

This Document can be made available in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 4961

03/14/2024 Authored by Hassan The bill was read for the first time and referred to the Committee on Economic Development Finance and Policy

1.1 A bill for an act
1.2 relating to economic development; modifying the innovative business development
1.3 public infrastructure grant program; amending Minnesota Statutes 2022, section
1.4 116J.435, subdivisions 3, 4; repealing Minnesota Statutes 2022, section 116J.435,
1.5 subdivision 5.

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

1.7 Section 1. Minnesota Statutes 2022, section 116J.435, subdivision 3, is amended to read:

1.8 Subd. 3. Grant program established. (a) The commissioner shall make competitive
1.9 grants to local governmental units to acquire and prepare land on which public infrastructure
1.10 required to support an eligible project will be located, including demolition of structures
1.11 and remediation of any hazardous conditions on the land, or to predesign, design, acquire,
1.12 and to construct, furnish, and equip public infrastructure required to support an eligible
1.13 project. The local governmental unit receiving a grant must provide for the remainder of
1.14 the public infrastructure costs from other sources. The commissioner may waive the
1.15 requirements related to an eligible project under subdivision 2 if a project would be eligible
1.16 under this section but for the fact that its location requires infrastructure improvements to
1.17 residential development.

1.18 (b) The amount of a grant may not exceed the lesser of the cost of the public infrastructure
1.19 or 50 percent of the sum of the cost of the public infrastructure plus the cost of the completed
1.20 eligible project.

1.21 (c) The purpose of the program is to keep or enhance jobs in the area, increase the tax
1.22 base, or to expand or create new economic development through the growth of new
1.23 innovative businesses and organizations.

2.1 Sec. 2. Minnesota Statutes 2022, section 116J.435, subdivision 4, is amended to read:

2.2 Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for
 2.3 soliciting and reviewing applications for grants under this section. At a minimum, a local
 2.4 governmental unit must include ~~the following information~~ in its application a resolution
 2.5 certifying that the money required to be supplied by the local governmental unit to complete
 2.6 the public infrastructure project is available and committed. The commissioner must evaluate
 2.7 complete applications for eligible projects using the following criteria:

2.8 (1) ~~a resolution of its governing body certifying that the money required to be supplied~~
 2.9 ~~by the local governmental unit to complete the public infrastructure is available and~~
 2.10 ~~committed~~ the project is an eligible project as defined under subdivision 2;

2.11 (2) ~~a detailed estimate, along with necessary supporting evidence, of the total development~~
 2.12 ~~costs for the public infrastructure and eligible project~~ the project is expected to result in or
 2.13 will attract substantial public and private capital investment and provide substantial economic
 2.14 benefit to the county or city in which the project would be located;

2.15 (3) ~~an assessment of the potential or likely use of the site for innovative business activities~~
 2.16 ~~after completion of the public infrastructure and eligible project~~ the project is not relocating
 2.17 substantially the same operation from another location in the state, unless the commissioner
 2.18 determines the project cannot be reasonably accommodated within the county or city in
 2.19 which the business is currently located, or the business would otherwise relocate to another
 2.20 state; and

2.21 (4) ~~a timeline indicating the major milestones of the public infrastructure and eligible~~
 2.22 ~~project and their anticipated completion dates;~~ the project is expected to create or retain
 2.23 full-time jobs.

2.24 (5) ~~a commitment from the governing body to repay the grant if the milestones are not~~
 2.25 ~~realized by the completion date identified in clause (4); and~~

2.26 (6) ~~any additional information or material the commissioner prescribes.~~

2.27 (b) The determination of whether to make a grant ~~under subdivision 3~~ for a site is within
 2.28 the discretion of the commissioner, subject to this section. The commissioner's decisions
 2.29 and application of the ~~priorities~~ criteria are not subject to judicial review, except for abuse
 2.30 of discretion.

2.31 Sec. 3. **REPEALER.**

2.32 Minnesota Statutes 2022, section 116J.435, subdivision 5, is repealed.

116J.435 INNOVATIVE BUSINESS DEVELOPMENT PUBLIC INFRASTRUCTURE GRANT PROGRAM.

Subd. 5. **Priorities.** (a) If applications for grants exceed the available appropriations, grants must be made for public infrastructure that, in the commissioner's judgment, provides the highest return in public benefits for the public costs incurred. "Public benefits" include job creation, environmental benefits to the state and region, efficient use of public transportation, efficient use of existing infrastructure, provision of affordable housing, multiuse development that constitutes community rebuilding rather than single-use development, crime reduction, blight reduction, community stabilization, and property tax base maintenance or improvement. In making this judgment, the commissioner shall give priority to eligible projects with one or more of the following characteristics:

- (1) the potential of the local governmental unit to attract viable innovative businesses;
- (2) proximity to public transit if located in a metropolitan county, as defined in section 473.121, subdivision 4;
- (3) multijurisdictional eligible projects that take into account the need for affordable housing, transportation, and environmental impact;
- (4) the eligible project is not relocating substantially the same operation from another location in the state, unless the commissioner determines the eligible project cannot be reasonably accommodated within the local governmental unit in which the business is currently located, or the business would otherwise relocate to another state or country; and
- (5) the number of jobs that will be created.

(b) The factors in paragraph (a) are not listed in a rank order of priority; rather, the commissioner may weigh each factor, depending upon the facts and circumstances, as the commissioner considers appropriate.