

ARTICLE 5

DEED POLICY

64.13

64.14

64.15 Section 1. [116J.418] OFFICE OF CHILD CARE COMMUNITY PARTNERSHIPS.

64.16 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms in this

64.17 subdivision have the meanings given them.

64.18 (b) "Child care" means the care of children while parents or guardians are at work or

64.19 absent for another reason.

64.20 (c) "Local unit of government" has the meaning given in section 116G.03, subdivision

64.21 3.

64.22 (d) "Office" means the Office of Child Care Community Partnerships established in

64.23 subdivision 2, paragraph (a).

64.24 Subd. 2. **Office established; purpose.** (a) An Office of Child Care Community

64.25 Partnerships is established within the Department of Employment and Economic

64.26 Development. The department may employ a director and staff necessary to carry out the

64.27 office's duties under subdivision 4.

64.28 (b) The purpose of the office is to support child care businesses within the state in order

64.29 to:

64.30 (1) increase the quantity of quality child care available; and

64.31 (2) improve accessibility to child care for underserved communities and populations.

65.1 Subd. 3. **Organization.** The office shall consist of a director of the Office of Child Care

65.2 Community Partnerships, as well as any staff necessary to carry out the office's duties under

65.3 subdivision 4.

65.4 Subd. 4. **Duties.** The office shall have the power and duty to:

65.5 (1) coordinate with state, regional, local, and private entities to promote investment in

65.6 increasing the quantity of quality child care in Minnesota;

65.7 (2) coordinate with other agencies including but not limited to Minnesota Management

65.8 and Budget, the Department of Human Services, and the Department of Education to develop,

65.9 recommend, and implement solutions to increase the quantity of quality child care openings;

65.10 (3) administer the child care economic development grant program and other

65.11 appropriations to the department for this purpose;

65.12 (4) monitor the child care business development efforts of other states and countries;

65.13 (5) provide support to the governor's Children's Cabinet;

ARTICLE 3

ECONOMIC DEVELOPMENT POLICY

46.5

46.6

46.7 Section 1. [116J.418] OFFICE OF CHILD CARE COMMUNITY PARTNERSHIPS.

46.8 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms in this

46.9 subdivision have the meanings given them.

46.10 (b) "Child care" means the care of children while parents or guardians are at work or

46.11 absent for another reason.

46.12 (c) "Local unit of government" has the meaning given in section 116G.03, subdivision

46.13 3.

46.14 (d) "Office" means the Office of Child Care Community Partnerships established in

46.15 subdivision 2, paragraph (a).

46.16 Subd. 2. **Office established; purpose.** (a) An Office of Child Care Community

46.17 Partnerships is established within the Department of Employment and Economic

46.18 Development. The department may employ a director and staff necessary to carry out the

46.19 office's duties under subdivision 4.

46.20 (b) The purpose of the office is to support child care businesses within the state in order

46.21 to:

46.22 (1) increase the quantity of quality child care available; and

46.23 (2) improve accessibility to child care for underserved communities and populations.

46.24 Subd. 3. **Organization.** The office shall consist of a director of the Office of Child Care

46.25 Community Partnerships, as well as any staff necessary to carry out the office's duties under

46.26 subdivision 4.

46.27 Subd. 4. **Duties.** The office shall have the power and duty to:

46.28 (1) coordinate with state, regional, local, and private entities to promote investment in

46.29 increasing the quantity of quality child care in Minnesota;

47.1 (2) coordinate with other agencies including but not limited to Minnesota Management

47.2 and Budget, the Department of Human Services, and the Department of Education to develop,

47.3 recommend, and implement solutions to increase the quantity of quality child care openings;

47.4 (3) administer the child care economic development grant program and other

47.5 appropriations to the department for this purpose;

47.6 (4) monitor the child care business development efforts of other states and countries;

47.7 (5) provide support to the governor's Children's Cabinet;

65.14 (6) provide an annual report, as required by subdivision 5; and

65.15 (7) perform any other activities consistent with the office's purpose.

65.16 Subd. 5. **Reporting.** (a) Beginning January 15, 2024, and each year thereafter, the Office

65.17 of Child Care Community Partnerships shall report to the legislative committees with

65.18 jurisdiction over child care policy and finance on the office's activities during the previous

65.19 year.

65.20 (b) The report shall contain, at a minimum:

65.21 (1) an analysis of the current access to child care within the state;

65.22 (2) an analysis of the current shortage of child care workers within the state;

65.23 (3) a summary of the office's activities;

65.24 (4) any proposed legislative and policy initiatives; and

65.25 (5) any other information requested by the legislative committees with jurisdiction over

65.26 child care, or that the office deems necessary.

65.27 (c) The report may be submitted electronically and is subject to section 3.195, subdivision

65.28 1.

66.1 Sec. 2. **[116J.4231] OFFICE OF NEW AMERICANS.**

66.2 Subdivision 1. **Office established; purpose.** (a) The Office of New Americans is

66.3 established within the Department of Employment and Economic Development. The governor

66.4 must appoint an assistant commissioner who serves in the unclassified service. The assistant

66.5 commissioner must hire a program manager, an office assistant, and any staff necessary to

66.6 carry out the office's duties under subdivision 2.

66.7 (b) The purpose of the office is to foster immigrant and refugee inclusion through an

66.8 intentional process to improve economic mobility, enhance civic participation, and improve

66.9 receiving communities' openness to immigrants and refugees by incorporating the needs

66.10 and aspirations of immigrants and refugees, their families, and their communities for the

66.11 benefit of all by fulfilling the duties outlined in subdivision 2.

66.12 Subd. 2. **Duties.** The Office of New Americans has the following duties:

66.13 (1) create and implement a statewide strategy and programming to foster and promote

66.14 immigrant and refugee inclusion in Minnesota so as to improve economic mobility, enhance

66.15 civic participation, and improve receiving communities' openness to immigrants and refugees;

66.16 (2) address the state's workforce needs by connecting employers and job seekers within

66.17 the immigrant and refugee community;

47.8 (6) provide an annual report, as required by subdivision 5; and

47.9 (7) perform any other activities consistent with the office's purpose.

47.10 Subd. 5. **Reporting.** (a) Beginning January 15, 2024, and each year thereafter, the Office

47.11 of Child Care Community Partnerships shall report to the legislative committees with

47.12 jurisdiction over child care policy and finance on the office's activities during the previous

47.13 year.

47.14 (b) The report shall contain, at a minimum:

47.15 (1) an analysis of the current access to child care within the state;

47.16 (2) an analysis of the current shortage of child care workers within the state;

47.17 (3) a summary of the office's activities;

47.18 (4) any proposed legislative and policy initiatives; and

47.19 (5) any other information requested by the legislative committees with jurisdiction over

47.20 child care, or that the office deems necessary.

47.21 (c) The report may be submitted electronically and is subject to section 3.195, subdivision

47.22 1.

77.8 Sec. 7. **[116J.659] OFFICE OF NEW AMERICANS.**

77.9 Subdivision 1. **Office established; purpose.** (a) The Office of New Americans is

77.10 established within the Department of Employment and Economic Development. The governor

77.11 must appoint an assistant commissioner who serves in the unclassified service. The assistant

77.12 commissioner must hire a program manager and an office assistant, as well as any staff

77.13 necessary to carry out the office's duties under subdivision 2.

77.14 (b) The purpose of the office is to serve immigrants and refugees in Minnesota by:

77.15 (1) addressing challenges that face immigrants and refugees in Minnesota, and creating

77.16 access in economic development and workforce programs and services; and

77.17 (2) providing interstate agency coordination, policy reviews, and guidance that assist in

77.18 creating access to immigrants and refugees.

77.19 Subd. 2. **Duties.** (a) The office has the duty to:

77.20 (1) create and implement a statewide strategy to support immigrant and refugee integration

77.21 into Minnesota communities;

77.22 (2) address the state's workforce needs by connecting employers and job seekers within

77.23 the immigrant and refugee community;

66.18 (3) identify and support implementation of programs and strategies to reduce employment
66.19 barriers for immigrants and refugees, including the creation of alternative employment
66.20 pathways;

66.21 (4) support programs and activities designed to ensure equitable access to the workforce
66.22 for immigrants and refugees, including those who are disabled;

66.23 (5) support equitable opportunities for immigrants and refugees to access state government
66.24 services and grants, including collaborating with Minnesota's ethnic councils as created by
66.25 section 15.0145;

66.26 (6) work with state agencies, Minnesota's ethnic councils, and community and foundation
66.27 partners to undertake studies and research and analyze economic and demographic trends
66.28 to better understand and serve the state's immigrant and refugee communities;

66.29 (7) coordinate and establish best practices for language access initiatives to all state
66.30 agencies after soliciting input from Minnesota's ethnic councils;

66.31 (8) convene stakeholders to further the objectives identified in subdivision 1;

67.1 (9) make policy recommendations to the governor on issues impacting immigrants and
67.2 refugees in consultation with Minnesota's ethnic councils;

67.3 (10) engage all stakeholders to further the objectives identified in subdivision 1 within
67.4 the context of workforce access and workforce readiness, including in the areas of
67.5 employment, housing, legal services, health care, and education and communicate the
67.6 importance of immigrant and refugee inclusion in the success of immigrants, refugees, their
67.7 children, and the communities in which they settle;

67.8 (11) engage with and support existing municipal and county offices that promote and
67.9 foster immigrant and refugee inclusion and encourage the development of new municipal
67.10 and county offices dedicated to immigrant and refugee inclusion;

67.11 (12) serve as the point of contact for immigrants and refugees accessing resources both
67.12 within the department and with boards charged with oversight of a profession;

67.13 (13) promulgate rules necessary to implement and effectuate this section;

67.14 (14) provide an annual report, as required by subdivision 3; and

67.15 (15) perform any other activities consistent with the office's purpose.

77.24 (3) identify strategies to reduce employment barriers, including the creation of alternative
77.25 pathways for immigrants and refugees;

77.26 (4) support programs and activities designed to ensure equitable access to the workforce
77.27 for immigrants and refugees, including those who are disabled;

77.28 (5) support equitable opportunities for immigrants and refugees to access state government
77.29 services and grants;

78.1 (6) work with state agencies and community and foundation partners to undertake studies
78.2 and research and analyze economic and demographic trends to better understand and serve
78.3 the state's immigrant and refugee communities;

78.4 (7) coordinate and establish best practices for language access initiatives to all state
78.5 agencies;

78.6 (8) convene stakeholders and provide assistance and recommendations to the governor
78.7 on issues impacting immigrants and refugees;

78.8 (9) make policy recommendations to the governor on issues impacting immigrants and
78.9 refugees;

78.10 (10) develop systems of communication and collaboration with local offices and service
78.11 providers to ensure that immigrants and refugees can access support available to them to
78.12 address multisectoral barriers to success, including in the areas of employment, housing,
78.13 legal services, health care, and education;

78.14 (11) collaborate with existing immigrant and refugee inclusion positions and offices at
78.15 the city and county level statewide;

78.16 (12) encourage and support the creation of new immigrant and refugee inclusion positions
78.17 and offices at the city and county level statewide;

78.18 (13) serve as the point of contact for immigrants and refugees accessing resources both
78.19 within the department and with boards charged with oversight of a profession;

78.20 (14) promulgate rules necessary to implement and effectuate this section;

78.21 (15) provide an annual report, as required by subdivision 3; and

78.22 (16) perform any other activities consistent with the office's purpose.

67.16 Subd. 3. **Reporting.** (a) Beginning January 15, 2025, and each year thereafter, the Office
67.17 of New Americans shall report to the legislative committees with jurisdiction over the
67.18 office's activities during the previous year.

67.19 (b) The report shall contain, at a minimum:

67.20 (1) a summary of the office's activities;

67.21 (2) suggested policies, incentives, and legislation designed to accelerate the achievement
67.22 of the duties under subdivision 2;

67.23 (3) any proposed legislative and policy initiatives;

67.24 (4) the amount and types of grants awarded under subdivision 6; and

67.25 (5) any other information deemed necessary and requested by the legislative committees
67.26 with jurisdiction over the office.

