

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

S.F. No. 4542

(SENATE AUTHORS: KORAN and Draheim)

DATE
04/26/2022

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Introduction and first reading
Referred to Jobs and Economic Growth Finance and Policy
See HF3420

OFFICIAL STATUS

1.1 A bill for an act

1.2 relating to economic development; requiring the commissioner of employment

1.3 and economic development to prepare and submit an application for federal funds;

1.4 appropriating money; amending Laws 2021, First Special Session chapter 10,

1.5 article 1, section 7.

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

1.7 Section 1. Laws 2021, First Special Session chapter 10, article 1, section 7, is amended

1.8 to read:

1.9 Sec. 7. **BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL**

1.10 **FUNDING; APPROPRIATION.**

1.11 (a) The commissioner of employment and economic development must prepare and

1.12 submit an application to the United States Department of the Treasury requesting that

1.13 \$70,000,000 of Minnesota's capital projects fund allocation under Public Law 117-2 be

1.14 awarded to the state. The commissioner must submit the application required under this

1.15 paragraph by the later of September 30, 2021, or 90 days after the date on which the United

1.16 States Department of the Treasury begins accepting capital projects fund applications. The

1.17 commissioner must specify in the application that the award will be used for grants ~~and~~ that

1.18 satisfy the purposes specified under Minnesota Statutes, section 116J.395.

1.19 (b) Of the amount awarded to the state of Minnesota pursuant to the application required

1.20 in paragraph (a), notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, 50 percent

1.21 in fiscal year 2022 and 50 percent in fiscal year 2023 are appropriated to the commissioner

1.22 of employment and economic development. This is a onetime appropriation and must be

used for grants ~~and~~ that satisfy the purposes specified under Minnesota Statutes, section 116J.395. All money awarded under this section must be spent by December 31, 2026.

(c) The commissioner of employment and economic development may temporarily modify program standards under Minnesota Statutes, section 116J.395, to the degree necessary to comply with federal standards for funding received under this section.

Sec. 2. LOWER POPULATION DENSITY PILOT PROGRAM.

(a) The commissioner of employment and economic development must establish a pilot program to provide broadband service to unserved and underserved areas, as defined in Minnesota Statutes, section 116J.394, of the state where a 50 percent match formula is not adequate to make a business case for the extension of broadband facilities. Grants awarded under this section shall adhere to all other requirements of Minnesota Statutes, section 116J.395, subdivisions 1 to 6, and may fund up to 75 percent of the total cost of a project, notwithstanding Minnesota Statutes, section 116J.395, subdivision 7. Grants awarded to a single project under this section may not exceed \$5,000,000.

(b) The commissioner of employment and economic development may use up to \$15,000,000 from the appropriations in sections 3 and 4 for the lower population density pilot program under paragraph (a).

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

Sec. 3. BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL FUNDING; APPROPRIATION.

(a) The commissioner of employment and economic development must prepare and submit a grant plan application to the United States Department of the Treasury requesting that \$110,703,000 of Minnesota's capital projects fund allocation under Public Law 117-2 be used for grants that satisfy the purposes specified under section 2 and Minnesota Statutes, section 116J.395. The commissioner must submit the application required under this paragraph by September 24, 2022.

(b) Notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, the amount awarded to Minnesota pursuant to the application required in paragraph (a) is appropriated to the commissioner of employment and economic development. This appropriation (1) must be used only for grants that satisfy the purposes specified under section 2 and Minnesota Statutes, section 116J.395, and (2) is available until December 31, 2026.

(c) The commissioner of employment and economic development may temporarily modify program standards under section 2 and Minnesota Statutes, section 116J.395, to the extent necessary to comply with federal standards that apply to funding received under this section.

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

Sec. 4. **BROADBAND DEVELOPMENT; APPROPRIATION.**

(a) Notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, if Minnesota receives federal money for broadband development under Public Law 117-58, the Infrastructure Investment and Jobs Act, the money is appropriated to the commissioner of economic development for grants that satisfy the purposes specified under section 2 and Minnesota Statutes, section 116J.395.

(b) The commissioner of employment and economic development may temporarily modify program standards under section 2 and Minnesota Statutes, section 116J.395, to the extent necessary to comply with federal standards that apply to funding received under this section.

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