

1.1 A bill for an act

1.2 relating to state government; requiring the State Board of Investment to consider
1.3 venture capital investments in businesses located in Minnesota; requiring a report;
1.4 amending Minnesota Statutes 2008, section 11A.24, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2008, section 11A.24, is amended by adding a
1.7 subdivision to read:

1.8 Subd. 6a. **Minnesota venture capital businesses.** In reviewing potential venture
1.9 capital investment opportunities that meet the standard of care in section 11A.09, the
1.10 board must first review potential investments in businesses located in Minnesota. At
1.11 least 20 percent of the value of each round of the board's venture capital investments
1.12 must be invested in businesses located in Minnesota unless the board certifies that its
1.13 review has determined that the 20 percent target cannot be satisfied within the standard
1.14 of care required by section 11A.09. If the board makes this certification, it must report
1.15 the percentage of venture capital investments for that round that were made in businesses
1.16 located in Minnesota. For purposes of this subdivision, a business is located in Minnesota
1.17 if: (1) the business has its headquarters in Minnesota; (2) at least 51 percent of the
1.18 business's employees are employed in Minnesota; and (3) at least 51 percent of the
1.19 business's total payroll is paid or incurred in Minnesota.

1.20 **EFFECTIVE DATE.** This section is effective July 1, 2010, and applies to
1.21 investments made on or after that date.