67.27 (c) The report may be submitted electronically and is subject to section 3.195, subdivision
67.28 1.

67.29 Subd. 4. **Interdepartmental Coordinating Council on Immigrant and Refugee**
67.30 **Affairs.** (a) An Interdepartmental Coordinating Council on Immigrant and Refugee Affairs
67.31 is established to advise the Office of New Americans.

68.1 (b) The purpose of the council is to identify and establish ways in which state
68.2 departments, agencies, and Minnesota's ethnic councils can work together to deliver state
68.3 programs and services effectively and efficiently to Minnesota's immigrant and refugee
68.4 populations. The council shall implement policies, procedures, and programs requested by
68.5 the governor through the state departments and offices.

68.6 (c) The council shall be chaired by the assistant commissioner of the Office of New
68.7 Americans and shall include the commissioners, department directors, or designees from
68.8 the following:

68.9 (1) the governor's office;

68.10 (2) the Department of Administration;

68.11 (3) the Department of Employment and Economic Development;

68.12 (4) the Department of Human Services;

68.13 (5) the Department of Human Services Refugee Resettlement Programs Office;

68.14 (6) the Department of Labor and Industry;

68.15 (7) the Department of Health;

68.16 (8) the Department of Education;

78.23 Subd. 3. **Reporting.** (a) Beginning January 15, 2024, and each year thereafter, the Office
78.24 of New Americans shall report to the legislative committees with jurisdiction over the
78.25 office's activities during the previous year.

78.26 (b) The report shall contain, at a minimum:

78.27 (1) a summary of the office's activities;

78.28 (2) suggested policies, incentives, and legislation designed to accelerate the achievement
78.29 of the duties under subdivision 2;

78.30 (3) any proposed legislative and policy initiatives;

78.31 (4) the amount and types of grants awarded under subdivision 6; and

79.1 (5) any other information deemed necessary and requested by the legislative committees
79.2 with jurisdiction over the office.

79.3 (c) The report may be submitted electronically and is subject to section 3.195, subdivision
79.4 1.

79.5 Subd. 4. **Interdepartmental Coordinating Council on Immigrant and Refugee**
79.6 **Affairs.** (a) An interdepartmental Coordinating Council on Immigrant and Refugee Affairs
79.7 is established to advise the Office of New Americans.

79.8 (b) The purpose of the council is to identify and establish ways in which state departments
79.9 and agencies can work together to deliver state programs and services effectively and
79.10 efficiently to Minnesota's immigrant and refugee populations. The council shall implement
79.11 policies, procedures, and programs requested by the governor through the state departments
79.12 and offices.

79.13 (c) The council shall be chaired by the assistant commissioner of the Office of New
79.14 Americans and shall be comprised of the commissioners, department directors, or senior
79.15 leadership designees, from the following state departments and offices:

79.16 (1) the governor's office;

79.17 (2) the Department of Administration;

79.18 (3) the Department of Employment and Economic Development;

79.19 (4) the Department of Human Services;

79.20 (5) the Department of Human Services Resettlement Program Office;

79.21 (6) the Department of Labor and Industry;

79.22 (7) the Department of Health;

79.23 (8) the Department of Education;

68.17 (9) the Office of Higher Education;
68.18 (10) the Department of Public Safety;
68.19 (11) the Department of Corrections;
68.20 (12) the Council on Asian Pacific Minnesotans;
68.21 (13) the Council for Minnesotans of African Heritage; and
68.22 (14) the Minnesota Council on Latino Affairs.
68.23 (d) Each department or office specified in paragraph (c) shall designate one staff member
68.24 as an immigrant and refugee services liaison. The liaison's responsibilities shall include:

68.25 (1) preparation and dissemination of information and services available to immigrants
68.26 and refugees; and
68.27 (2) interfacing with the Office of New Americans on issues that impact immigrants and
68.28 refugees and their communities.
68.29 Subd. 5. **No right of action.** Nothing in this section shall be construed to create any
68.30 right or benefit, substantive or procedural, enforceable at law or in equity by any party
69.1 against the state; its departments, agencies, or entities; its officers, employees, or agents;
69.2 or any other person.
69.3 Subd. 6. **Grants.** The Office of New Americans may apply for grants for interested state
69.4 agencies, community partners, and stakeholders under this section to carry out the duties
69.5 under subdivision 2.

69.6 Sec. 3. Minnesota Statutes 2022, section 116J.5492, subdivision 8, is amended to read:
69.7 Subd. 8. **Meetings.** The advisory committee must meet ~~monthly until the energy transition~~
69.8 ~~plan is submitted~~ quarterly and submit an updated energy transition plan annually to the
69.9 governor and the legislature. Once submitted, the committee shall develop a regular meeting
69.10 schedule as needed. The chair may call additional meetings as necessary.
69.11 Sec. 4. Minnesota Statutes 2022, section 116J.5492, subdivision 10, is amended to read:
69.12 Subd. 10. **Expiration.** This section expires ~~the day after the Minnesota energy transition~~
69.13 ~~plan required under section 116J.5493 is submitted to the legislature and the governor on~~
69.14 June 30, 2027.

79.24 (9) the Office of Higher Education;
79.25 (10) the Department of Public Safety;
79.26 (11) the Department of Corrections;
79.27 (12) the Council for Minnesotans of African Heritage;
79.28 (13) the Minnesota Council on Latino Affairs; and
79.29 (14) the Council on Asian Pacific Minnesotans.
80.1 (d) Each department or office serving as a member of the council shall designate one
80.2 staff member as an immigrant and refugee services liaison. The liaisons' responsibilities
80.3 shall include:

80.4 (1) preparation and dissemination of information and services available to immigrants
80.5 and refugees; and
80.6 (2) interfacing with the Office of New Americans on issues that impact immigrants and
80.7 refugees and their communities.
80.8 Subd. 5. **No right of action.** Nothing in this section shall be construed to create any
80.9 right or benefit, substantive or procedural, enforceable at law or in equity by any party
80.10 against the state; its departments, agencies, or entities; its officers, employees, or agents;
80.11 or any other person.
80.12 Subd. 6. **Grants.** The office may apply for grants for interested state agencies, community
80.13 partners, and stakeholders under this section to carry out the duties under subdivision 2. In
80.14 awarding grants, the commissioner must allocate grants as evenly as practicable among
80.15 interested parties.
75.16 Sec. 2. Minnesota Statutes 2022, section 116J.5492, subdivision 8, is amended to read:
75.17 Subd. 8. **Meetings.** The advisory committee must meet ~~monthly until the energy transition~~
75.18 ~~plan is submitted~~ quarterly and submit an updated energy transition plan annually to the
75.19 governor and the legislature. Once submitted, the committee shall develop a regular meeting
75.20 schedule as needed. The chair may call additional meetings as necessary.
75.21 Sec. 3. Minnesota Statutes 2022, section 116J.5492, subdivision 10, is amended to read:
75.22 Subd. 10. **Expiration.** This section expires ~~the day after the Minnesota energy transition~~
75.23 ~~plan required under section 116J.5493 is submitted to the legislature and the governor on~~
75.24 June 30, 2027.
47.23 Sec. 2. **[116J.681] SMALL BUSINESS NAVIGATORS.**
47.24 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
47.25 the meanings given.

- 47.26 (b) "Commissioner" means the commissioner of employment and economic development.
- 47.27 (c) "Small business" has the meaning given in section 645.445.
- 47.28 (d) "Underserved" means Black, Indigenous, people of color, veterans, people with
- 47.29 disabilities, rural Minnesotans, and low-income individuals.
- 48.1 Subd. 2. **Generally.** Small business navigators must work with small businesses and
- 48.2 entrepreneurs to help navigate state programs, as well as programs managed by
- 48.3 nongovernmental partners and other public and private organizations. The purpose of small
- 48.4 business navigators is to connect small businesses and entrepreneurs with the services needed
- 48.5 to be successful.
- 48.6 Subd. 3. **Staffing.** Staff of small business navigators serve in the classified service of
- 48.7 the state and operate as part of the department's Small Business Assistance Office.
- 48.8 Subd. 4. **Commissioner.** The commissioner shall develop and implement training
- 48.9 materials and reporting and evaluation procedures for the activities of small business
- 48.10 navigators.
- 48.11 Subd. 5. **Duties.** Small business navigators shall:
- 48.12 (1) provide information and direction to small businesses and entrepreneurs in a timely,
- 48.13 accurate, and comprehensive manner, connecting them with appropriate assistance services
- 48.14 from the state and other governmental and nongovernmental organizations;
- 48.15 (2) build relationships with and provide targeted outreach to historically underserved
- 48.16 populations and communities;
- 48.17 (3) provide for the delivery of information and assistance, including but not limited to
- 48.18 the use of media, in a culturally appropriate manner that accommodates businesses and
- 48.19 entrepreneurs with limited English proficiency;
- 48.20 (4) ensure the availability of small business navigators and materials in all media to
- 48.21 persons with physical disabilities; and
- 48.22 (5) coordinate with and augment the services and outreach of the agency's Small Business
- 48.23 Assistance Office, Small Business Development Center, Office of Small Business
- 48.24 Partnerships, and Launch Minnesota.
- 48.25 Sec. 3. Minnesota Statutes 2022, section 116J.871, subdivision 1, is amended to read:
- 48.26 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
- 48.27 the meanings given them.
- 48.28 (b) "Economic development" means financial assistance provided to a person directly
- 48.29 or to a local unit of government or nonprofit organization on behalf of a person who is
- 48.30 engaged in the manufacture or sale of goods and services. Economic development does not
- 48.31 include (1) financial assistance for rehabilitation of existing housing or, (2) financial

69.15 Sec. 5. [116J.682] SMALL BUSINESS ASSISTANCE PARTNERSHIPS PROGRAM.
69.16 Subdivision 1. Definitions. (a) For the purposes of this section, the terms in this
69.17 subdivision have the meanings given.
69.18 (b) "Commissioner" means the commissioner of employment and economic development.

48.32 assistance for new housing construction in which total financial assistance at a single project
49.1 site is less than \$100,000, or (3) financial assistance for detached single-family affordable
49.2 homeownership units in which the single project site consists of fewer than five units.

49.3 (c) "Financial assistance" means (1) a grant awarded by a state agency for economic
49.4 development related purposes if a single business receives \$200,000 or more of the grant
49.5 proceeds; (2) a loan or the guaranty or purchase of a loan made by a state agency for
49.6 economic development related purposes if a single business receives \$500,000 or more of
49.7 the loan proceeds; or (3) a reduction, credit, or abatement of a tax assessed under chapter
49.8 297A where the tax reduction, credit, or abatement applies to a geographic area smaller
49.9 than the entire state and was granted for economic development related purposes. Financial
49.10 assistance does not include payments by the state of aids and credits under chapter 273 or
49.11 477A to a political subdivision.

49.12 (d) "Project site" means the location where improvements are made that are financed in
49.13 whole or in part by the financial assistance; or the location of employees that receive financial
49.14 assistance in the form of employment and training services as defined in section 116L.19,
49.15 subdivision 4, or customized training from a technical college.

49.16 (e) "State agency" means any agency defined under section 16B.01, subdivision 2,
49.17 Enterprise Minnesota, Inc., and the Iron Range Resources and Rehabilitation Board.

49.18 Sec. 4. Minnesota Statutes 2022, section 116J.871, subdivision 2, is amended to read:

49.19 Subd. 2. **Prevailing wage required.** (a) A state agency may provide financial assistance
49.20 to a person only if the person receiving or benefiting from the financial assistance certifies
49.21 to the commissioner of labor and industry that laborers and mechanics at the project site
49.22 during construction, installation, remodeling, and repairs for which the financial assistance
49.23 was provided will be paid the prevailing wage rate as defined in section 177.42, subdivision
49.24 6, and be subject to the requirements and enforcement provisions of sections 177.27, 177.30,
49.25 177.32, 177.41 to 177.435, and 177.45.

