

SENATE
STATE OF MINNESOTA
FOURTH SPECIAL SESSION

S.F. No. 7

(SENATE AUTHORS: UTKE)

DATE
09/11/2020

D-PG

7 Introduction and first reading
Referred to Rules and Administration

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to economic development; establishing a forgivable loan program for
1.3 remote recreational businesses; requiring a report; appropriating money.

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

1.5 Section 1. **FORGIVABLE LOAN PROGRAM FOR REMOTE RECREATIONAL**
1.6 **BUSINESSES.**

1.7 Subdivision 1. Establishment. The commissioner shall establish a loan program to make
1.8 forgivable loans to eligible remote recreational businesses that experienced a loss in revenue
1.9 that is greater than 50 percent during the period between March 1, 2020, and September 7,
1.10 2020, as compared with the same period during the previous year.

1.11 Subd. 2. Definitions. (a) For the purposes of this section, the terms defined in this
1.12 subdivision have the meanings given.

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

1.14 (c) "Remote recreational business" means a business in the contiguous United States
1.15 that is:

1.16 (1) a small business concern as defined under section 3 of the Small Business Act, United
1.17 States Code, title 15, section 632, operating in the recreational industry;

1.18 (2) located within 75 miles of the United States and Canadian border; and

1.19 (3) only accessible by land via Canada.

1.20 Subd. 3. Eligibility. To be eligible for a forgivable loan, a remote recreational business
1.21 must:

2.1 (1) have been in operation on March 1, 2020; and

2.2 (2) show that the closure of the United States and Canadian border restricted the ability
2.3 of American customers to access the location of the remote recreational business.

2.4 Subd. 4. **Application.** (a) The commissioner shall develop forms and procedures for
2.5 soliciting and reviewing applications for loans under this section.

2.6 (b) Loans shall be made by December 30, 2020.

2.7 Subd. 5. **Maximum loan amount.** The maximum loan amount shall be equal to 75
2.8 percent of the remote recreational business's gross annual receipts for fiscal year 2019, not
2.9 to exceed \$500,000 per eligible remote recreational business.

2.10 Subd. 6. **Forgiveness.** Loans are forgiven for a remote recreational business if the
2.11 business remains in operation for at least one year after the date of the loan. The
2.12 commissioner shall forgive 100 percent of the value of a loan received less the amount the
2.13 borrower received from:

2.14 (1) any other loan forgiveness program, including any program established under the
2.15 CARES Act, Public Law 116-136; and

2.16 (2) an advance received under section 1110 of the CARES Act, United States Code, title
2.17 15, section 9009.

2.18 Subd. 7. **Report to legislature.** By January 15, 2021, the commissioner shall report to
2.19 the legislative committees with jurisdiction over economic development policy and finance
2.20 on the loans provided to remote recreational businesses under this section.

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

2.22 Sec. 2. **APPROPRIATION; FORGIVABLE LOAN PROGRAM FOR REMOTE**
2.23 **RECREATIONAL BUSINESSES.**

2.24 \$5,000,000 in fiscal year 2021 is appropriated from the coronavirus relief fund to the
2.25 commissioner of employment and economic development for the forgivable loan program
2.26 for remote recreational businesses under section 1. This is a onetime appropriation. Funds
2.27 are available until December 30, 2020.

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