

(5) develop an application process for shelter facilities to follow in seeking reimbursement under the per diem program;

(6) adopt rules to implement and administer sections 611A.37 to 611A.375.

Presented to the governor May 17, 2001

Signed by the governor May 21, 2001, 10:52 a.m.

CHAPTER 153—S.F.No. 1472

An act relating to economic development; modifying the capital access program; amending Minnesota Statutes 2000, sections 116J.876, by adding a subdivision; 116J.8761; and 116J.8762, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

Section 1. Minnesota Statutes 2000, section 116J.876, by adding a subdivision to read:

Subd. 6a. **COMMUNITY DEVELOPMENT VENTURE CAPITAL FUND.** "Community development venture capital fund" means a regional or local venture capital fund that makes equity investments in small or emerging companies and has a financial as well as a social mission.

Sec. 2. Minnesota Statutes 2000, section 116J.8761, is amended to read:

116J.8761 **CAPITAL ACCESS PROGRAM; CREATION; ADMINISTRATION.**

A capital access program is created in the department of trade and economic development. The purpose of the capital access program is to provide capital to businesses, particularly small and medium-sized businesses, to foster economic development. Capital may be provided in the form of equity investments for community development venture capital funds or loans for all other assistance under the program. Loans made under this program are to be slightly riskier than conventional loans, but still offer a high degree of soundness in connection with the capital access program.

The commissioner has the power to administer the program, enter into contracts, and take action reasonably necessary to ensure compliance with the program. The lender shall provide the commissioner with information regarding its participation in the program as the commissioner may reasonably require. Upon notice to the lender, the commissioner may inspect the files of the lender relating to any loans enrolled under the program during normal business hours of the lender.

A lender is eligible to participate in the program upon entering into an agreement with the commissioner governing the duties of the commissioner and the lender under the program.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 3. Minnesota Statutes 2000, section 116J.8762, subdivision 1, is amended to read:

Subdivision 1. **DUTIES.** The commissioner must:

(1) with respect to loans:

(1) (i) market the capital access program to businesses and other persons in the state in cooperation with financial institutions and statewide associations representing financial institutions;

(2) (ii) establish a reservation or allocation system so that lenders may reserve an allocation of funds in the account before or after the lender enters into a loan agreement or contract with a borrower; and

(3) (iii) develop the program, in cooperation with financial institutions and statewide associations representing financial institutions, so that the degree of flexibility for the commissioner and the participating lenders is maximized and the state oversight of individual loans is minimized, and the fiscal integrity of the program is maintained; and

(2) with respect to equity investments:

(i) market the program to businesses and community development venture capital funds; and

(ii) enter into appropriate contracts and agreements with community development venture capital funds.

Sec. 4. **[116J.8770] EQUITY INVESTMENTS.**

The commissioner may invest funds from the capital access account to make equity investments in community development venture capital funds for the purpose of providing capital for small and emerging businesses. The community development venture capital fund must have experience in equity investments with small businesses and the ability to raise private capital.

Sec. 5. **[116J.8771] WAIVER.**

The capital access program is exempt from section 16C.05, subdivision 2, paragraph (a), clause (5).

Sec. 6. **REVISOR'S INSTRUCTION.**

The revisor shall substitute "116J.8771" for "116J.8769" in Minnesota Statutes, sections 116J.876, subdivisions 1 and 12; 116J.8765, subdivision 1; and 116J.8766, subdivision 2.

Sec. 7. **EFFECTIVE DATE.**

Sections 1 to 5 are effective the day following final enactment.

Presented to the governor May 17, 2001

Signed by the governor May 21, 2001, 10:55 a.m.

New language is indicated by underline, deletions by strikeout.