49.26 (b) For the purposes of a person subject to paragraph (a) who is required to comply with
49.27 section 177.30, paragraph (a), clauses (6) and (7), the state agency awarding the financial
49.28 assistance is considered the contracting authority and the project is considered a public
49.29 works project. The person receiving or benefiting from the financial assistance shall notify
49.30 all employers on the project of the record keeping and reporting requirements of section
49.31 177.30, paragraph (a), clauses (6) and (7). Each employer shall submit the required
49.32 information to the contracting authority.

69.19 (c) "Partner organizations" or "partners" means:

69.20 (1) nonprofit organizations or public entities, including higher education institutions,

69.21 engaged in business development or economic development;

69.22 (2) community development financial institutions; or

69.23 (3) community development corporations.

69.24 (d) "Small business" has the meaning given in section 3 of the Small Business Act,

69.25 United States Code, title 15, section 632.

69.26 (e) "Underserved populations and geographies" means individuals who are Black,

69.27 Indigenous, people of color, veterans, people with disabilities, and low-income individuals

69.28 and includes people from rural Minnesota.

69.29 Subd. 2. **Establishment.** The commissioner shall establish the small business assistance

69.30 partnerships program to make grants to local and regional community-based organizations

70.1 to provide small business development and technical assistance services to entrepreneurs

70.2 and small business owners.

70.3 Subd. 3. **Small business assistance partnerships grants.** (a) The commissioner shall

70.4 make small business assistance partnerships grants to local and regional community-based

70.5 organizations to provide small business development and technical assistance services to

70.6 entrepreneurs and small business owners. The commissioner must prioritize applications

70.7 that provide services to underserved populations and geographies.

70.8 (b) Grantees shall use the grant funds to provide high-quality, free or low-cost

70.9 professional business development and technical assistance services that support the start-up,

70.10 growth, and success of Minnesota's entrepreneurs and small business owners.

70.11 Subd. 4. **Report.** By January 31 of each year, partner organizations participating in the

70.12 program must provide a report to the commissioner on the outcomes of the program,

70.13 including but not limited to the number of entrepreneurs and small businesses served, number

70.14 of hours of business assistance services provided, number of new businesses started, number

70.15 of full-time equivalent jobs created and retained, and demographic and geographic details

70.16 of the individuals being served.

50.1 Sec. 5. **[116J.8746] SMALL BUSINESS PARTNERSHIP PROGRAM.**

50.2 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have

50.3 the meanings given.

50.4 (b) "Commissioner" means the commissioner of employment and economic development.

50.5 (c) "Eligible business" means an entity that:

- 50.6 (1) is a business, commercial cooperative, employee-owned business, or commercial
50.7 land trust; and
- 50.8 (2) is either:
- 50.9 (i) located in greater Minnesota;
- 50.10 (ii) in the field of high technology; or
- 50.11 (iii) at least 51 percent owned by people who are either:
- 50.12 (A) Black, indigenous, or people of color;
- 50.13 (B) women;
- 50.14 (C) immigrants;
- 50.15 (D) veterans;
- 50.16 (E) people with disabilities;
- 50.17 (F) low-income; or
- 50.18 (G) LGBTQ+.
- 50.19 (d) "Program" means the small business partnership program established in this section.
- 50.20 Subd. 2. **Establishment.** The commissioner of employment and economic development
50.21 shall establish a small business partnership program to make statewide grants to local and
50.22 regional community-based nonprofit organizations to support the start-up, growth, and
50.23 success of eligible businesses through the delivery of high-quality free or low-cost
50.24 professional business development and technical assistance services.
- 50.25 Subd. 3. **Grants to nonprofits.** (a) Nonprofit organizations shall apply for grants using
50.26 a competitive process established by the commissioner.
- 50.27 (b) All grants shall be made in the first year of the biennium and shall be for two years.
- 50.28 (c) Up to ten percent of the grant amount may be used by the nonprofit for administrative
50.29 expenses.
- 51.1 (d) Preference shall be given to applications from nonprofits that can demonstrate a
51.2 record of successful outcomes serving historically underserved communities or increasing
51.3 the upward economic mobility of clients.
- 51.4 Subd. 4. **Administration.** The commissioner may use up to five percent of program
51.5 funds for administering and monitoring the program.
- 51.6 Subd. 5. **Reporting.** (a) Grant recipients shall report to the commissioner each year they
51.7 receive grant funds. This report shall detail the use of grant funds and shall include data on

70.17 Sec. 6. **[116J.8733] MINNESOTA EXPANDING OPPORTUNITY FUND PROGRAM.**

70.18 Subdivision 1. **Establishment.** The Minnesota Expanding Opportunity Fund Program

70.19 is established to capitalize Minnesota nonprofit corporations to increase lending activities

70.20 with Minnesota small businesses.

70.21 Subd. 2. **Long-term loans.** The department may make long-term loans of ten to 12 years

70.22 at 0.5 percent or lower interest rates to nonprofit corporations to enable nonprofit corporations

70.23 to make more loans to Minnesota small businesses. The department may use the interest

70.24 received to offset the cost of administering small business lending programs.

70.25 Subd. 3. **Loan eligibility; nonprofit corporation.** (a) The eligible nonprofit corporation

70.26 must not meet the definition of recipient under section 116J.993, subdivision 6.

70.27 (b) The commissioner may enter into loan agreements with Minnesota nonprofit

70.28 corporations that apply to participate in the Minnesota Expanding Opportunity Fund Program.

70.29 The commissioner shall evaluate applications from applicant nonprofit corporations. In

70.30 evaluating applications, the department must consider, among other things, whether the

70.31 nonprofit corporation:

71.1 (1) meets the statutory definition of a community development financial institution as

71.2 defined in section 103 of the Riegle Community Development and Regulatory Improvement

71.3 Act of 1994, United States Code, title 12, section 4702;

71.4 (2) has a board of directors or loan or credit committee that includes citizens experienced

71.5 in small business services and community development;

71.6 (3) has the technical skills to analyze small business loan requests;

71.7 (4) is familiar with other available public and private funding sources and economic

71.8 development programs;

71.9 (5) is enrolled in one or more eligible federally funded state programs; and

71.10 (6) has the administrative capacity to manage a loan portfolio.

71.11 Subd. 4. **Revolving loan fund.** (a) The commissioner shall establish a revolving loan

71.12 fund to make loans to nonprofit corporations for the purpose of increasing nonprofit

71.13 corporation capital and lending activities with Minnesota small businesses.

51.8 the number of individuals served and other measures of program impact, along with any

51.9 other information requested by the commissioner.

51.10 (b) By January 15, 2025, and by January 15 each odd-numbered year thereafter, the

51.11 commissioner shall submit a report to the chairs and ranking minority members of the

51.12 committees of the house of representatives and the senate having jurisdiction over business

51.13 development that details the use of program funds and the program's impact. This report is

51.14 in addition to the reporting required under section 3.195.

71.14 (b) Nonprofit corporations that receive loans from the commissioner under the program
71.15 must establish appropriate accounting practices for the purpose of tracking eligible loans.

71.16 Subd. 5. **Loan portfolio administration.** (a) The interest rate charged by a nonprofit
71.17 corporation for a loan under this subdivision must not exceed the Wall Street Journal prime
71.18 rate plus two percent. A nonprofit corporation participating in the Minnesota Expanding
71.19 Opportunity Fund Program may charge a loan closing fee equal to or less than two percent
71.20 of the loan value.

71.21 (b) The nonprofit corporation may retain all earnings from fees and interest from loans
71.22 to small businesses.

71.23 Subd. 6. **Cooperation.** A nonprofit corporation that receives a program loan shall
71.24 cooperate with other organizations, including but not limited to community development
71.25 corporations, community action agencies, and the Minnesota small business development
71.26 centers.

71.27 Subd. 7. **Reporting requirements.** (a) A nonprofit corporation that receives a program
71.28 loan must submit an annual report to the commissioner by February 15 of each year that
71.29 includes:

71.30 (1) the number of businesses to which a loan was made;

71.31 (2) a description of businesses supported by the program;

72.1 (3) demographic information, as specified by the commissioner, regarding each borrower;

72.2 (4) an account of loans made during the calendar year;

72.3 (5) the program's impact on job creation and retention;

72.4 (6) the source and amount of money collected and distributed by the program;

72.5 (7) the program's assets and liabilities; and

72.6 (8) an explanation of administrative expenses.

72.7 (b) A nonprofit corporation that receives a program loan must provide for an independent
72.8 annual audit to be performed in accordance with generally accepted accounting practices
72.9 and auditing standards and submit a copy of each annual audit report to the commissioner.

72.10 Sec. 7. Minnesota Statutes 2022, section 116J.8748, subdivision 3, is amended to read:

72.11 Subd. 3. **Minnesota job creation fund business designation; requirements.** (a) To
72.12 receive designation as a Minnesota job creation fund business, a business must satisfy all
72.13 of the following conditions:

72.14 (1) the business is or will be engaged in, within Minnesota, one of the following as its
72.15 primary business activity:

72.16 (i) manufacturing;

51.15 Sec. 6. Minnesota Statutes 2022, section 116J.8748, subdivision 3, is amended to read:

51.16 Subd. 3. **Minnesota job creation fund business designation; requirements.** (a) To
51.17 receive designation as a Minnesota job creation fund business, a business must satisfy all
51.18 of the following conditions:

51.19 (1) the business is or will be engaged in, within Minnesota, one of the following as its
51.20 primary business activity:

51.21 (i) manufacturing;

72.17 (ii) warehousing;
72.18 (iii) distribution;
72.19 (iv) information technology;
72.20 (v) finance;
72.21 (vi) insurance; or
72.22 (vii) professional or technical services;
72.23 (2) the business must not be primarily engaged in lobbying; gambling; entertainment;
72.24 professional sports; political consulting; leisure; hospitality; or professional services provided
72.25 by attorneys, accountants, business consultants, physicians, or health care consultants, or
72.26 primarily engaged in making retail sales to purchasers who are physically present at the
72.27 business's location;
72.28 (3) the business must enter into a binding construction and job creation business subsidy
72.29 agreement with the commissioner to expend directly, or ensure expenditure by or in
72.30 partnership with a third party constructing or managing the project, at least \$500,000 in
73.1 capital investment in a capital investment project that includes a new, expanded, or remodeled
73.2 facility within one year following designation as a Minnesota job creation fund business or
73.3 \$250,000 if the project is located outside the metropolitan area as defined in section 200.02,
73.4 subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans,
73.5 women, or persons with a disability; and:
73.6 (i) create at least ten new full-time employee positions within two years of the benefit
73.7 date following the designation as a Minnesota job creation fund business or five new full-time
73.8 employee positions within two years of the benefit date if the project is located outside the
73.9 metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business
73.10 is cumulatively owned by minorities, veterans, women, or persons with a disability; or
73.11 (ii) expend at least \$25,000,000, which may include the installation and purchase of
73.12 machinery and equipment, in capital investment and retain at least ~~200~~ 100 employees for
73.13 projects located in the metropolitan area as defined in section 200.02, subdivision 24, ~~and~~
73.14 ~~75~~ or expend at least \$10,000,000, which may include the installation and purchase of
73.15 machinery and equipment, in capital investment and retain at least 50 employees for projects
73.16 located outside the metropolitan area;
73.17 (4) positions or employees moved or relocated from another Minnesota location of the
73.18 Minnesota job creation fund business must not be included in any calculation or determination
73.19 of job creation or new positions under this paragraph; and
73.20 (5) a Minnesota job creation fund business must not terminate, lay off, or reduce the
73.21 working hours of an employee for the purpose of hiring an individual to satisfy job creation
73.22 goals under this subdivision.

