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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 3420

03/08/2018 Authored by Erickson and Lueck
The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance

1.1 A bill for an act
1.2 relating to economic development; creating the Lake Mille Lacs area economic
1.3 restoration program; appropriating money for grants to businesses adversely
1.4 affected by a decline in walleye fishing.

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

1.6 Section 1. **LAKE MILLE LACS AREA ECONOMIC RESTORATION PROGRAM.**

1.7 Subdivision 1. Restoration program established. Mille Lacs County must develop and
1.8 implement a Lake Mille Lacs area economic restoration program to assist businesses
1.9 adversely affected by a decline in walleye fishing on Lake Mille Lacs.

1.10 Subd. 2. Available assistance. (a) The economic restoration program established under
1.11 this section may include grants as provided in this section to the extent that funds are
1.12 available. Prior to awarding a grant to Mille Lacs County for the assistance program under
1.13 this section:

1.14 (1) the county must develop criteria, procedures, and requirements for:

1.15 (i) determining eligibility for assistance;

1.16 (ii) evaluating applications for assistance;

1.17 (iii) awarding assistance; and

1.18 (iv) administering the grant program authorized under this section;

1.19 (2) the county must submit its criteria, procedures, and requirements developed pursuant
1.20 to clause (1) to the commissioner of employment and economic development for review;

1.21 and

2.1 (3) the commissioner must approve the criteria, procedures, and requirements developed
2.2 pursuant to clause (1) to be used by the county in determining eligibility for assistance,
2.3 evaluating, awarding, and administering the grant program.

2.4 (b) The assistance authorized under this section includes grants not to exceed \$100,000
2.5 per business. The program criteria adopted by the county for grants under this subdivision
2.6 must:

2.7 (1) give preference to applications from businesses with the largest documented losses;

2.8 (2) specify that a business receiving a grant must remain in the local community a
2.9 minimum of ten years after the date of the grant; and

2.10 (3) require that applicants submit a business plan for continued operation over the ten
2.11 years following request of a grant. The plan must document the probable success of the
2.12 business plan.

2.13 Subd. 3. **Qualification requirements.** To qualify for assistance under this section, a
2.14 business must:

2.15 (1) be located within one of the following municipalities surrounding Lake Mille Lacs:

2.16 (i) in Crow Wing County, the city of Garrison, township of Garrison, or township of
2.17 Roosevelt;

2.18 (ii) in Aitkin County, the township of Hazelton, township of Wealthwood, township of
2.19 Malmo, or township of Lakeside; or

2.20 (iii) in Mille Lacs County, the city of Isle, city of Wahkon, city of Onamia, township of
2.21 East Side, township of Isle Harbor, township of South Harbor, or township of Kathio;

2.22 (2) document a reduction of at least ten percent in gross receipts in any two-year period
2.23 since 2010; and

2.24 (3) be a business in one of the following industries, as defined within the North American
2.25 Industry Classification System: accommodation, restaurants, bars, amusement and recreation,
2.26 food and beverages retail, sporting goods, miscellaneous retail, general retail, museums,
2.27 historical sites, health and personal care, gas station, general merchandise, business and
2.28 professional membership, movies, or nonstore retailer, as determined by Mille Lacs County
2.29 in consultation with the commissioner of employment and economic development.

2.30 Subd. 4. **Monitoring.** (a) Mille Lacs County must establish performance measures that
2.31 include, but are not limited to, the following components:

3.1 (1) the number of grants awarded, award amounts, and the reasons that a grant award
3.2 was made;

3.3 (2) the number of jobs created or retained as a result of the grant, including information
3.4 on wages and benefit levels, the status of the jobs as full time or part time, and the status
3.5 of the jobs as temporary or permanent;

3.6 (3) the amount of business activity and changes in gross revenues of the grant recipient
3.7 as a result of the assistance; and

3.8 (4) the new tax revenue generated as a result of the grant.

3.9 (b) The commissioner of employment and economic development must monitor Mille
3.10 Lacs County's compliance with this section and the performance measures developed under
3.11 paragraph (a).

3.12 (c) Mille Lacs County must comply with all requests made by the commissioner under
3.13 this section.

3.14 Subd. 5. **Business subsidy requirements.** Minnesota Statutes, sections 116J.993 to
3.15 116J.995, do not apply to assistance under this section. Businesses in receipt of assistance
3.16 under this section must provide for job creation and retention goals and wage and benefit
3.17 goals.

3.18 Subd. 6. **Administrative costs.** The commissioner of employment and economic
3.19 development may use up to one percent of the appropriation made for this section for
3.20 administrative expenses.

3.21 **EFFECTIVE DATE.** Subdivisions 1 to 3, 5, and 6 are effective July 1, 2018, and expire
3.22 June 30, 2020. Subdivision 4 is effective July 1, 2018, and expires on June 30, 2030.

3.23 Sec. 2. **LAKE MILLE LACS AREA ECONOMIC RESTORATION PROGRAM;**
3.24 **APPROPRIATION.**

3.25 \$..... in fiscal year 2019 is appropriated from the general fund to the commissioner of
3.26 employment and economic development for a grant to Mille Lacs County to develop and
3.27 operate the Lake Mille Lacs area economic restoration program established in section 1.
3.28 This is a onetime appropriation and is available until June 30, 2020.