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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 4886

04/09/2026 Authored by Lee, K., The bill was read for the first time and referred to the Committee on Transportation Finance and Policy

1.1 A bill for an act
1.2 relating to economic development; creating a road construction business mitigation
1.3 grant program; requiring a report; amending Minnesota Statutes 2024, section
1.4 160.165, subdivision 2; proposing coding for new law in Minnesota Statutes,
1.5 chapter 116J.

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

1.7 Section 1. 116J.432 ROAD CONSTRUCTION BUSINESS MITIGATION GRANT
1.8 PROGRAM.

1.9 Subdivision 1. Definitions. For purposes of this section, unless otherwise specified:

1.10 (1) "commissioner" means the commissioner of employment and economic development;
1.11 and

1.12 (2) "eligible transportation project" means a trunk highway corridor redesign or
1.13 construction project that will include substantial business impacts, as defined in section
1.14 160.165, subdivision 1.

1.15 Subd. 2. Grant program. (a) The commissioner, in consultation with the commissioner
1.16 of transportation, must establish the road construction mitigation grant program to provide
1.17 support for qualified businesses that are negatively affected by transportation construction
1.18 and to promote the retention of jobs in transportation construction areas.

1.19 (b) For each eligible transportation project under the program, the commissioner must
1.20 award a grant to a local community-based development organization, chamber of commerce,
1.21 or initiative foundation to provide onetime financial assistance in equal amounts of up to
1.22 \$..... to qualified businesses along the project corridor.

2.1 (c) A qualified business must:

2.2 (1) employ no more than 25 full-time equivalent employees;

2.3 (2) be located within 300 feet of the construction project; and

2.4 (3) experience impairment of road access, parking, or visibility as a result of the project.

2.5 (d) The commissioner may establish requirements in addition to the qualifications under
 2.6 paragraph (c) as necessary to efficiently and equitably provide financial assistance under
 2.7 this section.

2.8 Subd. 3. **Use of funds.** (a) Financial assistance provided to qualified businesses under
 2.9 this section may be used for employee payroll expenses, operating expenses, or facilities
 2.10 expenses and must not be used for bonuses; new equipment, furniture, or capital
 2.11 improvements; or construction or expansion.

2.12 (b) Notwithstanding section 16B.98, subdivision 14, for each grant award made under
 2.13 subdivision 2, paragraph (b), the commissioner may use up to one percent for administrative
 2.14 costs and the local community-based development organization, chamber of commerce, or
 2.15 initiative foundation may retain up to four percent for administrative costs.

2.16 Subd. 4. **Report.** By January 15, 2028, and by January 15 in each subsequent year, the
 2.17 commissioner must submit a report on the grants awarded under this section to the chairs
 2.18 and ranking minority members of the legislative committees with jurisdiction over
 2.19 transportation finance and policy. At a minimum, the report must identify each eligible
 2.20 transportation project, the associated local organization that received a grant award, and
 2.21 each business that received financial assistance, including business names and addresses,
 2.22 types of businesses, and the amount of each award.

2.23 Subd. 5. **Funding.** For each eligible transportation project, one percent of the total project
 2.24 budget is allocated for the grant award under subdivision 2 and is available to the
 2.25 commissioner for this purpose.

2.26 Sec. 2. Minnesota Statutes 2024, section 160.165, subdivision 2, is amended to read:

2.27 Subd. 2. **Business liaison.** (a) Before beginning construction work on a project, a
 2.28 transportation authority ~~shall~~ must identify whether the project is anticipated to include
 2.29 substantial business impacts. For such projects, the transportation authority ~~shall~~ must
 2.30 designate an individual to serve as business liaison between the transportation authority and
 2.31 affected businesses.

3.1 (b) The business liaison ~~shall~~ must consult with affected businesses before and during
3.2 construction to investigate means of mitigating project impacts to businesses. The mitigation
3.3 considered must include signage. The business liaison ~~shall~~ must provide information to
3.4 the identified businesses before and during construction, concerning project duration and
3.5 timetables, lane and road closures, detours, access impacts, customer parking impacts,
3.6 visibility, noise, dust, vibration, and public participation opportunities.

3.7 (c) For projects where the commissioner is the transportation authority, the business
3.8 liaison must inform affected businesses about the road construction business mitigation
3.9 grant program under section 116J.432.