51.22 (ii) warehousing;
51.23 (iii) distribution;
51.24 (iv) information technology;
51.25 (v) finance;
51.26 (vi) insurance; or
51.27 (vii) professional or technical services;
51.28 (2) the business must not be primarily engaged in lobbying; gambling; entertainment;
51.29 professional sports; political consulting; leisure; hospitality; or professional services provided
51.30 by attorneys, accountants, business consultants, physicians, or health care consultants, or
52.1 primarily engaged in making retail sales to purchasers who are physically present at the
52.2 business's location;
52.3 (3) the business must enter into a binding construction and job creation business subsidy
52.4 agreement with the commissioner to expend directly, or ensure expenditure by or in
52.5 partnership with a third party constructing or managing the project, at least \$500,000 in
52.6 capital investment in a capital investment project that includes a new, expanded, or remodeled
52.7 facility within one year following designation as a Minnesota job creation fund business or
52.8 \$250,000 if the project is located outside the metropolitan area as defined in section 200.02,
52.9 subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans,
52.10 women, or persons with a disability; and:
52.11 (i) create at least ten new full-time employee positions within two years of the benefit
52.12 date following the designation as a Minnesota job creation fund business or five new full-time
52.13 employee positions within two years of the benefit date if the project is located outside the
52.14 metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business
52.15 is cumulatively owned by minorities, veterans, women, or persons with a disability; or
52.16 (ii) expend at least \$25,000,000, which may include the installation and purchase of
52.17 machinery and equipment, in capital investment and retain at least ~~200~~ 100 employees for
52.18 projects located in the metropolitan area as defined in section 200.02, subdivision 24, ~~and~~
52.19 ~~75~~ or expend at least \$10,000,000, which may include the installation and purchase of
52.20 machinery and equipment, in capital investment and retain at least 50 employees for projects
52.21 located outside the metropolitan area;
52.22 (4) positions or employees moved or relocated from another Minnesota location of the
52.23 Minnesota job creation fund business must not be included in any calculation or determination
52.24 of job creation or new positions under this paragraph; and
52.25 (5) a Minnesota job creation fund business must not terminate, lay off, or reduce the
52.26 working hours of an employee for the purpose of hiring an individual to satisfy job creation
52.27 goals under this subdivision.

73.23 (b) Prior to approving the proposed designation of a business under this subdivision, the
73.24 commissioner shall consider the following:

73.25 (1) the economic outlook of the industry in which the business engages;

73.26 (2) the projected sales of the business that will be generated from outside the state of
73.27 Minnesota;

73.28 (3) how the business will build on existing regional, national, and international strengths
73.29 to diversify the state's economy;

73.30 (4) whether the business activity would occur without financial assistance;

73.31 (5) whether the business is unable to expand at an existing Minnesota operation due to
73.32 facility or land limitations;

74.1 (6) whether the business has viable location options outside Minnesota;

74.2 (7) the effect of financial assistance on industry competitors in Minnesota;

74.3 (8) financial contributions to the project made by local governments; and

74.4 (9) any other criteria the commissioner deems necessary.

74.5 (c) Upon receiving notification of local approval under subdivision 2, the commissioner
74.6 shall review the determination by the local government and consider the conditions listed
74.7 in paragraphs (a) and (b) to determine whether it is in the best interests of the state and local
74.8 area to designate a business as a Minnesota job creation fund business.

74.9 (d) If the commissioner designates a business as a Minnesota job creation fund business,
74.10 the business subsidy agreement shall include the performance outcome commitments and
74.11 the expected financial value of any Minnesota job creation fund benefits.

74.12 (e) The commissioner may amend an agreement once, upon request of a local government
74.13 on behalf of a business, only if the performance is expected to exceed thresholds stated in
74.14 the original agreement.

74.15 (f) A business may apply to be designated as a Minnesota job creation fund business at
74.16 the same location more than once only if all goals under a previous Minnesota job creation
74.17 fund agreement have been met and the agreement is completed.

74.18 Sec. 8. Minnesota Statutes 2022, section 116J.8748, subdivision 4, is amended to read:

74.19 Subd. 4. **Certification; benefits.** (a) The commissioner may certify a Minnesota job
74.20 creation fund business as eligible to receive a specific value of benefit under paragraphs (b)
74.21 and (c) when the business has achieved its job creation and capital investment goals noted
74.22 in its agreement under subdivision 3.

74.23 (b) A qualified Minnesota job creation fund business may be certified eligible for the
74.24 benefits in this paragraph for up to five years for projects located in the metropolitan area

52.28 (b) Prior to approving the proposed designation of a business under this subdivision, the
52.29 commissioner shall consider the following:

52.30 (1) the economic outlook of the industry in which the business engages;

52.31 (2) the projected sales of the business that will be generated from outside the state of
52.32 Minnesota;

53.1 (3) how the business will build on existing regional, national, and international strengths
53.2 to diversify the state's economy;

53.3 (4) whether the business activity would occur without financial assistance;

53.4 (5) whether the business is unable to expand at an existing Minnesota operation due to
53.5 facility or land limitations;

53.6 (6) whether the business has viable location options outside Minnesota;

53.7 (7) the effect of financial assistance on industry competitors in Minnesota;

53.8 (8) financial contributions to the project made by local governments; and

53.9 (9) any other criteria the commissioner deems necessary.

53.10 (c) Upon receiving notification of local approval under subdivision 2, the commissioner
53.11 shall review the determination by the local government and consider the conditions listed
53.12 in paragraphs (a) and (b) to determine whether it is in the best interests of the state and local
53.13 area to designate a business as a Minnesota job creation fund business.

53.14 (d) If the commissioner designates a business as a Minnesota job creation fund business,
53.15 the business subsidy agreement shall include the performance outcome commitments and
53.16 the expected financial value of any Minnesota job creation fund benefits.

53.17 (e) The commissioner may amend an agreement once, upon request of a local government
53.18 on behalf of a business, only if the performance is expected to exceed thresholds stated in
53.19 the original agreement.

53.20 (f) A business may apply to be designated as a Minnesota job creation fund business at
53.21 the same location more than once only if all goals under a previous Minnesota job creation
53.22 fund agreement have been met and the agreement is completed.

53.23 Sec. 7. Minnesota Statutes 2022, section 116J.8748, subdivision 4, is amended to read:

53.24 Subd. 4. **Certification; benefits.** (a) The commissioner may certify a Minnesota job
53.25 creation fund business as eligible to receive a specific value of benefit under paragraphs (b)
53.26 and (c) when the business has achieved its job creation and capital investment goals noted
53.27 in its agreement under subdivision 3.

53.28 (b) A qualified Minnesota job creation fund business may be certified eligible for the
53.29 benefits in this paragraph for up to five years for projects located in the metropolitan area

74.25 as defined in section 200.02, subdivision 24, and seven years for projects located outside
74.26 the metropolitan area, as determined by the commissioner when considering the best interests
74.27 of the state and local area. Notwithstanding section 16B.98, subdivision 5, paragraph (a),
74.28 clause (3), or 16B.98, subdivision 5, paragraph (b), grant agreements for projects located
74.29 outside the metropolitan area may be for up to seven years in length. The eligibility for the
74.30 following benefits begins the date the commissioner certifies the business as a qualified
74.31 Minnesota job creation fund business under this subdivision:

75.1 (1) up to five percent rebate for projects located in the metropolitan area as defined in
75.2 section 200.02, subdivision 24, and 7.5 percent for projects located outside the metropolitan
75.3 area, on capital investment on qualifying purchases as provided in subdivision 5 with the
75.4 total rebate for a project not to exceed \$500,000;

75.5 (2) an award of up to \$500,000 based on full-time job creation and wages paid as provided
75.6 in subdivision 6 with the total award not to exceed \$500,000;

75.7 (3) up to \$1,000,000 in capital investment rebates and \$1,000,000 in job creation awards
75.8 are allowable for projects that have at least \$25,000,000 in capital investment and ~~200~~ 100
75.9 new employees in the metropolitan area as defined in section 200.02, subdivision 24, and
75.10 ~~75~~ 50 new employees for projects located outside the metropolitan area;

75.11 (4) up to \$1,000,000 in capital investment rebates and up to \$1,000,000 in job creation
75.12 awards are allowable for projects that have at least \$25,000,000 in capital investment, which
75.13 may include the installation and purchase of machinery and equipment, and ~~200~~ 100 retained
75.14 employees for projects located in the metropolitan area as defined in section 200.02,
75.15 subdivision 24, and ~~75~~ or at least \$10,000,000 in capital investment, which may include the
75.16 installation and purchase of machinery and equipment, and 50 retained employees for
75.17 projects located outside the metropolitan area; and

75.18 (5) for clauses (3) and (4) only, the capital investment expenditure requirements may
75.19 include the installation and purchases of machinery and equipment. These expenditures are
75.20 not eligible for the capital investment rebate provided under subdivision 5.

75.21 (c) The job creation award may be provided in multiple years as long as the qualified
75.22 Minnesota job creation fund business continues to meet the job creation goals provided for
75.23 in its agreement under subdivision 3 and the total award does not exceed \$500,000 except
75.24 as provided under paragraph (b), clauses (3) and (4). Under paragraph (b) clause (4), a job
75.25 creation award of \$2,000 per retained job may be provided one time if the qualified Minnesota
75.26 job creation fund business meets the minimum capital investment and retained employee
75.27 requirement as provided in paragraph (b), clause (4), for at least two years.

75.28 (d) No rebates or award may be provided until the Minnesota job creation fund business
75.29 or a third party constructing or managing the project has at least \$500,000 in capital
75.30 investment in the project and at least ten full-time jobs have been created and maintained
75.31 for at least one year or the retained employees, as provided in paragraph (b), clause (4),
75.32 remain for at least one year. The agreement may require additional performance outcomes

53.30 as defined in section 200.02, subdivision 24, and seven years for projects located outside
53.31 the metropolitan area, as determined by the commissioner when considering the best interests
54.1 of the state and local area. Notwithstanding section 16B.98, subdivision 5, paragraph (a),
54.2 clause (3), or 16B.98, subdivision 5, paragraph (b), grant agreements for projects located
54.3 outside the metropolitan area may be for up to seven years in length. The eligibility for the
54.4 following benefits begins the date the commissioner certifies the business as a qualified
54.5 Minnesota job creation fund business under this subdivision:

54.6 (1) up to five percent rebate for projects located in the metropolitan area as defined in
54.7 section 200.02, subdivision 24, and 7.5 percent for projects located outside the metropolitan
54.8 area, on capital investment on qualifying purchases as provided in subdivision 5 with the
54.9 total rebate for a project not to exceed \$500,000;

54.10 (2) an award of up to \$500,000 based on full-time job creation and wages paid as provided
54.11 in subdivision 6 with the total award not to exceed \$500,000;

54.12 (3) up to \$1,000,000 in capital investment rebates and \$1,000,000 in job creation awards
54.13 are allowable for projects that have at least \$25,000,000 in capital investment and ~~200~~ 100
54.14 new employees in the metropolitan area as defined in section 200.02, subdivision 24, and
54.15 ~~75~~ 50 new employees for projects located outside the metropolitan area;

54.16 (4) up to \$1,000,000 in capital investment rebates and up to \$1,000,000 in job creation
54.17 awards are allowable for projects that have at least \$25,000,000 in capital investment, which
54.18 may include the installation and purchase of machinery and equipment, and ~~200~~ 100 retained
54.19 employees for projects located in the metropolitan area as defined in section 200.02,
54.20 subdivision 24, and ~~75~~ or at least \$10,000,000 in capital investment, which may include the
54.21 installation and purchase of machinery and equipment, and 50 retained employees for
54.22 projects located outside the metropolitan area; and

54.23 (5) for clauses (3) and (4) only, the capital investment expenditure requirements may
54.24 include the installation and purchases of machinery and equipment. These expenditures are
54.25 not eligible for the capital investment rebate provided under subdivision 5.

54.26 (c) The job creation award may be provided in multiple years as long as the qualified
54.27 Minnesota job creation fund business continues to meet the job creation goals provided for
54.28 in its agreement under subdivision 3 and the total award does not exceed \$500,000 except
54.29 as provided under paragraph (b), clauses (3) and (4). Under paragraph (b) clause (4), a job
54.30 creation award of \$2,000 per retained job may be provided one time if the qualified Minnesota
54.31 job creation fund business meets the minimum capital investment and retained employee
54.32 requirement as provided in paragraph (b), clause (4), for at least two years.

