

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 1919

(SENATE AUTHORS: LITTLE)

DATE
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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; modifying the greater Minnesota business
1.3 development public infrastructure grant program; amending Minnesota Statutes
1.4 2016, section 116J.431, subdivisions 1, 1a, 2, 4, 6.

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

1.6 Section 1. Minnesota Statutes 2016, section 116J.431, subdivision 1, is amended to read:

1.7 Subdivision 1. **Grant program established; purpose.** (a) The commissioner shall make
1.8 grants to counties or ~~cities~~ municipalities to provide up to 50 percent of the capital costs of
1.9 public infrastructure necessary for an eligible economic development project. The county
1.10 or ~~city~~ municipality receiving a grant must provide for the remainder of the costs of the
1.11 project, either in cash or in kind. In-kind contributions may include the value of site
1.12 preparation other than the public infrastructure needed for the 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 to 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 4.

1.17 (d) If the commissioner awards a grant for less than 50 percent of the project, the
1.18 commissioner shall provide the applicant and the chairs and ranking minority members of
1.19 the senate and house of representatives committees with jurisdiction over economic
1.20 development finance a written explanation of the reason less than 50 percent of the capital
1.21 costs were awarded in the grant.

2.1 Sec. 2. Minnesota Statutes 2016, section 116J.431, subdivision 1a, is amended to read:

2.2 Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms have the
2.3 meanings given.

2.4 (b) ~~"City"~~ "Municipality" means the cities of Farmington, Hampton, Miesville, New
2.5 Trier, Randolph, Vermillion, and Dennison; Castle Rock Township, Douglas Township,
2.6 Empire Township, Eureka Township, Greenvale Township, Hampton Township, Marshan
2.7 Township, Randolph Township, Ravenna Township, Sciota Township, Vermillion Township,
2.8 Waterford Township, Stanton Township, and Warsaw Township; and a statutory or home
2.9 rule charter city located outside the metropolitan area, as defined in section 473.121,
2.10 subdivision 2.

2.11 (c) "County" means a county located outside the metropolitan area, as defined in section
2.12 473.121, subdivision 2.

2.13 (d) "Public infrastructure" means publicly owned physical infrastructure necessary to
2.14 support economic development projects, including, but not limited to, sewers, water supply
2.15 systems, utility extensions, streets, wastewater treatment systems, storm water management
2.16 systems, and facilities for pretreatment of wastewater to remove phosphorus.

2.17 Sec. 3. Minnesota Statutes 2016, section 116J.431, subdivision 2, is amended to read:

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

2.20 (1) manufacturing;

2.21 (2) technology;

2.22 (3) warehousing and distribution;

2.23 (4) research and development;

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

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

3.1 Sec. 4. Minnesota Statutes 2016, section 116J.431, subdivision 4, is amended to read:

3.2 Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for
3.3 soliciting and reviewing applications for grants under this section. At a minimum, a county
3.4 or ~~city~~ municipality must include in its application a resolution of the governing body of
3.5 the county or ~~city council~~ municipality certifying that the required local match is available.
3.6 The commissioner must evaluate complete applications for eligible projects using the
3.7 following criteria:

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

3.9 (2) the project is expected to result in or will attract substantial public and private capital
3.10 investment and provide substantial economic benefit to the county or ~~city~~ municipality in
3.11 which the project would be located;

3.12 (3) the project is not relocating substantially the same operation from another location
3.13 in the state, unless the commissioner determines the project cannot be reasonably
3.14 accommodated within the county or ~~city~~ municipality in which the business is currently
3.15 located, or the business would otherwise relocate to another state; and

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

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

3.20 Sec. 5. Minnesota Statutes 2016, section 116J.431, subdivision 6, is amended to read:

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