A bill for an act
relating to economic development; creating a Minnesota business venture capital program; creating a revolving fund; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

Section 1. **[116J.432] MINNESOTA BUSINESS VENTURE CAPITAL PROGRAM.**

Subdivision 1. **Purpose.** The purpose of the Minnesota business venture capital program is to promote entrepreneurship in this state, to foster small businesses that meet some or all of the eligibility criteria listed in subdivision 5, and to create jobs. The Department of Employment and Economic Development and local government units shall work together to ensure that the eligibility criteria set forth in subdivision 5 are applied when implementing the program.

Subd. 2. **Establishment.** The Minnesota business venture capital program is established in the Department of Employment and Economic Development. The commissioner shall develop and implement the program to make competitive grants available to local government units to provide low and no-interest loans to eligible businesses.

Subd. 3. **Definitions.** For purposes of this section:

(1) "applicant" means a local government unit;

(2) "commissioner" means the commissioner of employment and economic development;

(3) "eligible business" means a Minnesota resident or an organization with its principle place of business in Minnesota that intends to start a new business or expand an existing business based on an identified, documented business opportunity; and

(4) "local government unit" means a county, city, town, special district, or other political subdivision or public corporation.

Subd. 4. **Applications.** An applicant shall prepare and submit to the commissioner a written proposal detailing how the applicant will implement the business venture capital program to meet the purpose of the program as provided in subdivision 1 and subject to subdivision 5.

Subd. 5. **Eligibility criteria.** When awarding grants the commissioner shall consider whether the applicant's proposal is:

(1) located in an area or a building that is in need of redevelopment or restoration;

(2) utilizes federal stimulus money resulting from the American Recovery and Reinvestment Act of 2009;

(3) assists with meeting Minnesota's renewable energy standards as set forth in section 216B.1691;

(4) reduces greenhouse gases and dependency on fossil fuels;

(5) assists resident entrepreneurs and businesses to initiate or expand in a manner that creates sustainable jobs that are compatible with the resources available in an area;

(6) supports research and development of innovative, nontraditional uses of resources available in an area;

(7) integrates support services and businesses in a central location; and

(8) reaches out to certain populations that are underrepresented in the workforce.

Subd. 6. **Additional considerations.** Other factors to be considered by the commissioner in awarding grants to applicants include:

(1) the rate of unemployment in the applicant's area of jurisdiction; and

(2) the average household income in the applicant's area of jurisdiction.

These factors must be evaluated using the most current data available.

Subd. 7. **Revolving fund.** A business venture capital revolving fund is established in the state treasury. The fund consists of all money appropriated to the commissioner for the purposes of this section and all loan repayments received by the commissioner as the result of loans made to eligible businesses under the business venture capital program. Priority for fund distribution shall be to local government units that have demonstrated success in implementing the program.

Sec. 2. **APPROPRIATION.**

$....... is appropriated in fiscal year 2010 from the general fund to the commissioner of employment and economic development to implement a business venture capital program. This appropriation is available until expended.

Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective the day following final enactment.