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State of Minnesota
HOUSE OF REPRESENTATIVES
First Division Engrossment

NINETY-FIRST SESSION

H. F. No. **2823**

04/05/2019 Authored by Huot
The bill was read for the first time and referred to the Committee on Ways and Means

Division Action

03/12/2020 Referred by Chair to the Environment and Natural Resources Finance Division
Division action, to adopt as amended and return to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to environment; modifying prior appropriation to deliver reclaimed water;
1.3 amending Laws 2017, chapter 94, article 1, section 2, subdivision 2, as amended.

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

1.5 Section 1. Laws 2017, chapter 94, article 1, section 2, subdivision 2, as amended by Laws
1.6 2017, First Special Session chapter 7, section 2, is amended to read:

1.7 Subd. 2. **Business and Community Development** \$ 46,074,000 \$ 40,935,000

1.8 Appropriations by Fund

1.9	General	\$43,363,000	\$38,424,000
1.10	Remediation	\$700,000	\$700,000
1.11	Workforce		
1.12	Development	\$1,861,000	\$1,811,000
1.13	Special Revenue	\$150,000	-0-

1.14 (a) \$4,195,000 each year is for the Minnesota
1.15 job skills partnership program under
1.16 Minnesota Statutes, sections 116L.01 to
1.17 116L.17. If the appropriation for either year
1.18 is insufficient, the appropriation for the other
1.19 year is available. This appropriation is
1.20 available until spent.

1.21 (b) \$750,000 each year is for grants to the
1.22 Neighborhood Development Center for small
1.23 business programs:

- 2.1 (1) training, lending, and business services;
- 2.2 (2) model outreach and training in greater
- 2.3 Minnesota; and
- 2.4 (3) development of new business incubators.
- 2.5 This is a onetime appropriation.
- 2.6 (c) \$1,175,000 each year is for a grant to the
- 2.7 Metropolitan Economic Development
- 2.8 Association (MEDA) for statewide business
- 2.9 development and assistance services, including
- 2.10 services to entrepreneurs with businesses that
- 2.11 have the potential to create job opportunities
- 2.12 for unemployed and underemployed people,
- 2.13 with an emphasis on minority-owned
- 2.14 businesses. This is a onetime appropriation.
- 2.15 (d) \$125,000 each year is for a grant to the
- 2.16 White Earth Nation for the White Earth Nation
- 2.17 Integrated Business Development System to
- 2.18 provide business assistance with workforce
- 2.19 development, outreach, technical assistance,
- 2.20 infrastructure and operational support,
- 2.21 financing, and other business development
- 2.22 activities. This is a onetime appropriation.
- 2.23 (e)(1) \$12,500,000 each year is for the
- 2.24 Minnesota investment fund under Minnesota
- 2.25 Statutes, section 116J.8731. Of this amount,
- 2.26 the commissioner of employment and
- 2.27 economic development may use up to three
- 2.28 percent for administration and monitoring of
- 2.29 the program. This appropriation is available
- 2.30 until spent.
- 2.31 (2) Of the amount appropriated in fiscal year
- 2.32 2018, \$4,000,000 is for a loan to construct and
- 2.33 equip a wholesale electronic component
- 2.34 distribution center investing a minimum of

3.1 \$200,000,000 and constructing a facility at
3.2 least 700,000 square feet in size. Loan funds
3.3 may be used for purchases of materials,
3.4 supplies, and equipment for the construction
3.5 of the facility and are available from July 1,
3.6 2017, to June 30, 2021. The commissioner of
3.7 employment and economic development shall
3.8 forgive the loan after verification that the
3.9 project has satisfied performance goals and
3.10 contractual obligations as required under
3.11 Minnesota Statutes, section 116J.8731.

3.12 (3) Of the amount appropriated in fiscal year
3.13 2018, \$700,000 is for a ~~loan grant~~ to extend
3.14 an effluent pipe that will deliver reclaimed
3.15 water to ~~an innovative waste-to-biofuel project~~
3.16 ~~investing a minimum of \$150,000,000 and~~
3.17 ~~constructing a facility that is designed to~~
3.18 ~~process approximately 400,000 tons of waste~~
3.19 ~~annually industrial users.~~ Loan Grant funds
3.20 are available until June 30, ~~2021~~ 2025.

3.21 (f) \$8,500,000 each year is for the Minnesota
3.22 job creation fund under Minnesota Statutes,
3.23 section 116J.8748. Of this amount, the
3.24 commissioner of employment and economic
3.25 development may use up to three percent for
3.26 administrative expenses. This appropriation
3.27 is available until expended. In fiscal year 2020
3.28 and beyond, the base amount is \$8,000,000.

