
2.28 sole purpose of providing free or reduced fee  
2.29 business consulting services to minority  
2.30 entrepreneurs and contractors. This is a  
2.31 onetime appropriation.

2.32 (e)(1) \$356,000 the first year is a onetime  
2.33 appropriation from the general fund for a grant  
2.34 to BioBusiness Alliance of Minnesota for  
2.35 bioscience business development programs to

3.1 promote and position the state as a global  
3.2 leader in bioscience business activities. These  
3.3 funds may be used to create, recruit, retain,  
3.4 and expand biobusiness activity in Minnesota;  
3.5 implement the destination 2025 statewide plan;  
3.6 update a statewide assessment of the  
3.7 bioscience industry and the competitive  
3.8 position of Minnesota-based bioscience  
3.9 businesses relative to other states and other  
3.10 nations; and develop and implement business  
3.11 and scenario-planning models to create,  
3.12 recruit, retain, and expand biobusiness activity  
3.13 in Minnesota.

3.14 (2) The BioBusiness Alliance must report each  
3.15 year by February 15 to the committees of the  
3.16 house of representatives and the senate having  
3.17 jurisdiction over bioscience industry activity  
3.18 in Minnesota on the use of funds; the number  
3.19 of bioscience businesses and jobs created,  
3.20 recruited, retained, or expanded in the state  
3.21 since the last reporting period; the competitive  
3.22 position of the biobusiness industry; and  
3.23 utilization rates and results of the business and  
3.24 scenario-planning models and outcomes  
3.25 resulting from utilization of the business and  
3.26 scenario-planning models.

3.27 (f) \$37,000 the first year is from the general  
3.28 fund for a grant to the Minnesota Inventors  
3.29 Congress, of which at least \$3,700 must be  
3.30 used for youth inventors. This is a onetime  
3.31 appropriation.

3.32 (g)(1) \$100,000 the first year is from the  
3.33 workforce development fund for a grant under  
3.34 Minnesota Statutes, section 116J.421, to the  
3.35 Rural Policy and Development Center at St.

4.1 Peter, Minnesota. The grant shall be used for  
4.2 research and policy analysis on emerging  
4.3 economic and social issues in rural Minnesota,  
4.4 to serve as a policy resource center for rural  
4.5 Minnesota communities, to encourage  
4.6 collaboration across higher education  
4.7 institutions, to provide interdisciplinary team  
4.8 approaches to research and problem-solving  
4.9 in rural communities, and to administer overall  
4.10 operations of the center. This is a onetime  
4.11 appropriation.

4.12 (2) The grant shall be provided upon the  
4.13 condition that each state-appropriated dollar  
4.14 be matched with a nonstate dollar. Acceptable  
4.15 matching funds are nonstate contributions that  
4.16 the center has received and have not been used  
4.17 to match previous state grants. Any funds not  
4.18 spent the first year are available the second  
4.19 year.

4.20 (h) \$189,000 the first year is from the  
4.21 workforce development fund for entrepreneur  
4.22 and small business development direct  
4.23 professional business assistance in Blue Earth,  
4.24 Brown, Faribault, Le Sueur, Martin, Nicollet,  
4.25 Sibley, Watonwan, and Waseca Counties.  
4.26 These services must include, but are not  
4.27 limited to, preventure assistance for  
4.28 individuals considering starting a business.  
4.29 Funds must be awarded to an organization or  
4.30 organizations that can demonstrate leverage  
4.31 of at least an equal amount of federal funds.  
4.32 Any balance in the first year does not cancel  
4.33 but is available in the second year. The grant  
4.34 recipient must report to the commissioner by  
4.35 February 1 of each year that the organization

5.1 receives a grant with the number of customers  
5.2 served; the amount of direct consulting hours  
5.3 delivered; the number of new businesses  
5.4 started; the amount of capital accessed for  
5.5 business start-up or expansion; and the number  
5.6 of jobs created and retained in each county.

5.7 The commissioner must report to the house of  
5.8 representatives and senate committees with  
5.9 jurisdiction over economic development  
5.10 finance on the effectiveness of these programs  
5.11 for assisting in the development of  
5.12 entrepreneurs and small businesses. This is a  
5.13 onetime appropriation.

5.14 (i) \$757,000 the second year is from the  
5.15 general fund and \$339,000 the second year is  
5.16 from the workforce development fund for the  
5.17 business development competitive grant pilot  
5.18 program.

5.19 (1) The commissioner shall develop and  
5.20 implement a competitive grant program for  
5.21 business development assistance and services  
5.22 including, but not limited to: ~~minority~~ black,  
5.23 indigenous, people of color, and immigrant  
5.24 business development, women's business  
5.25 development, rural business development,  
5.26 bioscience business development, entrepreneur  
5.27 development, and services to inventors. Of  
5.28 this amount, up to five percent is for  
5.29 administration and monitoring of the business  
5.30 development competitive grant program.

5.31 (2) The commissioner must report to the  
5.32 legislative committees having jurisdiction over  
5.33 economic development issues by January 10  
5.34 each year on the following: methodologies  
5.35 and processes for soliciting and evaluating

6.1 grant proposals; criteria and methodology for  
6.2 selecting grant recipients; methods and  
6.3 procedures for monitoring the use of grant  
6.4 awards including expenditures for  
6.5 administrative expenses by grant recipients;  
6.6 and methods for measuring outcomes and  
6.7 accomplishments of grant recipients including  
6.8 but not limited to the total number of new jobs  
6.9 created by each grant recipient, average wage  
6.10 of new jobs created, amount of private funds  
6.11 leveraged, number of new businesses created  
6.12 and the number of new jobs per business,  
6.13 return on investment to the state, and ongoing  
6.14 solicitation and feedback from interested  
6.15 parties regarding ongoing improvement and  
6.16 enhancement to the competitive grant  
6.17 program. The commissioner must also report  
6.18 on department expenditures related to the  
6.19 administration and monitoring of grants under  
6.20 this subdivision.

6.21 (j) \$1,492,000 each year is from the general  
6.22 fund for the Minnesota Trade Office.

6.23 (k) \$3,000,000 the first year is from the  
6.24 general fund for the Minnesota investment  
6.25 fund under Minnesota Statutes, section  
6.26 116J.8731. This is a onetime appropriation  
6.27 and is available until spent.

6.28 (l) \$2,000,000 the first year is from the general  
6.29 fund for grants under Minnesota Statutes,  
6.30 section 116J.571, for the redevelopment  
6.31 program. This is a onetime appropriation and  
6.32 is available until spent.

6.33 (m) \$135,000 the first year is from the general  
6.34 fund for a grant to Advocating Change  
6.35 Together for training, technical assistance, and

7.1 resource materials for persons with  
7.2 developmental and mental illness disabilities.

7.3 This is a onetime appropriation.

7.4 (n) \$250,000 each year is from the general  
7.5 fund for a grant to Enterprise Minnesota, Inc.,  
7.6 for the small business growth acceleration  
7.7 program under Minnesota Statutes, section  
7.8 116O.115. This is a onetime appropriation.

7.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

7.10 Sec. 2. **APPROPRIATION; BUSINESS DEVELOPMENT COMPETITIVE GRANT**  
7.11 **PROGRAM.**

7.12 \$6,425,000 in fiscal year 2022 and \$6,425,000 in fiscal year 2023 are appropriated from  
7.13 the general fund to the commissioner of employment and economic development for the  
7.14 business development competitive grant program. Of this amount, up to five percent is for  
7.15 administration and monitoring of the business development competitive grant program. All  
7.16 grant awards shall be for two consecutive years. Grants shall be awarded in fiscal year 2022.