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## SENATE STATE OF MINNESOTA NINETY-FOURTH SESSION

A bill for an act

S.F. No. 1593

(SENATE AUTHORS: MCEWEN and Hawj)

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DATE D-PG OFFICIAL STATUS
02/20/2025 438 Introduction and first reading

Referred to Jobs and Economic Development 03/06/2025 674 Author added Hawj

relating to economic development; establishing an accessibility for the arts and 1 2 cultural economy capital grant program; requiring a report; appropriating money. 1.3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA: 1.4 Section 1. ACCESSIBILITY FOR ARTS AND CULTURAL ECONOMY CAPITAL 1.5 **GRANTS.** 1.6 Subdivision 1. Grant program established. The commissioner of employment and 1.7 economic development shall establish an arts and cultural economy capital grant program. 1.8 1.9 The commissioner shall make a grant to one or more intermediary organizations, to be identified by the commissioner, to make grants to eligible grantees to fund necessary arts 1.10 or cultural facility building accessibility renovations to comply with Americans with 1.11 Disabilities Act (ADA) requirements and for capital projects at an arts or cultural facility. 1.12 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms in this subdivision 1.13 have the meanings given. 1.14 (b) "Arts or cultural facility" means a theater, performing arts venue, art gallery, cultural 1.15 center, place of worship, or other facility operated for artistic purposes located in Minnesota. 1.16 Arts or cultural facility does not include: 1.17 (1) bars, restaurants, and other facilities whose primary source of revenue is not 1.18 entertainment events; 1.19 (2) a facility owned by a multinational company or publicly owned company; or 1.20

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(3) adult entertainment establishments.

Subd. 3. Grant to intermediary organization. (a) The commissioner shall make a grant
 to one or more community development financial institutions (CDFI), foundations, regional
 development agencies, and Tribal governments to act as intermediary organizations to
 provide capital projects grants using an application developed by the commissioner that

includes the criteria in paragraph (b).

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- (b) In identifying the appropriate intermediary organizations, the commissioner shall consider the organization's:
- 2.9 (1) knowledge of Minnesota's arts and cultural community;
- 2.10 (2) knowledge of building accessibility requirements under the ADA;
- 2.11 (3) previous experience with grantmaking and capital projects;
- 2.12 (4) experience working across the geographic regions of Minnesota or within a specific region; and
- 2.14 (5) record of service in and with Minnesota's diverse communities.
- (c) Up to five percent of a grant under this subdivision may be used by the CDFI
   intermediary organization for administration, outreach, contract management, and monitoring
   of the program.
  - Subd. 4. Eligible grantees; grant process. (a) An owner or operator of an arts or cultural facility is eligible to receive a grant under this section if the entity operating the facility:
- 2.20 (1) is a 501(c)(3) or equivalent not-for-profit arts or cultural organization;
- 2.21 (2) derived at least 33 percent of the entity's 2023 revenue from the sale of tickets for
  2.22 live events or is directly reliant on ticketed live entertainment events but is not directly in
  2.23 receipt of those ticket revenues because the event is free to the general public and the revenue
  2.24 is derived from sources other than ticket sales;
  - (3) employed no more than 60 full-time equivalent employees. For purposes of this subdivision, "full-time equivalent employee" means an employee who worked on average 30 hours of service per week or 130 hours of service per month;
- 2.28 (4) has no current tax delinquency with the Department of Revenue at the time of the grant application; and
- 2.30 (5) is located in the state of Minnesota.

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(b) Grants shall be awarded by the intermediary through a request for proposals process and may be awarded on a rolling basis. Selection shall be based on the significance of the project, financial need of the organization, available matching funds, and number of people served by the improvements. Projects to achieve compliance with the requirements of the ADA shall be given priority. Geographic balance in awarding grants throughout Minnesota shall also be a priority.

(c) The maximum grant to an eligible grantee under this section is \$2,000,000.

Subd. 5. Report to the legislature. By January 15, 2026, the intermediary organization must submit an initial report to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development on the use of funds under this section and grant outcomes. A final report, with metrics to gauge geographic and diverse impacts, is due to the legislature by the intermediary organization upon full expenditure of the amount appropriated in section 2.

## Sec. 2. APPROPRIATION.

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\$50,000,000 in fiscal year 2026 is appropriated from the general fund to the commissioner of employment and economic development for accessibility for arts and cultural economy grants under section 1. Of this amount, 0.1 percent is for the commissioner of employment and economic development to administer the program. This is a onetime appropriation and is available until December 31, 2028.

Sec. 2. 3