

**SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION**

S.F. No. 4481

(SENATE AUTHORS: ANDERSON, P., Pratt, Housley and Isaacson)

DATE	D-PG	OFFICIAL STATUS
04/16/2020	5627	Introduction and first reading Referred to Jobs and Economic Growth Finance and Policy
04/23/2020		Comm report: To pass as amended and re-refer to Finance Joint rule 2.03, referred to Rules and Administration Authors added Pratt; Housley; Isaacson Comm report: Adopt previous comm report Jt. rule 2.03 suspended

1.1 A bill for an act

1.2 relating to economic development; modifying small business loan transfers;

1.3 appropriating money for emergency small business grants and loans; amending

1.4 Laws 2020, chapter 71, article 1, section 11.

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

1.6 Section 1. Laws 2020, chapter 71, article 1, section 11, is amended to read:

1.7 **Sec. 11. TRANSFERS; SMALL BUSINESS EMERGENCY LOAN PROGRAM.**

1.8 Notwithstanding Minnesota Statutes, sections 116J.423 and 116J.8731, in fiscal year

1.9 2020, the following amounts are transferred to the small business emergency loan account

1.10 in the special revenue fund under Minnesota Statutes, section 116M.18, subdivision 9:

1.11 (1) \$20,000,000 from the special revenue fund account of the Minnesota 21st century

1.12 fund under Minnesota Statutes, section 116J.423, subdivision 1; and

1.13 (2) \$10,000,000 from the Minnesota investment revolving loan account under Minnesota

1.14 Statutes, section 116J.8731, subdivision 5, in the special revenue fund.

1.15 Transferred amounts are appropriated to the commissioner of employment and economic

1.16 development to make loans as set forth in Governor's Executive Order 20-15, Providing

1.17 Immediate Relief to Small Businesses During the COVID-19 Peacetime Emergency. Any

1.18 business may receive a loan through the small business emergency loan program at the

1.19 discretion of the commissioner of employment and economic development. The business

1.20 must demonstrate to the lender that it was directly and adversely affected by the COVID-19

1.21 peacetime emergency under Executive Order 20-04, 20-08, or 20-09. All loan repayments

1.22 are credited proportionately to the accounts from which the loan amounts were originally

2.1 transferred. Any amounts remaining in the small business emergency loan account that are
 2.2 unexpended and unobligated at the close of the fiscal year cancel proportionately to the
 2.3 accounts from which the amounts were originally transferred.

2.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.5 Sec. 2. **SMALL BUSINESS EMERGENCY LOAN PROGRAM; APPROPRIATION.**

2.6 \$30,000,000 is appropriated in fiscal year 2020 from the general fund to the commissioner
 2.7 of employment and economic development for small business emergency loans pursuant
 2.8 to Laws 2020, chapter 71, article 1, section 11.

2.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.10 Sec. 3. **SMALL BUSINESS RELIEF GRANTS; APPROPRIATION.**

2.11 (a) \$..... in fiscal year 2020 is appropriated from federal funds received by the state of
 2.12 Minnesota under the Coronavirus Aid, Relief, and Economic Security Act, Public Law
 2.13 116-136, to the commissioner of employment and economic development for grants under
 2.14 paragraph (c). The appropriation in this paragraph is reduced by any amount appropriated
 2.15 in paragraph (b). Funds are available until December 31, 2020.

2.16 (b) If the appropriation in paragraph (a) is not made before May 1, 2020, then \$..... in
 2.17 fiscal year 2020 is appropriated from the general fund to the commissioner of employment
 2.18 and economic development for grants under paragraph (c). Funds are available until
 2.19 December 31, 2020.

2.20 (c) Money appropriated under paragraph (a) or (b) shall be used to make grants to:

2.21 (1) the Minnesota Initiative Foundations to serve businesses in greater Minnesota; and

2.22 (2) the Otto Bremer Trust to serve businesses in the seven-county metropolitan area.

2.23 (d) Grant recipients under paragraph (c) shall use funds to make grants of up to \$10,000
 2.24 to individual businesses that:

2.25 (1) are located in the state of Minnesota;

2.26 (2) employ the equivalent of 50 full-time workers or less; and

2.27 (3) can demonstrate financial hardship as a result of the COVID-19 outbreak.

2.28 Grant funds received by individual businesses shall be used for working capital to support
 2.29 payroll expenses, rent, mortgage payments, utility bills, and other similar expenses that
 2.30 occur in the regular course of business.

3.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.