54.33 (d) No rebates or award may be provided until the Minnesota job creation fund business
54.34 or a third party constructing or managing the project has at least \$500,000 in capital
55.1 investment in the project and at least ten full-time jobs have been created and maintained
55.2 for at least one year or the retained employees, as provided in paragraph (b), clause (4),
55.3 remain for at least one year. The agreement may require additional performance outcomes

75.33 that need to be achieved before rebates and awards are provided. If fewer retained jobs are
76.1 maintained, but still above the minimum under this subdivision, the capital investment
76.2 award shall be reduced on a proportionate basis.

76.3 (e) The forms needed to be submitted to document performance by the Minnesota job
76.4 creation fund business must be in the form and be made under the procedures specified by
76.5 the commissioner. The forms shall include documentation and certification by the business
76.6 that it is in compliance with the business subsidy agreement, sections 116J.871 and 116L.66,
76.7 and other provisions as specified by the commissioner.

76.8 (f) Minnesota job creation fund businesses must pay each new full-time employee added
76.9 pursuant to the agreement total compensation, including benefits not mandated by law, that
76.10 on an annualized basis is equal to at least 110 percent of the federal poverty level for a
76.11 family of four.

76.12 (g) A Minnesota job creation fund business must demonstrate reasonable progress on
76.13 capital investment expenditures within six months following designation as a Minnesota
76.14 job creation fund business to ensure that the capital investment goal in the agreement under
76.15 subdivision 1 will be met. Businesses not making reasonable progress will not be eligible
76.16 for benefits under the submitted application and will need to work with the local government
76.17 unit to resubmit a new application and request to be a Minnesota job creation fund business.
76.18 Notwithstanding the goals noted in its agreement under subdivision 1, this action shall not
76.19 be considered a default of the business subsidy agreement.

76.20 Sec. 9. Minnesota Statutes 2022, section 116J.8748, subdivision 6, is amended to read:

76.21 Subd. 6. **Job creation award.** (a) A qualified Minnesota job creation fund business is
76.22 eligible for an annual award for each new job created and maintained under subdivision 4,
76.23 paragraph (b), clauses (2) and (3), by the business using the following schedule: \$1,000 for
76.24 each job position paying annual wages at least \$26,000 but less than \$35,000; \$2,000 for
76.25 each job position paying at least \$35,000 but less than \$45,000; ~~and~~ \$3,000 for each job
76.26 position paying at least \$45,000 but less than \$55,000; and \$4,000 for each job position
76.27 paying at least \$55,000; and as noted in the goals under the agreement provided under
76.28 subdivision 1. These awards are increased by \$1,000 if the business is located outside the
76.29 metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business
76.30 is cumulatively owned by minorities, veterans, women, or persons with a disability.

76.31 (b) A qualified Minnesota job creation fund business is eligible for a onetime \$2,000
76.32 award for each job retained and maintained under subdivision 4, paragraph (b), clause (4),
76.33 provided that each retained job pays total compensation, including benefits not mandated
77.1 by law, that on an annualized basis is equal to at least 150 percent of the federal poverty
77.2 level for a family of four.

77.3 ~~(b)~~ (c) The job creation award schedule must be adjusted annually using the percentage
77.4 increase in the federal poverty level for a family of four.

55.4 that need to be achieved before rebates and awards are provided. If fewer retained jobs are
55.5 maintained, but still above the minimum under this subdivision, the capital investment
55.6 award shall be reduced on a proportionate basis.

55.7 (e) The forms needed to be submitted to document performance by the Minnesota job
55.8 creation fund business must be in the form and be made under the procedures specified by
55.9 the commissioner. The forms shall include documentation and certification by the business
55.10 that it is in compliance with the business subsidy agreement, sections 116J.871 and 116L.66,
55.11 and other provisions as specified by the commissioner.

55.12 (f) Minnesota job creation fund businesses must pay each new full-time employee added
55.13 pursuant to the agreement total compensation, including benefits not mandated by law, that
55.14 on an annualized basis is equal to at least 110 percent of the federal poverty level for a
55.15 family of four.

55.16 (g) A Minnesota job creation fund business must demonstrate reasonable progress on
55.17 capital investment expenditures within six months following designation as a Minnesota
55.18 job creation fund business to ensure that the capital investment goal in the agreement under
55.19 subdivision 1 will be met. Businesses not making reasonable progress will not be eligible
55.20 for benefits under the submitted application and will need to work with the local government
55.21 unit to resubmit a new application and request to be a Minnesota job creation fund business.
55.22 Notwithstanding the goals noted in its agreement under subdivision 1, this action shall not
55.23 be considered a default of the business subsidy agreement.

55.24 Sec. 8. Minnesota Statutes 2022, section 116J.8748, subdivision 6, is amended to read:

55.25 Subd. 6. **Job creation award.** (a) A qualified Minnesota job creation fund business is
55.26 eligible for an annual award for each new job created and maintained under subdivision 4,
55.27 paragraph (b), clauses (2) and (3), by the business using the following schedule: \$1,000 for
55.28 each job position paying annual wages at least \$26,000 but less than \$35,000; \$2,000 for
55.29 each job position paying at least \$35,000 but less than \$45,000; ~~and~~ \$3,000 for each job
55.30 position paying at least \$45,000 but less than \$55,000; and \$4,000 for each job position
55.31 paying at least \$55,000; and as noted in the goals under the agreement provided under
55.32 subdivision 1. These awards are increased by \$1,000 if the business is located outside the
55.33 metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business
55.34 is cumulatively owned by minorities, veterans, women, or persons with a disability.

56.1 (b) A qualified Minnesota job creation fund business is eligible for a onetime \$2,000
56.2 award for each job retained and maintained under subdivision 4, paragraph (b), clause (4),
56.3 provided that each retained job pays total compensation, including benefits not mandated
56.4 by law, that on an annualized basis is equal to at least 150 percent of the federal poverty
56.5 level for a family of four.

56.6 ~~(b)~~ (c) The job creation award schedule must be adjusted annually using the percentage
56.7 increase in the federal poverty level for a family of four.

77.5 ~~(e)~~ (d) Minnesota job creation fund businesses seeking an award credit provided under
77.6 subdivision 4 must submit forms and applications to the Department of Employment and
77.7 Economic Development as prescribed by the commissioner.

77.8 Sec. 10. Minnesota Statutes 2022, section 116J.8748, is amended by adding a subdivision
77.9 to read:

77.10 Subd. 6a. **Transfer.** The commissioner may transfer up to \$2,000,000 of a fiscal year
77.11 appropriation between the Minnesota job creation fund program and the redevelopment
77.12 grant program to meet business demand.

77.13 Sec. 11. **[116J.8751] LAUNCH MINNESOTA.**

77.14 Subdivision 1. **Establishment.** Launch Minnesota is established within the Business
77.15 and Community Development Division of the Department of Employment and Economic
77.16 Development to encourage and support the development of new private sector technologies
77.17 and support the science and technology policies under section 3.222. Launch Minnesota
77.18 must provide entrepreneurs and emerging technology-based companies business development
77.19 assistance and financial assistance to spur growth.

77.20 Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision
77.21 have the meanings given.

77.22 (b) "Advisory board" means the board established under subdivision 10.

77.23 (c) "Commissioner" means the commissioner of employment and economic development.

77.24 (d) "Department" means the Department of Employment and Economic Development.

77.25 (e) "Entrepreneur" means a Minnesota resident who is involved in establishing a business
77.26 entity and secures resources directed to its growth while bearing the risk of loss.

77.27 (f) "Greater Minnesota" means the area of Minnesota located outside of the metropolitan
77.28 area as defined in section 473.121, subdivision 2.

77.29 (g) "Innovative technology and business" means a new novel business model or product;
77.30 a derivative product incorporating new elements into an existing product; a new use for a
77.31 product; or a new process or method for the manufacture, use, or assessment of any product
78.1 or activity, patentability, or scalability. Innovative technology or business model does not
78.2 include locally based retail, lifestyle, or business services. The business must not be primarily
78.3 engaged in real estate development, insurance, banking, lending, lobbying, political
78.4 consulting, information technology consulting, wholesale or retail trade, leisure, hospitality,
78.5 transportation, construction, ethanol production from corn, or professional services provided
78.6 by attorneys, accountants, business consultants, physicians, or health care consultants.

78.7 (h) "Institution of higher education" has the meaning given in section 136A.28,
78.8 subdivision 6.

56.8 ~~(e)~~ (d) Minnesota job creation fund businesses seeking an award credit provided under
56.9 subdivision 4 must submit forms and applications to the Department of Employment and
56.10 Economic Development as prescribed by the commissioner.

56.11 Sec. 9. Minnesota Statutes 2022, section 116J.8748, is amended by adding a subdivision
56.12 to read:

56.13 Subd. 6a. **Transfer.** The commissioner may transfer up to \$2,000,000 of a fiscal year
56.14 appropriation between the Minnesota job creation fund program and the redevelopment
56.15 grant program to meet business demand.

56.16 Sec. 10. **[116J.8751] LAUNCH MINNESOTA.**

56.17 Subdivision 1. **Establishment.** Launch Minnesota is established within the Business
56.18 and Community Development Division of the Department of Employment and Economic
56.19 Development to encourage and support the development of new private sector technologies
56.20 and support the science and technology policies under Minnesota Statutes, section 3.222.
56.21 Launch Minnesota must provide entrepreneurs and emerging technology-based companies
56.22 business development assistance and financial assistance to spur growth.

56.23 Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision
56.24 have the meanings given.

56.25 (b) "Advisory board" means the board established under subdivision 10.

56.26 (c) "Commissioner" means the commissioner of employment and economic development.

56.27 (d) "Department" means the Department of Employment and Economic Development.

56.28 (e) "Entrepreneur" means a Minnesota resident who is involved in establishing a business
56.29 entity and secures resources directed to its growth while bearing the risk of loss.

56.30 (f) "Greater Minnesota" means the area of Minnesota located outside of the metropolitan
56.31 area as defined in Minnesota Statutes, section 473.121, subdivision 2.

57.1 (g) "Innovative technology and business" means a new novel business model or product;
57.2 a derivative product incorporating new elements into an existing product; a new use for a
57.3 product; or a new process or method for the manufacture, use, or assessment of any product
57.4 or activity, patentability, or scalability. Innovative technology or business model does not
57.5 include locally based retail, lifestyle, or business services. The business must not be primarily
57.6 engaged in real estate development, insurance, banking, lending, lobbying, political
57.7 consulting, information technology consulting, wholesale or retail trade, leisure, hospitality,
57.8 transportation, construction, ethanol production from corn, or professional services provided
57.9 by attorneys, accountants, business consultants, physicians, or health care consultants.

57.10 (h) "Institution of higher education" has the meaning given in Minnesota Statutes, section
57.11 136A.28, subdivision 6.

78.9 (i) "Minority group member" means a United States citizen or lawful permanent resident
78.10 who is Asian, Pacific Islander, Black, Hispanic, or Native American.

78.11 (j) "Research and development" means any activity that is:

78.12 (1) a systematic, intensive study directed toward greater knowledge or understanding
78.13 of the subject studies;

78.14 (2) a systematic study directed specifically toward applying new knowledge to meet a
78.15 recognized need; or

78.16 (3) a systematic application of knowledge toward the production of useful materials,
78.17 devices, systems and methods, including design, development and improvement of prototypes
78.18 and new processes to meet specific requirements.

78.19 (k) "Start-up" means a business entity that has been in operation for less than ten years,
78.20 has operations in Minnesota, and is in the development stage defined as devoting substantially
78.21 all of its efforts to establishing a new business and either of the following conditions exists:

78.22 (1) planned principal operations have not commenced; or

78.23 (2) planned principal operations have commenced, but have raised at least \$1,000,000
78.24 in equity financing.

