

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 3712

(SENATE AUTHORS: EICHORN and Utke)

DATE	D-PG	OFFICIAL STATUS
02/27/2020	5031	Introduction and first reading Referred to Jobs and Economic Growth Finance and Policy

1.1 A bill for an act

1.2 relating to economic development; establishing the northern resorts relief loan

1.3 program; requiring reports; appropriating money; proposing coding for new law

1.4 in Minnesota Statutes, chapter 116J.

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

1.6 Section 1. **[116J.441] NORTHERN RESORTS RELIEF PROGRAM.**

1.7 Subdivision 1. **Establishment.** The commissioner of employment and economic

1.8 development shall establish the northern resorts relief program to award low-interest loans

1.9 to businesses adversely affected by winter weather conditions.

1.10 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the

1.11 meanings given.

1.12 (b) "Commissioner" means the commissioner of employment and economic development.

1.13 (c) "Eligible business" means a business that:

1.14 (1) provides lodging for winter recreational activity such as ice fishing or snowmobiling;

1.15 (2) can document a reduction of ten percent or more in gross receipts during the winter

1.16 of 2019-2020 due to poor ice or snow conditions; and

1.17 (3) is located within the counties of Beltrami, Cass, Hubbard, Itasca, or St. Louis.

1.18 (d) "Program" means the northern resorts relief program established under this section.

1.19 Subd. 3. **Available relief.** (a) Under the program, the commissioner shall offer loans to

1.20 eligible businesses. Loans shall include interest at a rate determined by the commissioner

1.21 and may be deferred or forgivable. The maximum loan amount is \$100,000 per business.

2.1 The maximum loan deferral period must not exceed five years from the date the loan is
2.2 approved. The maximum amount of a loan that may be forgiven must not exceed 50 percent
2.3 of the principle amount.

2.4 (b) All loan repayments under this section must be paid to the commissioner for deposit
2.5 in the Minnesota investment fund disaster contingency account under section 116J.8731.

2.6 Subd. 4. **Applications.** To receive a loan, an eligible business must submit a written
2.7 application to the commissioner using a form developed by the commissioner. This loan
2.8 application must include:

2.9 (1) a declaration that the business qualifies as an eligible business;

2.10 (2) documentation of the reduction in gross receipts during the winter of 2019-2020;

2.11 (3) what the loan funds will be used for;

2.12 (4) a business plan for continued operation of the eligible business if current weather
2.13 trends continue;

2.14 (5) an analysis of the probable success of the applicant's business plan and probable
2.15 success in repaying the loan according to the terms established for the loan program; and

2.16 (6) any additional information requested by the commissioner.

2.17 Subd. 5. **Reports to the legislature.** By February 15, 2022, and by February 15 of every
2.18 even year until all loans are either repaid or forgiven, the commissioner shall submit a report
2.19 to the chairs of the house of representatives and senate committees with jurisdiction over
2.20 economic development that details the use of loan funds. At a minimum, the report must
2.21 include:

2.22 (1) the number of loans approved and the amounts and terms of the loans;

2.23 (2) the loan default rate;

2.24 (3) the number of jobs created or retained as a result of the assistance, including
2.25 information on the wages and benefit levels, the status of the jobs as full-time or part-time,
2.26 and the status of the jobs as temporary or permanent;

2.27 (4) the amount of business activity and changes in gross revenues of the loan recipients
2.28 as a result of the assistance; and

2.29 (5) the new tax revenue generated as a result of the assistance.

3.1 Subd. 6. **Business subsidy requirements.** Sections 116J.993 to 116J.995 do not apply
3.2 to assistance under this section. Businesses in receipt of assistance under this section must
3.3 provide for job creation and retention goals and wage and benefit goals.

3.4 **EFFECTIVE DATE.** This section is effective July 1, 2020, and expires on the date the
3.5 last loan is repaid or forgiven as provided under this section.

3.6 Sec. 2. **APPROPRIATION; NORTHERN RESORTS RELIEF.**

3.7 \$10,000,000 in fiscal year 2021 is appropriated from the general fund to the commissioner
3.8 of employment and economic development for the northern resorts relief program. Of this
3.9 amount, up to one percent is for administration and monitoring of the program. This is a
3.10 onetime appropriation.