3.29 (g) \$1,647,000 each year is for contaminated
3.30 site cleanup and development grants under
3.31 Minnesota Statutes, sections 116J.551 to
3.32 116J.558. This appropriation is available until
3.33 spent. In fiscal year 2020 and beyond, the base
3.34 amount is \$1,772,000.

4.1 (h) \$12,000 each year is for a grant to the
4.2 Upper Minnesota Film Office.

4.3 (i) \$163,000 each year is for the Minnesota
4.4 Film and TV Board. The appropriation in each
4.5 year is available only upon receipt by the
4.6 board of \$1 in matching contributions of
4.7 money or in-kind contributions from nonstate
4.8 sources for every \$3 provided by this
4.9 appropriation, except that each year up to
4.10 \$50,000 is available on July 1 even if the
4.11 required matching contribution has not been
4.12 received by that date.

4.13 (j) \$500,000 each year is from the general fund
4.14 for a grant to the Minnesota Film and TV
4.15 Board for the film production jobs program
4.16 under Minnesota Statutes, section 116U.26.
4.17 This appropriation is available until June 30,
4.18 2021.

4.19 (k) \$139,000 each year is for a grant to the
4.20 Rural Policy and Development Center under
4.21 Minnesota Statutes, section 116J.421.

4.22 (l)(1) \$1,300,000 each year is for the greater
4.23 Minnesota business development public
4.24 infrastructure grant program under Minnesota
4.25 Statutes, section 116J.431. This appropriation
4.26 is available until spent. If the appropriation
4.27 for either year is insufficient, the appropriation
4.28 for the other year is available. In fiscal year
4.29 2020 and beyond, the base amount is
4.30 \$1,787,000. Funds available under this
4.31 paragraph may be used for site preparation of
4.32 property owned and to be used by private
4.33 entities.

5.1 (2) Of the amounts appropriated, \$1,600,000
5.2 in fiscal year 2018 is for a grant to the city of
5.3 Thief River Falls to support utility extensions,
5.4 roads, and other public improvements related
5.5 to the construction of a wholesale electronic
5.6 component distribution center at least 700,000
5.7 square feet in size and investing a minimum
5.8 of \$200,000,000. Notwithstanding Minnesota
5.9 Statutes, section 116J.431, a local match is
5.10 not required. Grant funds are available from
5.11 July 1, 2017, to June 30, 2021.

5.12 (m) \$876,000 the first year and \$500,000 the
5.13 second year are for the Minnesota emerging
5.14 entrepreneur loan program under Minnesota
5.15 Statutes, section 116M.18. Funds available
5.16 under this paragraph are for transfer into the
5.17 emerging entrepreneur program special
5.18 revenue fund account created under Minnesota
5.19 Statutes, chapter 116M, and are available until
5.20 spent. Of this amount, up to four percent is for
5.21 administration and monitoring of the program.
5.22 In fiscal year 2020 and beyond, the base
5.23 amount is \$1,000,000.

5.24 (n) \$875,000 each year is for a grant to
5.25 Enterprise Minnesota, Inc. for the small
5.26 business growth acceleration program under
5.27 Minnesota Statutes, section 116O.115. This
5.28 is a onetime appropriation.

5.29 (o) \$250,000 in fiscal year 2018 is for a grant
5.30 to the Minnesota Design Center at the
5.31 University of Minnesota for the greater
5.32 Minnesota community design pilot project.

5.33 (p) \$275,000 in fiscal year 2018 is from the
5.34 general fund to the commissioner of
5.35 employment and economic development for

6.1 a grant to Community and Economic
6.2 Development Associates (CEDA) for an
6.3 economic development study and analysis of
6.4 the effects of current and projected economic
6.5 growth in southeast Minnesota. CEDA shall
6.6 report on the findings and recommendations
6.7 of the study to the committees of the house of
6.8 representatives and senate with jurisdiction
6.9 over economic development and workforce
6.10 issues by February 15, 2019. All results and
6.11 information gathered from the study shall be
6.12 made available for use by cities in southeast
6.13 Minnesota by March 15, 2019. This
6.14 appropriation is available until June 30, 2020.

