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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. **578**

02/05/2015 Authored by Franson, Davids, Petersburg, Gunther, Gruenhagen and others

The bill was read for the first time and referred to the Committee on Greater Minnesota Economic and Workforce Development Policy

02/18/2015 Adoption of Report: Re-referred to the Committee on Job Growth and Energy Affordability Policy and Finance

1.1 A bill for an act
1.2 relating to capital investment; modifying the greater Minnesota business
1.3 development public infrastructure grant program; appropriating money;
1.4 authorizing the sale and issuance of state bonds; amending Minnesota Statutes
1.5 2014, section 116J.431, subdivisions 1, 2, 4, 6.

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

1.7 Section 1. Minnesota Statutes 2014, section 116J.431, subdivision 1, is amended to read:

1.8 Subdivision 1. **Grant program established; purpose.** (a) The commissioner
1.9 shall make grants to counties or cities to provide ~~up to~~ 50 percent of the capital costs of
1.10 public infrastructure necessary for an eligible economic development project, unless the
1.11 applicant requests a lesser amount. The county or city receiving a grant must provide for
1.12 the remainder of the costs of the project, either in cash or in kind. In-kind contributions
1.13 may include the value of site preparation other than the public infrastructure needed
1.14 for the project.

1.15 (b) The purpose of the grants made under this section is to keep or enhance jobs in
1.16 the area, increase the tax base, or to expand or create new economic development.

1.17 (c) In awarding grants under this section, the commissioner must adhere to the
1.18 criteria under subdivision 4.

1.19 Sec. 2. Minnesota Statutes 2014, section 116J.431, subdivision 2, is amended to read:

1.20 Subd. 2. **Eligible projects.** An economic development project for which a county or
1.21 city may be eligible to receive a grant under this section includes:

- 1.22 (1) manufacturing;
- 1.23 (2) technology;
- 1.24 (3) warehousing and distribution;

2.1 (4) research and development;

2.2 (5) agricultural processing, defined as transforming, packaging, sorting, or grading
2.3 livestock or livestock products into goods that are used for intermediate or final
2.4 consumption, including goods for nonfood use; or

2.5 (6) industrial park development that would be used by any other business listed in
2.6 this subdivision even if no business has committed to locate in the industrial park at the
2.7 time the grant application is made.

2.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.9 Sec. 3. Minnesota Statutes 2014, section 116J.431, subdivision 4, is amended to read:

2.10 Subd. 4. **Application.** (a) The commissioner must develop forms and procedures
2.11 for soliciting and reviewing applications for grants under this section. At a minimum, a
2.12 county or city must include in its application a resolution of the county or city council
2.13 certifying that the required local match is available. The commissioner must evaluate
2.14 complete applications for eligible projects using the following criteria:

2.15 (1) the project is an eligible project as defined under subdivision 2;

2.16 (2) the project ~~will~~ is likely to result in substantial public and private capital
2.17 investment and provide substantial economic benefit to the county or city in which the
2.18 project would be located;

2.19 (3) the project is not relocating substantially the same operation from another
2.20 location in the state, unless the commissioner determines the project cannot be reasonably
2.21 accommodated within the county or city in which the business is currently located, or the
2.22 business would otherwise relocate to another state; and

2.23 (4) the project ~~will~~ is likely to create or maintain full-time jobs.

2.24 (b) The determination of whether to make a grant for a site is within the discretion of
2.25 the commissioner, subject to this section. The commissioner's decisions and application of
2.26 the ~~priorities~~ criteria are not subject to judicial review, except for abuse of discretion.

2.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.28 Sec. 4. Minnesota Statutes 2014, section 116J.431, subdivision 6, is amended to read:

2.29 Subd. 6. **Maximum grant amount.** A county or city may receive no more than
2.30 ~~\$1,000,000~~ \$2,000,000 in two years for one or more projects.

2.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.1 Sec. 5. **BOND AUTHORIZATION; GREATER MINNESOTA BUSINESS**
3.2 **DEVELOPMENT PUBLIC INFRASTRUCTURE GRANT PROGRAM.**

3.3 Subdivision 1. **Appropriation.** \$20,000,000 is appropriated from the bond proceeds
3.4 fund to the commissioner of employment and economic development for the greater
3.5 Minnesota business development public infrastructure grant program under Minnesota
3.6 Statutes, section 116J.431.

3.7 Subd. 2. **Bond sale.** To provide the money appropriated in this section from the
3.8 bond proceeds fund, the commissioner of management and budget shall sell and issue
3.9 bonds of the state in an amount up to \$20,000,000 in the manner, upon the terms, and with
3.10 the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the
3.11 Minnesota Constitution, article XI, sections 4 to 7.

3.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.