

Sec. 31. **EFFECTIVE DATE.**

Section 3 is effective the day following final enactment. Sections 2, 4 to 8, 10 to 28, and 30 are effective July 1, 1988. Sections 9 and 29 are effective January 1, 1989.

Approved April 24, 1988

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**CHAPTER 614—H.F.No. 2434**

*An act relating to the city of Duluth; authorizing the expenditure of previously appropriated funds for acquisition or construction of Duluth's Western Waterfront Trail.*

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

Section 1. **DULUTH WATERFRONT TRAIL.**

The city of Duluth may spend up to \$236,859 of the sum appropriated for grants by Laws 1977, chapter 421, section 12, subdivision 2, for acquisition or construction or both for Duluth's Western Waterfront Trail subject to all other terms and conditions of the grants.

Sec. 2. **EFFECTIVE DATE.**

This act takes effect the day following final enactment.

Approved April 24, 1988

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**CHAPTER 615—H.F.No. 2568**

*An act relating to agriculture; providing for terms and compensation for members of the Minnesota agricultural and economic development board; changing and clarifying the small business development loan portion of the agricultural resource loan guarantee program; establishing requirements for revenues that can be used in a local revolving fund; amending Minnesota Statutes 1987 Supplement, sections 41A.02, subdivisions 3 and 16; 41A.036, by adding subdivisions; and 116N.08, subdivision 8.*

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

Section 1. Minnesota Statutes 1987 Supplement, section 41A.02, subdivision 3, is amended to read:

Subd. 3. **MINNESOTA AGRICULTURAL AND ECONOMIC DEVELOPMENT BOARD; BOARD.** "Minnesota agricultural and economic development

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board" or "board" consists of the commissioner of finance as chair, the commissioner of agriculture, the commissioner of energy and economic development, the director of the pollution control agency, the president of the Greater Minnesota Corporation or the president's designee, and two public members with experience in finance, appointed by the Greater Minnesota Corporation. The membership terms, compensation, removal, and filling of vacancies of public members of the board are as provided in section 15.0575.

Sec. 2. Minnesota Statutes 1987 Supplement, section 41A.02, subdivision 16, is amended to read:

Subd. 16. **ELIGIBLE SMALL BUSINESS.** "Eligible small business" means:

(1) an enterprise determined by the board to constitute a small business concern as defined in regulations of the United States Small Business Administration under United States Code, title 15, sections 631 to 647; or

(2) ~~a business~~ an enterprise eligible to receive assistance under section ~~42~~ 41A.036.

Sec. 3. Minnesota Statutes 1987 Supplement, section 41A.036, is amended by adding a subdivision to read:

Subd. 4. EXEMPTION FROM LIMITATION. If the board determines that a revenue-producing enterprise is eligible for special assistance, the \$1,000,000 limitation established in subdivision 1 does not apply.

Sec. 4. Minnesota Statutes 1987 Supplement, section 41A.036, is amended by adding a subdivision to read:

Subd. 5. DESIGNATION; CRITERIA. A revenue-producing enterprise is not eligible to receive special assistance unless the board has passed a resolution designating the revenue-producing enterprise as being in need of special assistance. The resolution must include findings that the designation and receipt of the special assistance will be of exceptional benefit to the state of Minnesota in that at least three of the following criteria are met:

(1) to expand or remain in Minnesota, the revenue-producing enterprise has demonstrated that it cannot obtain suitable financing from other sources;

(2) special assistance will enable a revenue-producing enterprise not currently located in Minnesota to locate a facility in Minnesota that directly increases the number of jobs in the state;

(3) the revenue-producing enterprise will create or retain significant numbers of jobs in a Minnesota community;

(4) the revenue-producing enterprise has a significant potential for growth in jobs or economic activities in Minnesota during the ensuing five-year period; and

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(5) the revenue-producing enterprise will maintain a significant level of productivity in Minnesota during the ensuing five-year period.

Sec. 5. Minnesota Statutes 1987 Supplement, section 41A.036, is amended by adding a subdivision to read:

Subd. 6. SET ASIDE. The board shall reserve at least \$3,000,000 for the purpose of making or purchasing small business development loans not exceeding \$250,000 in principal amount with respect to small business loans made or purchased by the board and not exceeding \$250,000 in principal amount with respect to the board's share when the board participates in making or purchasing small business loans.

Sec. 6. Minnesota Statutes 1987 Supplement, section 116N.08, subdivision 8, is amended to read:

Subd. 8. **LOCAL GOVERNMENTAL UNIT LOANS.** A local governmental unit may receive a loan under this section if the local governmental unit has established a local revolving loan fund and can provide at least an equal match to the loan received from a regional organization. For the purpose of providing the match to establish the local revolving loan fund, the local governmental unit may use any unencumbered money in the general fund of the unit. Revenues from tax increments derived from a district located within the boundaries of the local governmental unit may be used to fund a second local revolving loan fund only if (1) those revenues are loaned in a manner authorized in the district's tax increment financing plan to a business located within the tax increment district, and (2) the revenues are deposited in a loan fund that is separate from the loan fund in which general fund money is established. The local governmental unit may deposit up to \$50,000 of local public money in each of the local revolving funds that may be established under this subdivision. The maximum loan available to a local governmental unit under this section is \$50,000. The money loaned to a local governmental unit by a regional organization must be matched by the local revolving loan fund and used to provide loans to businesses to promote local economic development. One-half of the money loaned to a local governmental unit under this section by a regional organization must be repaid to the rural rehabilitation revolving fund. One-half of the money may be retained by the local governmental unit's revolving loan fund for further distribution by the local governmental unit.

Sec. 7. **REPEALER.**

Section 5 is repealed July 1, 1989.

Sec. 8. **EFFECTIVE DATE.**

Section 1 is effective the day following final enactment.

Approved April 24, 1988

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