

**CHAPTER 2—H.F.No. 2**

*An act relating to disaster assistance; making miscellaneous corrections to the 2012 First Special Session flood relief legislation; amending Minnesota Statutes 2010, section 116J.8731, subdivision 9, as added if enacted; 2012 First Special Session H.F. 1, article 1, sections 5, if enacted; 10, subdivision 3, if enacted.*

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

Section 1. 2012 First Special Session H.F. No. 1, article 1, section 5, if enacted, is amended to read:

**Sec. 5. EMPLOYMENT AND ECONOMIC DEVELOPMENT**

**\$ 15,000,000**

**Minnesota Investment Fund**

From the general fund to the commissioner of employment and economic development for Minnesota investment fund grants under Minnesota Statutes, section 12A.07.

Before any grants under this section are awarded to a local unit of government, the commissioner of employment and economic development shall report to the chairs and ranking minority members of the senate Finance Committee and house of representatives Ways and Means Committee the criteria and requirements to be used by local units of government in the grant or loan programs they will administer. All business loan agreements must be executed by December 31, 2013. ~~Any uncommitted balance remaining must be transferred to the general fund.~~ Appropriations under this section are available through December 31, 2013.

Sec. 2. 2012 First Special Session H.F. No. 1, article 1, section 10, subdivision 3, if enacted, is amended to read:

**Subd. 3. Erosion, Sediment, and Water Quality Control Cost-Share Program**

**11,000,000**

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From the general fund for the purposes specified in Minnesota Statutes, section 12A.05, subdivision 2, in the area included in DR-4069. Priority use of these funds shall be to supplement or match federal funds whenever possible and practical.

**Wetland conservation procedures.** For projects funded in this ~~section~~ article, the board may develop alternative standards and procedures for Minnesota Statutes, sections 103G.222 to 103G.2242, that may be used temporarily by local government units to address emergency situations or disaster recovery efforts in the area included in DR-4069.

Sec. 3. Minnesota Statutes 2010, section 116J.8731, subdivision 9, as added by 2012 First Special Session H.F. No. 1, article 1, section 21, if enacted, is amended to read:

Subd. 9. **Requirements for assistance.** All awards under ~~subdivision 8~~ section 12A.07 are subject to the following requirements.

(a) Eligible applicants include the following:

(1) Applicants may be any business or nonprofit organization in the area included in the disaster declaration that was directly and adversely affected by the disaster. This includes: businesses, cooperatives, utilities, industrial, commercial, retail, and nonprofit organizations, including those nonprofits that provide residential, health care, child care, social, or other services on behalf of the Department of Human Services to residents included in the disaster area.

(2) Business applicants must be organized as a proprietorship, partnership, LLC, or a corporation.

(3) Applicants must have been in operation before the date of the disaster.

(b) Eligible activities. Loan funds may be used to assist businesses only in their recovery efforts but are not available to provide relief from economic losses.

(c) Eligible costs. Eligible costs may include the following: repair of buildings, leasehold improvements, fixtures and/or equipment, loss of inventory, and cleanup costs.

(d) Ineligible activities:

(1) Ineligible applicants. Any applicants not meeting the eligibility requirements outlined in this subdivision are ineligible to receive recovery loan funds.

(2) Ineligible activities. Funds may not be used for lending or investment operations, land speculation, or any activity deemed illegal by federal, state, or local law or ordinance.

(3) Ineligible costs. Ineligible costs include but are not limited to: economic injury losses, relocation, management fees, financing costs, franchise fees, debt consolidation, moving costs, refinancing debt existing prior to the date of the disaster, and operating costs.

(e) Loan application:

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(1) Application process. All parties seeking recovery loan funds must file an application with the local unit of government. Small Business Administration (SBA) application forms may be used. Applications must be transmitted in the form and manner prescribed by the commissioner.

(f) Application information. Only completed applications will be reviewed for consideration. Submittal of the following information constitutes a complete application:

- (1) MIF recovery loan fund application;
- (2) business SBA disaster application if applicable;
- (3) regional development organization or responsible local government application, if applicable;
- (4) administrative contact;
- (5) business release for local government to review SBA damage assessment/loss verification, if applicable;
- (6) proof of loss statement from insurer;
- (7) construction cost estimates;
- (8) invoices for work completed;
- (9) quotes for equipment;
- (10) proposed security;
- (11) company historical financial statements for the 24 months immediately prior to the application date;
- (12) credit check release;
- (13) number of jobs to be retained;
- (14) wages paid;
- (15) amount of loan request;
- (16) documentation of damages incurred;
- (17) property taxes paid and current;
- (18) judgments, liens, agreements, consent decrees, stipulations for settlements, or other such actions which would prevent the applicant from participating in any program administered by the responsible local, state, or regional government;
- (19) compliance with all applicable local ordinances and plans;
- (20) documentation through financial and tax records that the business was a viable operating entity at the time of the flood;
- (21) business tax identification number; and
- (22) other documentation as requested.

(g) Incomplete applications will be assigned pending status and the applicant will be informed in writing of the missing documentation.

(h) Determination of eligibility. Applicant eligibility will be determined using criteria enumerated in paragraph (a). A credit check for the company and each of its

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principal owners may be conducted. An owner's encumbrance report will be completed by the Recorder's Office.

A grant recipient is eligible for assistance provided under this section only after the recipient has claimed all applicable private insurance and the recipient has utilized all other sources of applicable assistance available under the act appropriating funding for the grant.

Presented to the governor August 24, 2012

Signed by the governor August 24, 2012, 5:20 p.m.