

CHAPTER 391—H.F.No.723

[Coded]

An act relating to economic development; providing grants to community development corporations; setting out criteria for making such grants; amending Minnesota Statutes 1976, Chapter 362, by adding a section.

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

Section 1. Minnesota Statutes 1976, Chapter 362, is amended by adding a section to read:

[362.41] ECONOMIC DEVELOPMENT; COMMUNITY DEVELOPMENT CORPORATIONS. Subdivision 1. For the purposes of this section, the following terms shall have the meanings given them:

Subd. 2. "Economic development region" means an area so designated in the governor's executive order number 60, dated June 12, 1970, as amended.

Subd. 3. "Federal poverty level" means the income level established by the United States Community Services Administration in 45 CFR 1060.2-2.

Subd. 4. "Low income" means an annual income below the federal poverty level.

Subd. 5. The director of the state planning agency shall administer this section and shall enforce the rules related to the community development corporations promulgated by the department of economic development. The director may amend, suspend, repeal or otherwise modify these rules as provided for in chapter 15.

Subd. 6. The director shall designate a community development corporation as eligible to receive grants pursuant to this section if the corporation:

(a) Is a non-profit corporation incorporated under chapter 317;

(b) Designates in its articles of incorporation or bylaws a specific geographic community within which it will operate. At least ten percent of the population within the designated community must have low income. Within the metropolitan area as defined in section 473.121, subdivision 2, a designated community shall be an identifiable neighborhood, or a combination of neighborhoods or home rule charter or statutory cities, townships, unincorporated areas or combinations thereof. Outstate designated communities shall to the extent possible not cross existing economic development boundaries;

(c) Limits voting membership to residents of the designated community;

(d) Has a board of directors with 15 to 30 members, unless the corporation can

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demonstrate to the director that a smaller or larger board is more advantageous. At least 60 percent of the directors shall have low incomes and the remaining directors shall be members of the business or financial community and the community at large. To the greatest extent possible directors shall be residents of the designated community. The low income directors shall be elected by the members of the corporation, and the remaining directors may be elected by the members of the corporation or selected by the low income directors; and

(e) Hires low income residents of the designated community to fill non-managerial and non-professional positions.

Subd. 7. The director shall approve a grant to a community development corporation only for a project carried on within the designated community, except when the corporation demonstrates that a project carried on outside will have a significant impact inside the designated community.

Subd. 8. The director may approve a grant to a community development corporation for planning, including organization of the corporation, training of the directors, creation of a comprehensive community economic development plan, and development of a proposal for a venture grant, or for establishment of a business venture, including assistance to an existing business venture, purchase of partial or full ownership of a business venture, or development of resources or facilities necessary for the establishment of a business venture.

Subd. 9. Factors considered by the director in approving a grant to a community development corporation should include the creation of employment opportunities, the maximization of profit and the effect on securing funds from sources other than the state.

Subd. 10. Grants under this section shall not be available for programs conducted by churches or religious organizations or for securing or developing social services.

Subd. 11. A person shall not be excluded from participation in a program funded pursuant to this section because of race, color, religion, sex, age or national origin.

Sec. 2. EFFECTIVE DATE. This act is effective on the day following final enactment.

Approved June 2, 1977.

CHAPTER 392—H.F.No.728

[Coded in Part]

An act relating to corrections; prescribing powers of probation officers; providing for reimbursement to counties for probation services; prescribing duties of the commissioner for parole and probation; authorizing disposition of juvenile offenders; authorizing the sealing of criminal records; authorizing certain investigations; authorizing accounts of funds of inmates;

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