

A bill for an act
relating to economic development; providing military reservist economic injury
loans; defining terms; appropriating money; amending Minnesota Statutes 2007
Supplement, section 116L.17, subdivision 1; proposing coding for new law in
Minnesota Statutes, chapter 116J.

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

Section 1. **[116J.996] MILITARY RESERVIST ECONOMIC INJURY LOANS.**

Subdivision 1. Definitions. (a) The definitions in this subdivision apply to this
section.

(b) "Active service" has the meaning given in section 190.05.

(c) "Commissioner" means the commissioner of employment and economic
development.

(d) "Eligible business" means a small business, as defined in section 645.445, that
was operating in Minnesota on the date a military reservist received orders for active
service.

(e) "Essential employee" means a military reservist who is an owner or employee
of an eligible business and whose managerial or technical expertise is critical to the
day-to-day operation of the eligible business.

(f) "Military reservist" means a member of the reserve component of the armed
forces.

(g) "Reserve component of the armed forces" has the meaning given it in United
States Code, title 10, section 101(c).

(h) "Substantial economic injury" means an economic harm to an eligible business
that results in the inability of the eligible business to:

(1) meet its obligations as they mature;

(2) pay its ordinary and necessary operating expenses; or
(3) manufacture, produce, market, or provide a product or service ordinarily
manufactured, produced, marketed, or provided by the eligible business.

Subd. 2. **Loan program.** The commissioner may make onetime, interest-free loans
of up to \$20,000 per borrower to eligible businesses that have sustained or are likely to
sustain substantial economic injury as a result of the call to active service for 180 days
or more of an essential employee. Loans must be made for the purpose of preventing,
remedying, or ameliorating the substantial economic injury.

Subd. 3. **Revolving loan account.** The commissioner shall use money appropriated
for the purpose to establish a revolving loan account. All repayments of loans made
under this section must be deposited into this account. Interest earned on money in the
account accrues to the account. Money in the account is appropriated to the commissioner
for purposes of the loan program created in this section, including costs incurred by the
commissioner to establish and administer the program.

Subd. 4. **Rules.** Using the expedited rulemaking procedures of section 14.389, the
commissioner shall develop and publish expedited rules for loan applications, use of
funds, needed collateral, terms of loans, and other details of military reservist economic
injury loans.

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

Sec. 2. Minnesota Statutes 2007 Supplement, section 116L.17, subdivision 1, is
amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms
have the meanings given them in this subdivision.

(b) "Commissioner" means the commissioner of employment and economic
development.

(c) "Dislocated worker" means an individual who is a resident of Minnesota at the
time employment ceased or was working in the state at the time employment ceased and:

(1) has been permanently separated or has received a notice of permanent separation
from public or private sector employment and is eligible for or has exhausted entitlement
to unemployment benefits, and is unlikely to return to the previous industry or occupation;

(2) has been long-term unemployed and has limited opportunities for employment
or reemployment in the same or a similar occupation in the area in which the individual
resides, including older individuals who may have substantial barriers to employment by
reason of age;

(3) has been terminated or has received a notice of termination of employment as a result of a plant closing or a substantial layoff at a plant, facility, or enterprise;

(4) has been self-employed, including farmers and ranchers, and is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters;

(5) has been permanently separated from employment in a restaurant, bar, or lawful gambling organization from October 1, 2007, to October 1, 2009, due to the implementation of any state law prohibiting smoking; ~~or~~

(6) is a veteran as defined by section 197.447, has been discharged or released from active duty under honorable conditions within the last 36 months, and (i) is unemployed or (ii) is employed in a job which pays less than what the veteran could verifiably earn; or

~~(6)~~ (7) is a displaced homemaker. A "displaced homemaker" is an individual who has spent a substantial number of years in the home providing homemaking service and (i) has been dependent upon the financial support of another; and now due to divorce, separation, death, or disability of that person, must find employment to self support; or (ii) derived the substantial share of support from public assistance on account of dependents in the home and no longer receives such support.

To be eligible under this clause, the support must have ceased while the worker resided in Minnesota.

(d) "Eligible organization" means a state or local government unit, nonprofit organization, community action agency, business organization or association, or labor organization.

(e) "Plant closing" means the announced or actual permanent shutdown of a single site of employment, or one or more facilities or operating units within a single site of employment.

(f) "Substantial layoff" means a permanent reduction in the workforce, which is not a result of a plant closing, and which results in an employment loss at a single site of employment during any 30-day period for at least 50 employees excluding those employees that work less than 20 hours per week.

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

Sec. 3. APPROPRIATION; MILITARY RESERVIST ECONOMIC INJURY LOANS.

\$500,000 is appropriated from the general fund to the commissioner of employment and economic development in fiscal year 2009 for military reservist economic injury loans under Minnesota Statutes, section 116J.996.

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

4.2 Sec. 4. **APPROPRIATION; DISLOCATED WORKERS.**

4.3 \$500,000 is appropriated from the general fund to the commissioner of employment
4.4 and economic development in fiscal year 2009 for expenditures related to dislocated
4.5 workers who are eligible veterans under Minnesota Statutes, section 116L.17, subdivision
4.6 1, paragraph (c), clause (6).

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