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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3099

03/14/2016 Authored by Moran, Bly, Kahn, Persell, Allen and others

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance

1.1 A bill for an act
1.2 relating to economic development; providing assistance for start-up and
1.3 expansion of small businesses owned by women of color; appropriating money;
1.4 requiring a report.

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

1.6 Section 1. WOMEN OF COLOR SMALL BUSINESS DEVELOPMENT
1.7 PROGRAM.

1.8 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms
1.9 have the meanings given.

1.10 (b) "Commissioner" means the commissioner of employment and economic
1.11 development.

1.12 (c) "Eligible loan recipient" means:

1.13 (1) one or more women of color who seek to start a small business; or

1.14 (2) a small business that:

1.15 (i) is a women of color business;

1.16 (ii) is not a nonprofit organization or business involved in real estate development,
1.17 exporting, multilevel marketing, adult entertainment, or lending; and

1.18 (iii) has its principal place of operation in Ramsey County.

1.19 (d) "Eligible organization" means a nonprofit organization located in Minnesota with
1.20 commercial lending experience, including but not limited to loan origination, servicing,
1.21 and underwriting, and experience providing technical assistance to female entrepreneurs
1.22 and women of color businesses.

1.23 (e) "Small business" means a business entity with fewer than 50 employees.

2.1 (f) "Women of color" means females 18 years of age or older who are American
2.2 Indian, Asian, Black, or Hispanic.

2.3 (g) "Women of color business" means a business for which one or more women
2.4 of color:

2.5 (1) own at least 50 percent of the business or, in the case of a publicly owned
2.6 business, own at least 51 percent of the stock; and

2.7 (2) manage the business and control the daily business operations.

2.8 **Subd. 2. Women of color business development loan program.** (a) The
2.9 commissioner shall make grants to eligible organizations to provide loans for the start-up,
2.10 expansion, and retention of small businesses located in Ramsey County that are owned by
2.11 women of color, and to provide technical assistance, in collaboration with Minnesota's
2.12 communities of color and organizations that serve women of color.

2.13 (b) Eligible organizations may make loans to eligible loan recipients under this
2.14 section, subject to the following conditions:

2.15 (1) the maximum loan amount may not exceed \$.....;

2.16 (2) loans are available for business start-up, expansion, retention, and establishment
2.17 of credit;

2.18 (3) loans must have a fixed interest rate, with monthly repayment, for terms up to ten
2.19 years and may not have a penalty for prepayment;

2.20 (4) a onetime commitment fee, not to exceed \$.....; and collateral filing fees, not to
2.21 exceed, \$.....;

2.22 (5) preference for loan awards will be given to eligible loan recipients whose family
2.23 income does not exceed 80 percent of the area median income;

2.24 (6) loans may not be denied based solely on a poor credit rating or lack of credit rating;

2.25 (7) personal assets, including but not limited to a home, car, or personal savings,
2.26 may be used for loan collateral;

2.27 (8) eligible loan recipients must invest savings or personal equity in the business at
2.28 least equal to ten percent of the principal amount of the loan;

2.29 (9) eligible loan recipients and their businesses must be free of outstanding tax liens
2.30 and not currently involved in any bankruptcy proceeding as a debtor;

2.31 (10) eligible loan recipients must not have any personal or business accounts in
2.32 default, including any bills past due;

2.33 (11) any business partner with 20 percent or more ownership must be a coborrower
2.34 on the loan; and

2.35 (12) technical assistance for eligible loan recipients must be available for the entire
2.36 term of the loan.

3.1 Subd. 3. **Report.** By January 15, 2019, the commissioner shall submit to the
3.2 legislative committees of the house of representatives and the senate having jurisdiction
3.3 over economic development and workforce development policy and finance a report
3.4 detailing the activity under the loan program. Where data are available, data in the
3.5 report must be disaggregated, by race, cultural group, family income, geographical
3.6 location, status as a migrant or foreign immigrant, home language, English learners under
3.7 Minnesota Statutes, section 124D.59, disability, and status of homelessness.

3.8 Sec. 2. **WOMEN OF COLOR BUSINESS DEVELOPMENT PROGRAM**
3.9 **APPROPRIATION.**

3.10 \$..... in fiscal year 2017 is appropriated from the general fund to the commissioner
3.11 of employment and economic development for grants under the women of color business
3.12 development program under section 1. This is a onetime appropriation and is available
3.13 until expended. Up to ... percent of grant awards to eligible organizations under section 1,
3.14 may be used for administrative expenses directly related to the business development loan
3.15 program, including, but not limited to, hiring staff to implement the loan program.