6.15 (q) \$2,000,000 in fiscal year 2018 is for a
6.16 grant to Pillsbury United Communities for
6.17 construction and renovation of a building in
6.18 north Minneapolis for use as the "North
6.19 Market" grocery store and wellness center,
6.20 focused on offering healthy food, increasing
6.21 health care access, and providing job creation
6.22 and economic opportunities in one place for
6.23 children and families living in the area. To the
6.24 extent possible, Pillsbury United Communities
6.25 shall employ individuals who reside within a
6.26 five mile radius of the grocery store and
6.27 wellness center. This appropriation is not
6.28 available until at least an equal amount of
6.29 money is committed from nonstate sources.
6.30 This appropriation is available until the project
6.31 is completed or abandoned, subject to
6.32 Minnesota Statutes, section 16A.642.

6.33 (r) \$1,425,000 each year is for the business
6.34 development competitive grant program. Of
6.35 this amount, up to five percent is for

7.1 administration and monitoring of the business
7.2 development competitive grant program. All
7.3 grant awards shall be for two consecutive
7.4 years. Grants shall be awarded in the first year.

7.5 (s) \$875,000 each year is for the host
7.6 community economic development grant
7.7 program established in Minnesota Statutes,
7.8 section 116J.548.

7.9 (t) \$700,000 each year is from the remediation
7.10 fund for contaminated site cleanup and
7.11 development grants under Minnesota Statutes,
7.12 sections 116J.551 to 116J.558. This
7.13 appropriation is available until spent.

7.14 (u) \$161,000 each year is from the workforce
7.15 development fund for a grant to the Rural
7.16 Policy and Development Center. This is a
7.17 onetime appropriation.

7.18 (v) \$300,000 each year is from the workforce
7.19 development fund for a grant to Enterprise
7.20 Minnesota, Inc. This is a onetime
7.21 appropriation.

7.22 (w) \$50,000 in fiscal year 2018 is from the
7.23 workforce development fund for a grant to
7.24 Fighting Chance for behavioral intervention
7.25 programs for at-risk youth.

7.26 (x) \$1,350,000 each year is from the
7.27 workforce development fund for job training
7.28 grants under Minnesota Statutes, section
7.29 116L.42.

7.30 (y)(1) \$519,000 in fiscal year 2018 is for
7.31 grants to local communities to increase the
7.32 supply of quality child care providers in order
7.33 to support economic development. At least 60
7.34 percent of grant funds must go to communities

8.1 located outside of the seven-county
8.2 metropolitan area, as defined under Minnesota
8.3 Statutes, section 473.121, subdivision 2. Grant
8.4 recipients must obtain a 50 percent nonstate
8.5 match to grant funds in either cash or in-kind
8.6 contributions. Grant funds available under this
8.7 paragraph must be used to implement solutions
8.8 to reduce the child care shortage in the state
8.9 including but not limited to funding for child
8.10 care business start-ups or expansions, training,
8.11 facility modifications or improvements
8.12 required for licensing, and assistance with
8.13 licensing and other regulatory requirements.
8.14 In awarding grants, the commissioner must
8.15 give priority to communities that have
8.16 documented a shortage of child care providers
8.17 in the area.

8.18 (2) Within one year of receiving grant funds,
8.19 grant recipients must report to the
8.20 commissioner on the outcomes of the grant
8.21 program including but not limited to the
8.22 number of new providers, the number of
8.23 additional child care provider jobs created, the
8.24 number of additional child care slots, and the
8.25 amount of local funds invested.

8.26 (3) By January 1 of each year, starting in 2019,
8.27 the commissioner must report to the standing
8.28 committees of the legislature having
8.29 jurisdiction over child care and economic
8.30 development on the outcomes of the program
8.31 to date.

8.32 (z) \$319,000 in fiscal year 2018 is from the
8.33 general fund for a grant to the East Phillips
8.34 Improvement Coalition to create the East
8.35 Phillips Neighborhood Institute (EPNI) to

9.1 expand culturally tailored resources that
9.2 address small business growth and create
9.3 green jobs. The grant shall fund the
9.4 collaborative work of Tamales y Bicicletas,
9.5 Little Earth of the United Tribes, a nonprofit
9.6 serving East Africans, and other coalition
9.7 members towards developing EPNI as a
9.8 community space to host activities including,
9.9 but not limited to, creation and expansion of
9.10 small businesses, culturally specific
9.11 entrepreneurial activities, indoor urban
9.12 farming, job training, education, and skills
9.13 development for residents of this low-income,
9.14 environmental justice designated
9.15 neighborhood. Eligible uses for grant funds
9.16 include, but are not limited to, planning and
9.17 start-up costs, staff and consultant costs,
9.18 building improvements, rent, supplies, utilities,
9.19 vehicles, marketing, and program activities.
9.20 The commissioner shall submit a report on
9.21 grant activities and quantifiable outcomes to
9.22 the committees of the house of representatives
9.23 and the senate with jurisdiction over economic
9.24 development by December 15, 2020. This
9.25 appropriation is available until June 30, 2020.