78.25 (l) "Technology-related assistance" means the application and utilization of
78.26 technological-information and technologies to assist in the development and production of
78.27 new technology-related products or services or to increase the productivity or otherwise
78.28 enhance the production or delivery of existing products or services.

78.29 (m) "Trade association" means a nonprofit membership organization organized to promote
78.30 businesses and business conditions and having an election under Internal Revenue Code
78.31 section 501(c)(3) or 501(c)(6).

78.32 (n) "Veteran" has the meaning given in section 197.447.

79.1 Subd. 3. **Duties.** The commissioner, by and through Launch Minnesota, shall:

79.2 (1) support innovation and initiatives designed to accelerate the growth of innovative
79.3 technology and business start-ups in Minnesota;

79.4 (2) in partnership with other organizations, offer classes and instructional sessions on
79.5 how to start an innovative technology and business start-up;

79.6 (3) promote activities for entrepreneurs and investors regarding the state's growing
79.7 innovation economy;

79.8 (4) hold events and meetings that gather key stakeholders in the state's innovation sector;

57.12 (i) "Minority group member" means a United States citizen or lawful permanent resident
57.13 who is Asian, Pacific Islander, Black, Hispanic, or Native American.

57.14 (j) "Research and development" means any activity that is:

57.15 (1) a systematic, intensive study directed toward greater knowledge or understanding
57.16 of the subject studies;

57.17 (2) a systematic study directed specifically toward applying new knowledge to meet a
57.18 recognized need; or

57.19 (3) a systematic application of knowledge toward the production of useful materials,
57.20 devices, systems and methods, including design, development and improvement of prototypes
57.21 and new processes to meet specific requirements.

57.22 (k) "Start-up" means a business entity that has been in operation for less than ten years,
57.23 has operations in Minnesota, and is in the development stage defined as devoting substantially
57.24 all of its efforts to establishing a new business and either of the following conditions exists:

57.25 (1) planned principal operations have not commenced; or

57.26 (2) planned principal operations have commenced, but have raised at least \$1,000,000
57.27 in equity financing.

57.28 (l) "Technology-related assistance" means the application and utilization of
57.29 technological-information and technologies to assist in the development and production of
57.30 new technology-related products or services or to increase the productivity or otherwise
57.31 enhance the production or delivery of existing products or services.

58.1 (m) "Trade association" means a nonprofit membership organization organized to promote
58.2 businesses and business conditions and having an election under Internal Revenue Code
58.3 section 501(c)(3) or 501(c)(6).

58.4 (n) "Veteran" has the meaning given in Minnesota Statutes, section 197.447.

58.5 Subd. 3. **Duties.** The commissioner, by and through Launch Minnesota, shall:

58.6 (1) support innovation and initiatives designed to accelerate the growth of innovative
58.7 technology and business start-ups in Minnesota;

58.8 (2) in partnership with other organizations, offer classes and instructional sessions on
58.9 how to start an innovative technology and business start-up;

58.10 (3) promote activities for entrepreneurs and investors regarding the state's growing
58.11 innovation economy;

58.12 (4) hold events and meetings that gather key stakeholders in the state's innovation sector;

79.9 (5) conduct outreach and education on innovation activities and related financial programs
79.10 available from the department and other organizations, particularly for underserved
79.11 communities;

79.12 (6) interact and collaborate with statewide partners including but not limited to businesses,
79.13 nonprofits, trade associations, and higher education institutions;

79.14 (7) administer an advisory board to assist with direction, grant application review,
79.15 program evaluation, report development, and partnerships;

79.16 (8) accept grant applications under subdivisions 5, 6, and 7 and work with the advisory
79.17 board to review and prioritize the applications and provide recommendations to the
79.18 commissioner; and

79.19 (9) perform other duties at the commissioner's discretion.

79.20 Subd. 4. **Administration.** (a) The executive director shall:

79.21 (1) assist the commissioner and the advisory board in performing the duties of Launch
79.22 Minnesota; and

79.23 (2) comply with all state and federal program requirements, and all state and federal
79.24 securities and tax laws and regulations.

79.25 (b) Launch Minnesota may occupy and lease physical space in a private coworking
79.26 facility that includes office space for staff and space for community engagement for training
79.27 entrepreneurs. The physical space leased under this paragraph is exempt from the
79.28 requirements in section 16B.24, subdivision 6.

79.29 (c) At least three times per month, Launch Minnesota staff shall communicate with
79.30 organizations in greater Minnesota that have received a grant under subdivision 7. To the
80.1 extent possible, Launch Minnesota shall form partnerships with organizations located
80.2 throughout the state.

80.3 (d) Launch Minnesota must accept grant applications under this section and provide
80.4 funding recommendations to the commissioner and the commissioner shall distribute grants
80.5 based in part on the recommendations.

80.6 Subd. 5. **Application process.** (a) The commissioner shall establish the application form
80.7 and procedures for grants.

80.8 (b) Upon receiving recommendations from Launch Minnesota, the commissioner is
80.9 responsible for evaluating all applications using evaluation criteria which shall be developed
80.10 by Launch Minnesota in consultation with the advisory board.

80.11 (c) For grants under subdivision 6, priority shall be given if the applicant is:

80.12 (1) a business or entrepreneur located in greater Minnesota; or

58.13 (5) conduct outreach and education on innovation activities and related financial programs
58.14 available from the department and other organizations, particularly for underserved
58.15 communities;

58.16 (6) interact and collaborate with statewide partners including but not limited to businesses,
58.17 nonprofits, trade associations, and higher education institutions;

58.18 (7) administer an advisory board to assist with direction, grant application review,
58.19 program evaluation, report development, and partnerships;

58.20 (8) accept grant applications under subdivisions 5, 6, and 7 and work with the advisory
58.21 board to review and prioritize the applications and provide recommendations to the
58.22 commissioner; and

58.23 (9) perform other duties at the commissioner's discretion.

58.24 Subd. 4. **Administration.** (a) The executive director shall:

58.25 (1) assist the commissioner and the advisory board in performing the duties of Launch
58.26 Minnesota; and

58.27 (2) comply with all state and federal program requirements, and all state and federal
58.28 securities and tax laws and regulations.

58.29 (b) Launch Minnesota may occupy and lease physical space in a private coworking
58.30 facility that includes office space for staff and space for community engagement for training
59.1 entrepreneurs. The physical space leased under this paragraph is exempt from the
59.2 requirements in Minnesota Statutes, section 16B.24, subdivision 6.

59.3 (c) At least three times per month, Launch Minnesota staff shall communicate with
59.4 organizations in greater Minnesota that have received a grant under subdivision 7. To the
59.5 extent possible, Launch Minnesota shall form partnerships with organizations located
59.6 throughout the state.

59.7 (d) Launch Minnesota must accept grant applications under this section and provide
59.8 funding recommendations to the commissioner and the commissioner shall distribute grants
59.9 based in part on the recommendations.

59.10 Subd. 5. **Application process.** (a) The commissioner shall establish the application form
59.11 and procedures for grants.

59.12 (b) Upon receiving recommendations from Launch Minnesota, the commissioner is
59.13 responsible for evaluating all applications using evaluation criteria which shall be developed
59.14 by Launch Minnesota in consultation with the advisory board.

59.15 (c) For grants under subdivision 6, priority shall be given if the applicant is:

59.16 (1) a business or entrepreneur located in greater Minnesota; or

80.13 (2) a business owner, individual with a disability, or entrepreneur who is a woman,
80.14 veteran, or minority group member.

80.15 (d) For grants under subdivision 7, priority shall be given if the applicant is planning to
80.16 serve:

80.17 (1) businesses or entrepreneurs located in greater Minnesota; or

80.18 (2) business owners, individuals with disabilities, or entrepreneurs who are women,
80.19 veterans, or minority group members.

80.20 (e) The department staff, and not Launch Minnesota staff, are responsible for awarding
80.21 funding, disbursing funds, and monitoring grantee performance for all grants awarded under
80.22 this section.

80.23 (f) Grantees must provide matching funds by equal expenditures and grant payments
80.24 must be provided on a reimbursement basis after review of submitted receipts by the
80.25 department.

80.26 (g) Grant applications must be accepted on a regular periodic basis by Launch Minnesota
80.27 and must be reviewed by Launch Minnesota and the advisory board before being submitted
80.28 to the commissioner with their recommendations.

80.29 Subd. 6. **Innovation grants.** (a) The commissioner shall distribute innovation grants
80.30 under this subdivision.

81.1 (b) The commissioner shall provide a grant of up to \$35,000 to an eligible business or
81.2 entrepreneur for research and development expenses, direct business expenses, and the
81.3 purchase of technical assistance or services from public higher education institutions and
81.4 nonprofit entities. Research and development expenditures may include but are not limited
81.5 to proof of concept activities, intellectual property protection, prototype designs and
81.6 production, and commercial feasibility. Expenditures funded under this subdivision are not
81.7 eligible for the research and development tax credit under section 290.068. Direct business
81.8 expenses may include rent, equipment purchases, and supplier invoices. Taxes imposed by
81.9 federal, state, or local government entities may not be reimbursed under this paragraph.
81.10 Technical assistance or services must be purchased to assist in the development or
81.11 commercialization of a product or service to be eligible. Each business or entrepreneur may
81.12 receive only one grant per biennium under this paragraph.

81.13 (c) The commissioner shall provide a grant of up to \$35,000 in Phase 1 or \$50,000 in
81.14 Phase 2 to an eligible business or entrepreneur that, as a registered client of the Small
81.15 Business Innovation Research (SBIR) program, has been awarded a first time Phase 1 or
81.16 Phase 2 award pursuant to the SBIR or Small Business Technology Transfer (STTR)
81.17 programs after July 1, 2019. Each business or entrepreneur may receive only one grant per
81.18 biennium under this paragraph. Grants under this paragraph are not subject to the
81.19 requirements of subdivision 2, paragraph (k).

59.17 (2) a business owner, individual with a disability, or entrepreneur who is a woman,
59.18 veteran, or minority group member.

59.19 (d) For grants under subdivision 7, priority shall be given if the applicant is planning to
59.20 serve:

59.21 (1) businesses or entrepreneurs located in greater Minnesota; or

59.22 (2) business owners, individuals with disabilities, or entrepreneurs who are women,
59.23 veterans, or minority group members.

59.24 (e) The department staff, and not Launch Minnesota staff, are responsible for awarding
59.25 funding, disbursing funds, and monitoring grantee performance for all grants awarded under
59.26 this section.

59.27 (f) Grantees must provide matching funds by equal expenditures and grant payments
59.28 must be provided on a reimbursement basis after review of submitted receipts by the
59.29 department.

59.30 (g) Grant applications must be accepted on a regular periodic basis by Launch Minnesota
59.31 and must be reviewed by Launch Minnesota and the advisory board before being submitted
59.32 to the commissioner with their recommendations.

60.1 Subd. 6. **Innovation grants.** (a) The commissioner shall distribute innovation grants
60.2 under this subdivision.

60.3 (b) The commissioner shall provide a grant of up to \$35,000 to an eligible business or
60.4 entrepreneur for research and development expenses, direct business expenses, and the
60.5 purchase of technical assistance or services from public higher education institutions and
60.6 nonprofit entities. Research and development expenditures may include but are not limited
60.7 to proof of concept activities, intellectual property protection, prototype designs and
60.8 production, and commercial feasibility. Expenditures funded under this subdivision are not
60.9 eligible for the research and development tax credit under [Minnesota Statutes](#), section
60.10 290.068. Direct business expenses may include rent, equipment purchases, and supplier
60.11 invoices. Taxes imposed by federal, state, or local government entities may not be reimbursed
60.12 under this paragraph. Technical assistance or services must be purchased to assist in the
60.13 development or commercialization of a product or service to be eligible. Each business or
60.14 entrepreneur may receive only one grant per biennium under this paragraph.

