

**SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION**

S.F. No. 2163

(SENATE AUTHORS: JASINSKI)

DATE
03/07/2019

D-PG
703

OFFICIAL STATUS
Introduction and first reading
Referred to Jobs and Economic Growth Finance and Policy

1.1 A bill for an act
1.2 relating to economic development; establishing an airport infrastructure renewal
1.3 (AIR) grant program; appropriating money for a grant program; proposing coding
1.4 for new law in Minnesota Statutes, chapter 116J.

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

1.6 Section 1. **[116J.439] AIRPORT INFRASTRUCTURE RENEWAL (AIR) GRANT**
1.7 **PROGRAM.**

1.8 Subdivision 1. Grant program established; purpose. (a) The commissioner shall make
1.9 grants to counties or cities to provide up to 50 percent of the capital costs of redevelopment
1.10 of an existing facility or construction of a new facility; and for public or private infrastructure
1.11 costs, including broadband infrastructure costs, necessary for an eligible airport infrastructure
1.12 renewal economic development project.

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

1.15 (c) In awarding grants under this section, the commissioner must adhere to the criteria
1.16 under subdivision 5.

1.17 Subd. 2. Definitions. (a) For purposes of this section, the following terms have the
1.18 meanings given.

1.19 (b) "City" means a statutory or home rule charter city located outside the metropolitan
1.20 area as defined in section 473.121, subdivision 2.

1.21 (c) "County" means a county located outside the metropolitan area as defined in section
1.22 473.121, subdivision 2.

2.1 Subd. 3. **Eligible projects.** An economic development project for which a county or
2.2 city may be eligible to receive a grant under this section includes: (1) manufacturing; (2)
2.3 technology; (3) warehousing and distribution; or (4) research and development.

2.4 Subd. 4. **Ineligible projects.** The following projects are not eligible for a grant under
2.5 this section: (1) retail development; or (2) office space development, except as incidental
2.6 to an eligible purpose.

2.7 Subd. 5. **Application.** (a) The commissioner must develop forms and procedures for
2.8 soliciting and reviewing applications for grants under this section. At a minimum, a county
2.9 or city must include in its application a resolution of the governing body of the county or
2.10 city certifying that half of the cost of the project is committed from nonstate sources. The
2.11 commissioner must evaluate complete applications for eligible projects using the following
2.12 criteria:

2.13 (1) the project is an eligible project as defined under subdivision 3;

2.14 (2) the project is expected to result in or will attract substantial public and private capital
2.15 investment and provide substantial economic benefit to the county or city in which the
2.16 project would be located; and

2.17 (3) the project is expected to or will create or retain full-time jobs.

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

2.21 Subd. 6. **Maximum grant amount.** A county or city may receive no more than \$250,000
2.22 in two years for one or more projects.

2.23 Subd. 7. **Cancellation of grant; return of grant money.** If after five years the
2.24 commissioner determines that a project has not proceeded in a timely manner and is unlikely
2.25 to be completed, the commissioner must cancel the grant and require the grantee to return
2.26 all grant money awarded for that project.

2.27 Subd. 8. **Appropriation.** Grant money returned to the commissioner is appropriated to
2.28 the commissioner to make additional grants under this section.

2.29 Sec. 2. **APPROPRIATION.**

2.30 \$1,000,000 in fiscal year 2020 is appropriated from the general fund to the commissioner
2.31 of employment and economic development for the airport infrastructure renewal (AIR)
2.32 grant program under Minnesota Statutes, section 116J.439.