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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. **2183**

03/06/2017 Authored by Fabian, Kiel and Davids

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance

03/16/2017 Adoption of Report: Amended and re-referred to the Committee on Taxes

1.1 A bill for an act  
1.2 relating to economic development; providing a sales tax exemption for the sales  
1.3 tax paid during construction of an eligible wholesale electronic component  
1.4 distribution center; providing a forgivable loan for constructing an eligible  
1.5 wholesale electronic component distribution center; providing a grant from the  
1.6 business development public infrastructure program for the city of Thief River  
1.7 Falls; appropriating money.

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

1.9 Section 1. **EXEMPTION FROM JOB EXPANSION PROGRAM PROVISIONS.**

1.10 (a) Notwithstanding the 7-year certification period under Minnesota Statutes, section  
1.11 116J.8738, subdivision 3, the certification period for an eligible wholesale electronic  
1.12 component distribution center investing a minimum of \$200,000,000 and constructing a  
1.13 facility at least 700,000 square feet in size is effective for the 10-year period beginning on  
1.14 the first day of the calendar month immediately following the date that the commissioner  
1.15 informs the business of the award of the benefit.

1.16 (b) Notwithstanding the sales tax exemption limitations under Minnesota Statutes, section  
1.17 116J.8738, subdivision 4, the sales tax exemption for an eligible electronic component  
1.18 distribution center investing a minimum of \$200,000,000 and constructing a facility at least  
1.19 700,000 square feet in size may be authorized up to \$5,000,000 annually and up to  
1.20 \$30,000,000 during the total period of the agreement.

2.1       Sec. 2. **BUSINESS DEVELOPMENT PUBLIC INFRASTRUCTURE PROGRAM**  
2.2       **GRANT.**

2.3       \$1,600,000 in fiscal year 2018 is appropriated from the general fund to the commissioner  
2.4       of employment and economic development for the business development public infrastructure  
2.5       program under Minnesota Statutes, section 116J.431, to provide a grant to the city of Thief  
2.6       River Falls to support utility extensions, roads, and other public improvements related to  
2.7       the construction of a wholesale electronic component distribution center at least 700,000  
2.8       square feet in size and investing a minimum of \$200,000,000. Notwithstanding Minnesota  
2.9       Statutes, section 116J.431, a local match is not required. This is a onetime appropriation  
2.10      and funds are available from July 1, 2017, to June 30, 2021.

2.11      Sec. 3. **MINNESOTA INVESTMENT FUND FORGIVABLE LOAN.**

2.12      \$4,000,000 in fiscal year 2018 is appropriated from the general fund to the commissioner  
2.13      of employment and economic development for the Minnesota investment fund under  
2.14      Minnesota Statutes, section 116J.8731, for a loan to construct and equip a wholesale  
2.15      electronic component distribution center investing a minimum of \$200,000,000 and  
2.16      constructing a facility at least 700,000 square feet in size. Loan funds may be used for  
2.17      purchases of materials, supplies, and equipment for the construction of the facility and are  
2.18      available from July 1, 2017, to June 30, 2021. The commissioner of employment and  
2.19      economic development shall forgive the loan after verification that the project has satisfied  
2.20      performance goals and contractual obligations as required under Minnesota Statutes, section  
2.21      116J.8731.