60.15 (c) The commissioner shall provide a grant of up to \$35,000 in Phase 1 or \$50,000 in
60.16 Phase 2 to an eligible business or entrepreneur that, as a registered client of the Small
60.17 Business Innovation Research (SBIR) program, has been awarded a first time Phase 1 or
60.18 Phase 2 award pursuant to the SBIR or Small Business Technology Transfer (STTR)
60.19 programs after July 1, 2019. Each business or entrepreneur may receive only one grant per
60.20 biennium under this paragraph. Grants under this paragraph are not subject to the
60.21 requirements of subdivision 2, paragraph (k).

81.20 Subd. 7. **Entrepreneur education grants.** (a) The commissioner shall make entrepreneur
81.21 education grants to institutions of higher education and other organizations to provide
81.22 educational programming to entrepreneurs and provide outreach to and collaboration with
81.23 businesses, federal and state agencies, institutions of higher education, trade associations,
81.24 and other organizations working to advance innovative technology businesses throughout
81.25 Minnesota.

81.26 (b) Applications for entrepreneur education grants under this subdivision must be
81.27 submitted to the commissioner and evaluated by department staff other than Launch
81.28 Minnesota. The evaluation criteria must be developed by Launch Minnesota, in consultation
81.29 with the advisory board, and the commissioner, and priority must be given to an applicant
81.30 who demonstrates activity assisting business owners or entrepreneurs residing in greater
81.31 Minnesota or who are women, veterans, or minority group members.

81.32 (c) Department staff other than Launch Minnesota staff are responsible for awarding
81.33 funding, disbursing funds, and monitoring grantee performance under this subdivision.

81.34 (d) Grantees may use the grant funds to deliver the following services:

82.1 (1) development and delivery to innovative technology businesses of industry specific
82.2 or innovative product or process specific counseling on issues of business formation, market
82.3 structure, market research and strategies, securing first mover advantage or overcoming
82.4 barriers to entry, protecting intellectual property, and securing debt or equity capital. This
82.5 counseling is to be delivered in a classroom setting or using distance media presentations;

82.6 (2) outreach and education to businesses and organizations on the small business
82.7 investment tax credit program under section 116J.8737, the MNvest crowd-funding program
82.8 under section 80A.461, and other state programs that support innovative technology business
82.9 creation especially in underserved communities;

82.10 (3) collaboration with institutions of higher education, local organizations, federal and
82.11 state agencies, the Small Business Development Center, and the Small Business Assistance
82.12 Office to create and offer educational programming and ongoing counseling in greater
82.13 Minnesota that is consistent with those services offered in the metropolitan area; and

82.14 (4) events and meetings with other innovation-related organizations to inform
82.15 entrepreneurs and potential investors about Minnesota's growing innovation economy.

82.16 Subd. 8. **Report.** (a) Launch Minnesota shall annually report by December 31 to the
82.17 chairs and ranking minority members of the committees of the house of representatives and
82.18 senate having jurisdiction over economic development policy and finance. Each report shall
82.19 include information on the work completed, including awards made by the department under
82.20 this section and progress toward transferring the activities of Launch Minnesota to an entity
82.21 outside of state government.

82.22 (b) By December 31, 2024, Launch Minnesota shall provide a comprehensive transition
82.23 plan to the chairs and ranking minority members of the committees of the house of

60.22 Subd. 7. **Entrepreneur education grants.** (a) The commissioner shall make entrepreneur
60.23 education grants to institutions of higher education and other organizations to provide
60.24 educational programming to entrepreneurs and provide outreach to and collaboration with
60.25 businesses, federal and state agencies, institutions of higher education, trade associations,
60.26 and other organizations working to advance innovative technology businesses throughout
60.27 Minnesota.

60.28 (b) Applications for entrepreneur education grants under this subdivision must be
60.29 submitted to the commissioner and evaluated by department staff other than Launch
60.30 Minnesota. The evaluation criteria must be developed by Launch Minnesota, in consultation
60.31 with the advisory board, and the commissioner, and priority must be given to an applicant
60.32 who demonstrates activity assisting business owners or entrepreneurs residing in greater
60.33 Minnesota or who are women, veterans, or minority group members.

61.1 (c) Department staff other than Launch Minnesota staff are responsible for awarding
61.2 funding, disbursing funds, and monitoring grantee performance under this subdivision.

61.3 (d) Grantees may use the grant funds to deliver the following services:

61.4 (1) development and delivery to innovative technology businesses of industry specific
61.5 or innovative product or process specific counseling on issues of business formation, market
61.6 structure, market research and strategies, securing first mover advantage or overcoming
61.7 barriers to entry, protecting intellectual property, and securing debt or equity capital. This
61.8 counseling is to be delivered in a classroom setting or using distance media presentations;

61.9 (2) outreach and education to businesses and organizations on the small business
61.10 investment tax credit program under Minnesota Statutes, section 116J.8737, the MNvest
61.11 crowd-funding program under Minnesota Statutes, section 80A.461, and other state programs
61.12 that support innovative technology business creation especially in underserved communities;

61.13 (3) collaboration with institutions of higher education, local organizations, federal and
61.14 state agencies, the Small Business Development Center, and the Small Business Assistance
61.15 Office to create and offer educational programming and ongoing counseling in greater
61.16 Minnesota that is consistent with those services offered in the metropolitan area; and

61.17 (4) events and meetings with other innovation-related organizations to inform
61.18 entrepreneurs and potential investors about Minnesota's growing innovation economy.

61.19 Subd. 8. **Report.** (a) Launch Minnesota shall annually report by December 31 to the
61.20 chairs and ranking minority members of the committees of the house of representatives and
61.21 senate having jurisdiction over economic development policy and finance. Each report shall
61.22 include information on the work completed, including awards made by the department under
61.23 this section and progress toward transferring the activities of Launch Minnesota to an entity
61.24 outside of state government.

61.25 (b) By December 31, 2024, Launch Minnesota shall provide a comprehensive transition
61.26 plan to the chairs and ranking minority members of the committees of the house of

82.24 representatives and senate having jurisdiction over economic development policy and
82.25 finance. The transition plan shall include: (1) a detailed strategy for the transfer of Launch
82.26 Minnesota activities to an entity outside of state government; (2) the projected date of the
82.27 transfer; and (3) the role of the state, if any, in ongoing activities of Launch Minnesota or
82.28 its successor entity.

82.29 Subd. 9. **Advisory board.** (a) The commissioner shall establish an advisory board to
82.30 advise the executive director regarding the activities of Launch Minnesota, make the
82.31 recommendations described in this section, and develop and initiate a strategic plan for
82.32 transferring some activities of Launch Minnesota to a new or existing public-private
82.33 partnership or nonprofit organization outside of state government.

83.1 (b) The advisory board shall consist of ten members and is governed by section 15.059.
83.2 A minimum of seven members must be from the private sector representing business and
83.3 at least two members but no more than three members must be from government and higher
83.4 education. At least three of the members of the advisory board shall be from greater
83.5 Minnesota and at least three members shall be minority group members. Appointees shall
83.6 represent a range of interests, including entrepreneurs, large businesses, industry
83.7 organizations, investors, and both public and private small business service providers.

83.8 (c) The advisory board shall select a chair from its private sector members. The executive
83.9 director shall provide administrative support to the committee.

83.10 (d) The commissioner, or a designee, shall serve as an ex-officio, nonvoting member of
83.11 the advisory board.

83.12 Sec. 12. **[116J.8752] MINNESOTA FORWARD FUND.**

83.13 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in this subdivision
83.14 have the meanings given.

83.15 (b) "Agreement" or "business subsidy agreement" means a business subsidy agreement
83.16 under section 116J.994 that must include but is not limited to specification of the duration
83.17 of the agreement, job goals and a timeline for achieving those goals over the duration of
83.18 the agreement, construction and other investment goals and a timeline for achieving those
83.19 goals over the duration of the agreement, and the value of benefits the firm may receive
83.20 following achievement of capital investment and employment goals. The municipality, local
83.21 unit of government, or business must report to the commissioner on the business performance
83.22 using the forms developed by the commissioner.

83.23 (c) "Business" means an individual, corporation, partnership, limited liability company,
83.24 association, or other business entity.

61.27 representatives and senate having jurisdiction over economic development policy and
61.28 finance. The transition plan shall include: (1) a detailed strategy for the transfer of Launch
61.29 Minnesota activities to an entity outside of state government; (2) the projected date of the
61.30 transfer; and (3) the role of the state, if any, in ongoing activities of Launch Minnesota or
61.31 its successor entity.

61.32 Subd. 9. **Advisory board.** (a) The commissioner shall establish an advisory board to
61.33 advise the executive director regarding the activities of Launch Minnesota, make the
62.1 recommendations described in this section, and develop and initiate a strategic plan for
62.2 transferring some activities of Launch Minnesota to a new or existing public-private
62.3 partnership or nonprofit organization outside of state government.

62.4 (b) The advisory board shall consist of ten members and is governed by **Minnesota**
62.5 **Statutes**, section 15.059. A minimum of seven members must be from the private sector
62.6 representing business and at least two members but no more than three members must be
62.7 from government and higher education. At least three of the members of the advisory board
62.8 shall be from greater Minnesota and at least three members shall be minority group members.
62.9 Appointees shall represent a range of interests, including entrepreneurs, large businesses,
62.10 industry organizations, investors, and both public and private small business service
62.11 providers.

62.12 (c) The advisory board shall select a chair from its private sector members. The executive
62.13 director shall provide administrative support to the committee.

62.14 (d) The commissioner, or a designee, shall serve as an ex-officio, nonvoting member of
62.15 the advisory board.

83.25 (d) "Capital investment" means money that is expended for the purpose of building or
83.26 improving real fixed property where employees are or will be employed, equipment and
83.27 machinery in the building, and operating expenses related to the building.

83.28 (e) "Commissioner" means the commissioner of employment and economic development.

83.29 (f) "Fund" means the Minnesota forward fund.

83.30 Subd. 2. **Minnesota forward fund account.** The Minnesota forward fund account is
83.31 created as a separate account in the treasury. Money in the account is appropriated to the
83.32 commissioner of employment and economic development for the purposes of this section.

84.1 All money earned by the account, loan repayments of principal, and interest must be credited
84.2 to the account. The commissioner shall operate the account as a revolving account.

84.3 Subd. 3. **Purpose.** The Minnesota forward fund is created to increase the state's
84.4 competitiveness by providing the state the authority and flexibility to facilitate private
84.5 investment. The fund serves as a closing fund to allow the authority and flexibility to
84.6 negotiate incentives to better compete with other states for business retention, expansion
84.7 and attraction of projects in existing and new industries, develop properties for business
84.8 use, and leverage to meet matching requirements of federal funding for resiliency in economic
84.9 security and economic enhancement opportunities that provide the public high-quality
84.10 employment opportunities. The commissioner shall use money appropriated to the fund to:

84.11 (1) create and retain permanent private-sector jobs in order to create above-average
84.12 economic growth consistent with environmental protection;

84.13 (2) stimulate or leverage private investment to ensure economic renewal and
84.14 competitiveness;

84.15 (3) increase the local tax base, based on demonstrated measurable outcomes, to guarantee
84.16 a diversified industry mix;

84.17 (4) improve the quality of existing jobs, based on increases in wages or improvements
84.18 in the job duties, training, or education associated with those jobs;

84.19 (5) improve employment and economic opportunity for citizens in the region to create
84.20 a reasonable standard of living, consistent with federal and state guidelines on low- to
84.21 moderate-income persons;

84.22 (6) stimulate productivity growth through improved manufacturing or new technologies;
84.23 and

84.24 (7) match or leverage private or public funding to increase investment and opportunity
84.25 in the state.

84.26 Subd. 4. **Use of fund.** The commissioner may use money in the fund to make grants,
84.27 loans and forgivable loans, to businesses that are making large private capital investments
84.28 in existing and new industries. The commissioner may also use money in the fund to make

84.29 grants to communities and higher education institutions to support such capital investments
84.30 and related activities to support the industries. Money may be used to address capital needs
84.31 of businesses for machinery and equipment purchases; building construction and remodeling;
84.32 land development; water and sewer lines, roads, rail lines, and natural gas and electric
84.33 infrastructure; working capital; and workforce training. Money may also be used for matching
85.1 federal grants for research and development projects and industry workforce training grants
85.2 for existing and new industries that require state and local match. Money in the fund may
85.3 also be used for administration and monitoring of the program and to pay for the costs of
85.4 carrying out the commissioner's due diligence duties under this section.

