

SENATE

STATE OF MINNESOTA

EIGHTY-NINTH SESSION

S.F. No. 3155

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DATE	D-PG	OFFICIAL STATUS
03/23/2016	5235	Introduction and first reading Referred to Jobs, Agriculture and Rural Development
03/31/2016	5407	Comm report: To pass and re-referred to Finance

1.1

A bill for an act

1.2

relating to economic development; regulating and renaming the Minnesota

1.3

minerals 21st century fund; appropriating money; amending Minnesota Statutes

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2014, sections 116J.423; 116J.424.

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

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Section 1. Minnesota Statutes 2014, section 116J.423, is amended to read:

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116J.423 MINNESOTA MINERALS 21ST CENTURY FUND.

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Subdivision 1. **Created.** The Minnesota ~~minerals~~ 21st century fund is created

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as a separate account in the treasury. Money in the account is appropriated to the

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commissioner of employment and economic development for the purposes of this section.

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All money earned by the account, loan repayments of principal and interest, and earnings

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on investments must be credited to the account. For the purpose of this section, "fund"

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means the Minnesota ~~minerals~~ 21st century fund. The commissioner shall operate the

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account as a revolving account.

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Subd. 2. **Use of fund.** The commissioner shall use money in the fund to make loans

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or equity investments in mineral, steel, or ~~taconite~~ any other industry processing facilities,

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steel production facilities, facilities for the manufacturing of renewable energy products,

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or facilities for the manufacturing of biobased or biomass products, manufacturing,

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or technology project that would enhance the economic diversification and that are is

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located within the ~~taconite relief tax~~ assistance area as defined under section 273.134. The

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commissioner must, prior to making any loans or equity investments and after consultation

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with industry and public officials, develop a strategy for making loans and equity

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investments that assists the ~~Minnesota mineral industry in becoming globally competitive~~

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taconite assistance area in retaining and enhancing its economic competitiveness. Money

in the fund may also be used to pay for the costs of carrying out the commissioner's due diligence duties under this section.

Subd. 2a. **Grants authorized.** Notwithstanding subdivision 2, the commissioner may use money in the fund to make grants to a municipality or county, or to a county regional rail authority as appropriate, for public infrastructure needed to support an eligible project under this section. Grant money may be used by the municipality, county, or regional rail authority to acquire right-of-way and mitigate loss of wetlands and runoff of storm water; to predesign, design, construct, and equip roads and rail lines; and, in cooperation with municipal utilities, to predesign, design, construct, and equip natural gas pipelines, electric infrastructure, water supply systems, and wastewater collection and treatment systems. Grants made under this subdivision are available until expended.

Subd. 3. **Requirements prior to committing funds.** The commissioner, prior to making a commitment for a loan or equity investment must, at a minimum, conduct due diligence research regarding the proposed loan or equity investment, including contracting with professionals as needed to assist in the due diligence.

Subd. 4. **Requirements for fund disbursements.** The commissioner may make conditional commitments for loans or equity investments but disbursements of funds pursuant to a commitment may not be made until commitments for the remainder of a project's funding are made that are satisfactory to the commissioner and disbursements made from the other commitments sufficient to protect the interests of the state in its loan or investment.

Subd. 5. **Company contribution.** The commissioner may provide loans or equity investments that match, in a proportion determined by the commissioner, an investment made by the owner of a facility.

Sec. 2. Minnesota Statutes 2014, section 116J.424, is amended to read:

116J.424 IRON RANGE RESOURCES AND REHABILITATION BOARD CONTRIBUTION.

The commissioner of the Iron Range Resources and Rehabilitation Board with approval by the board, ~~shall~~ may provide an equal match for any loan or equity investment made for a ~~facility~~ project located in the ~~tax-relief~~ taconite assistance area defined in section 273.134, paragraph (b), by the Minnesota ~~minerals~~ 21st century fund created by section 116J.423. The match may be in the form of a loan or equity investment, notwithstanding whether the fund makes a loan or equity investment. The state shall not acquire an equity interest because of an equity investment or loan by the board and the board at its sole discretion shall decide what interest it acquires in a project. The

3.1 commissioner of employment and economic development may require a commitment
3.2 from the board to make the match prior to disbursing money from the fund.

3.3 Sec. 3. **APPROPRIATION; MINNESOTA 21ST CENTURY FUND.**

3.4 \$20,000,000 in fiscal year 2017 is appropriated from the general fund to the
3.5 commissioner of employment and economic development for deposit in the Minnesota
3.6 21st century fund.