9.26 (aa) \$150,000 the first year is from the
9.27 renewable development account in the special
9.28 revenue fund established in Minnesota
9.29 Statutes, section 116C.779, subdivision 1, to
9.30 conduct the biomass facility closure economic
9.31 impact study.

9.32 (bb)(1)\$300,000 in fiscal year 2018 is for a
9.33 grant to East Side Enterprise Center (ESEC)
9.34 to expand culturally tailored resources that
9.35 address small business growth and job

10.1 creation. This appropriation is available until
10.2 June 30, 2020. The appropriation shall fund
10.3 the work of African Economic Development
10.4 Solutions, the Asian Economic Development
10.5 Association, the Dayton's Bluff Community
10.6 Council, and the Latino Economic
10.7 Development Center in a collaborative
10.8 approach to economic development that is
10.9 effective with smaller, culturally diverse
10.10 communities that seek to increase the
10.11 productivity and success of new immigrant
10.12 and minority populations living and working
10.13 in the community. Programs shall provide
10.14 minority business growth and capacity
10.15 building that generate wealth and jobs creation
10.16 for local residents and business owners on the
10.17 East Side of St. Paul.

10.18 (2) In fiscal year 2019 ESEC shall use funds
10.19 to share its integrated service model and
10.20 evolving collaboration principles with civic
10.21 and economic development leaders in greater
10.22 Minnesota communities which have diverse
10.23 populations similar to the East Side of St. Paul.
10.24 ESEC shall submit a report of activities and
10.25 program outcomes, including quantifiable
10.26 measures of success annually to the house of
10.27 representatives and senate committees with
10.28 jurisdiction over economic development.

10.29 (cc) \$150,000 in fiscal year 2018 is for a grant
10.30 to Mille Lacs County for the purpose of
10.31 reimbursement grants to small resort
10.32 businesses located in the city of Isle with less
10.33 than \$350,000 in annual revenue, at least four
10.34 rental units, which are open during both
10.35 summer and winter months, and whose

11.1 business was adversely impacted by a decline
11.2 in walleye fishing on Lake Mille Lacs.

11.3 (dd)(1) \$250,000 in fiscal year 2018 is for a
11.4 grant to the Small Business Development
11.5 Center hosted at Minnesota State University,
11.6 Mankato, for a collaborative initiative with
11.7 the Regional Center for Entrepreneurial
11.8 Facilitation. Funds available under this section
11.9 must be used to provide entrepreneur and
11.10 small business development direct professional
11.11 business assistance services in the following
11.12 counties in Minnesota: Blue Earth, Brown,
11.13 Faribault, Le Sueur, Martin, Nicollet, Sibley,
11.14 Watonwan, and Waseca. For the purposes of
11.15 this section, "direct professional business
11.16 assistance services" must include, but is not
11.17 limited to, pre-venture assistance for
11.18 individuals considering starting a business.
11.19 This appropriation is not available until the
11.20 commissioner determines that an equal amount
11.21 is committed from nonstate sources. Any
11.22 balance in the first year does not cancel and
11.23 is available for expenditure in the second year.

11.24 (2) Grant recipients shall report to the
11.25 commissioner by February 1 of each year and
11.26 include information on the number of
11.27 customers served in each county; the number
11.28 of businesses started, stabilized, or expanded;
11.29 the number of jobs created and retained; and
11.30 business success rates in each county. By April
11.31 1 of each year, the commissioner shall report
11.32 the information submitted by grant recipients
11.33 to the chairs of the standing committees of the
11.34 house of representatives and the senate having

- 12.1 jurisdiction over economic development
- 12.2 issues.
- 12.3 (ee) \$500,000 in fiscal year 2018 is for the
- 12.4 central Minnesota opportunity grant program
- 12.5 established under Minnesota Statutes, section
- 12.6 116J.9922. This appropriation is available until
- 12.7 June 30, 2022.
- 12.8 (ff) \$25,000 each year is for the administration
- 12.9 of state aid for the Destination Medical Center
- 12.10 under Minnesota Statutes, sections 469.40 to
- 12.11 469.47.
- 12.12 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2017.