85.5 Subd. 5. **Grant limits.** (a) Individual business expansion projects are limited to no more
85.6 than \$20,000,000 in grants or loans combined. The commissioner shall not be precluded
85.7 from using other funding sources from the Department of Employment and Economic
85.8 Development to facilitate a project. Total funding per business under this section shall not
85.9 exceed \$20,000,000, of which no more than \$10,000,000 may be grants and \$10,000,000
85.10 may be loans.

85.11 (b) The commissioner may use money in the fund to make grants to a municipality or
85.12 local unit of government for public and private infrastructure needed to support an eligible
85.13 project under this section. Grant money may be used by the municipality or local unit of
85.14 government to predesign, design, construct, and equip roads and rail lines; acquire and
85.15 prepare land for development; and, in cooperation with municipal utilities, to predesign,
85.16 design, construct, and equip natural gas pipelines, electric infrastructure, water supply
85.17 systems, and wastewater collection and treatment systems. The maximum grant award per
85.18 local unit of government under this section is \$10,000,000.

85.19 (c) The commissioner may use money in the fund to make grants to institutions of higher
85.20 education for developing and deploying training programs and to increase the capacity of
85.21 the institution to serve industrial requirements for research and development that coincide
85.22 with current and future requirements of projects eligible under this section. Grant money
85.23 may be used to construct and equip facilities that serve the purpose of the industry. The
85.24 maximum grant award per institution of higher education under this section is \$5,000,000
85.25 and may not represent more than 33 percent of the total project funding from other sources.

85.26 (d) Grants under this subdivision are available until expended.

85.27 Subd. 6. **Administration.** (a) Eligible applicants for the state-funded portion of the fund
85.28 also include development authorities as defined in section 116J.552, subdivision 4, provided
85.29 that the governing body of the municipality approves, by resolution, the application of the
85.30 development authority. Institutions of higher education also constitute eligible applicants
85.31 for the purpose of developing and deploying workforce training programs and for developing
85.32 and deploying research and development partnerships for projects eligible under this section.

86.1 (b) The business, municipality, or local unit of government must request and submit an
86.2 application to the commissioner. Applications must be in the form and procedure specified
86.3 by the commissioner.

86.4 (c) The commissioner must conduct due diligence, including contracting with
86.5 professionals as needed to assist in the due diligence.

86.6 (d) Notwithstanding any other law to the contrary, grant and loan agreements through
86.7 the Minnesota forward fund may exceed five years but not more than ten years.

86.8 Subd. 7. **Requirements prior to committing funds.** Prior to the commissioner making
86.9 a commitment for grant or loan under this section, the Legislative Advisory Commission
86.10 and governor must jointly provide written authorization. The commissioner shall provide
86.11 a written report to the Legislative Advisory Commission and governor, including but not
86.12 limited to the purpose of the award, the project overview, financial details, and the
86.13 performance requirements required 14 days prior to any meeting or decision.

86.14 Subd. 8. **Eligible projects.** (a) The governor and the Legislative Advisory Commission
86.15 must evaluate applications under this section on the existence of one or more of the following
86.16 conditions:

86.17 (1) creation of new jobs, retention of existing jobs, or improvements in the quality of
86.18 existing jobs as measured by the wages, skills, or education associated with those jobs;

86.19 (2) whether the project can demonstrate that investment of public dollars induces private
86.20 and other public funds as follows:

86.21 (i) businesses in the seven-county metropolitan area must invest more than \$40,000,000
86.22 in capital expenditures and create at least 70 jobs or retain at least 150 jobs;

86.23 (ii) businesses outside of the seven-county metropolitan area must invest more than
86.24 \$25,000,000 in capital expenditures and create at least 40 new jobs or retain at least 75 jobs;
86.25 and

86.26 (iii) cash wages of each new employee must exceed 120 percent of federal poverty
86.27 guidelines for a family of four, adjusted annually;

86.28 (3) whether the project can demonstrate an excessive public infrastructure or improvement
86.29 cost beyond the means of the affected community and private participants in the project;

86.30 (4) whether assistance is necessary to retain existing business or whether assistance is
86.31 necessary to attract out-of-state business;

87.1 (5) the project promotes or advances an industry in which the federal government is
87.2 making large investments to strengthen domestic production and supply chains that are
87.3 resilient for economic security and economic enhancement opportunities;

87.4 (6) the project promotes or advances the green economy as defined in section 116J.437;

87.5 (7) the project requires state resources beyond the capability of existing programs at the
87.6 department and by its significance, requires the governor and legislature's involvement; and

87.7 (8) written support from the municipality or local unit of government in which the project
87.8 will be located.

87.9 (b) The governor and the Legislative Advisory Commission shall submit applications
87.10 recommended for funding to the commissioner.

87.11 Subd. 9. **Requirements for fund disbursements.** Disbursements of loan funds pursuant
87.12 to a commitment may not be made until:

87.13 (1) commitments for the remainder of a project's funding are made that are satisfactory
87.14 to the commissioner and disbursements made from the other commitments are sufficient to
87.15 protect the interests of the state in its grant or loan;

87.16 (2) performance requirements are met, if any;

87.17 (3) the municipality or local unit of government in which the project will be located has
87.18 passed a resolution of support for the project and submitted this resolution of support to the
87.19 department; and

87.20 (4) all of a project's funding is satisfactory to the commissioner and disbursements made
87.21 from other commitments are sufficient to protect the interests of the state.

87.22 Subd. 10. **Reporting.** The commissioner shall provide the Legislative Advisory
87.23 Commission and the ranking members of the committees with jurisdiction over economic
87.24 development with an annual report on all projects that have been approved by February 15
87.25 of each year until this section is repealed or the funding has been exhausted.

62.16 Sec. 11. Minnesota Statutes 2022, section 116J.9924, subdivision 4, is amended to read:

62.17 Subd. 4. **Grant amount; project phasing.** (a) The commissioner shall award grants in
62.18 an amount not to exceed ~~\$1,500,000~~ \$3,000,000 per grant.

62.19 (b) A grant awarded under this section must be no less than the amount required to
62.20 complete one or more phases of the project, less any nonstate funds already committed for
62.21 such activities.

62.22 Sec. 12. **[116J.9925] COMMUNITY WEALTH-BUILDING GRANT PROGRAM.**

62.23 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
62.24 the meanings given.

62.25 (b) "Commissioner" means the commissioner of employment and economic development.

62.26 (c) "Community business" means a cooperative, an employee-owned business, or a
62.27 commercial land trust that is at least 51 percent owned by individuals from targeted groups.

62.28 (d) "Partner organization" means a community development financial institution or
62.29 nonprofit corporation.

62.30 (e) "Program" means the community wealth-building grant program created under this
62.31 section.

63.1 (f) "Targeted groups" means persons who are Black, Indigenous, People of Color,
63.2 immigrants, low-income, women, veterans, or persons with disabilities.

63.3 Subd. 2. **Establishment.** The commissioner shall establish a community wealth-building
63.4 grant program to award grants to partner organizations to fund low-interest loans to
63.5 community businesses. The program must encourage tax-base revitalization, private
63.6 investment, job creation for targeted groups, creation and strengthening of business
63.7 enterprises, assistance to displaced businesses, and promotion of economic development in
63.8 low-income areas.

63.9 Subd. 3. **Grants to partner organizations.** (a) The commissioner shall award grants to
63.10 partner organizations through a competitive grant process where applicants apply using a
63.11 form designed by the commissioner. In evaluating applications, the commissioner shall
63.12 consider whether the applicant:

63.13 (1) has a board of directors that includes members experienced in business and community
63.14 development, operating community businesses, addressing racial income disparities, and
63.15 creating jobs for targeted groups;

63.16 (2) has the technical skills to analyze projects;

63.17 (3) is familiar with other available public and private funding sources and economic
63.18 development programs;

63.19 (4) can initiate and implement economic development projects;

63.20 (5) can establish a program and administer funds;

63.21 (6) can work with job referral networks assisting targeted groups; and

63.22 (7) has established relationships with communities of targeted groups.

63.23 (b) The commissioner shall ensure that loans through the program will fund community
63.24 businesses statewide and shall make reasonable attempts to balance the amount of funding
63.25 available to community businesses inside and outside of the metropolitan area as defined
63.26 under section 473.121, subdivision 2.

63.27 (c) Partner organizations that receive grants under this subdivision shall use up to ten
63.28 percent of their award to provide specialized technical and legal assistance, either directly
63.29 or through a partnership with organizations with expertise in shared ownership structures.

- 63.30 to community businesses and businesses in the process of transitioning to community
63.31 ownership.
- 64.1 (d) Grants under this subdivision are available for five years. The commissioner shall
64.2 review existing grant agreements every five years and may renew or terminate the agreement
64.3 based on that review and consideration of the criteria under paragraph (a).
- 64.4 Subd. 4. **Loans to community businesses.** (a) A partner organization that receives a
64.5 grant under subdivision 3 shall establish a plan for making low-interest loans to community
64.6 businesses. The plan requires approval by the commissioner.
- 64.7 (b) Under the plan:
- 64.8 (1) the state contribution to each loan shall be no less than \$50,000 and no more than
64.9 \$2,500,000;
- 64.10 (2) loans shall be made for projects that are unlikely to be undertaken unless a loan is
64.11 received under the program;
- 64.12 (3) priority shall be given to loans to businesses in the lowest income areas;
- 64.13 (4) the interest rate on a loan shall not be higher than the Wall Street Journal prime rate;
- 64.14 (5) 50 percent of all repayments of principal on a loan under the program shall be repaid
64.15 to the community wealth-building account created under subdivision 5. The partner
64.16 organization may retain the remainder of loan repayments to service loans and provide
64.17 further technical assistance;
- 64.18 (6) the partner organization may charge a loan origination fee of no more than one
64.19 percent of the loan value and may retain that origination fee; and
- 64.20 (7) a partner organization may not make a loan to a project in which it has an ownership
64.21 interest.
- 64.22 Subd. 5. **Community wealth-building account.** A community wealth-building account
64.23 is created in the special revenue fund in the state treasury. Money in the account is
64.24 appropriated to the commissioner for grants under this section.
- 64.25 Subd. 6. **Reports.** (a) Grant recipients shall submit an annual report to the commissioner
64.26 by January 31 of each year they participate in the program. The report shall include:
- 64.27 (1) an account of all loans made through the program the preceding calendar year and
64.28 the impact of those loans on community businesses and job creation for targeted groups;
- 64.29 (2) information on the source and amount of money collected and distributed under the
64.30 program, its assets and liabilities, and an explanation of administrative expenses; and
- 65.1 (3) an independent audit of grant funds performed in accordance with generally accepted
65.2 accounting practices and auditing standards.

87.26 Sec. 13. Minnesota Statutes 2022, section 116L.361, subdivision 7, is amended to read:

87.27 Subd. 7. ~~Very Low income.~~ "Very Low income" means incomes that are at or less than
87.28 ~~50~~ 80 percent of the area median income, adjusted for family size, as estimated by the
87.29 Department of Housing and Urban Development.

88.1 Sec. 14. Minnesota Statutes 2022, section 116L.362, subdivision 1, is amended to read:

88.2 Subdivision 1. **Generally.** (a) The commissioner shall make grants to eligible
88.3 organizations for programs to provide education and training services to targeted youth.
88.4 The purpose of these programs is to provide specialized training and work experience for
88.5 targeted youth who have not been served effectively by the current educational system. The
88.6 programs are to include a work experience component with work projects that result in the
88.7 rehabilitation, improvement, or construction of (1) residential units for the homeless; (2)
88.8 improvements to the energy efficiency and environmental health of residential units and
88.9 other green jobs purposes; (3) facilities to support community garden projects; or (4)
88.10 education, social service, or health facilities which are owned by a public agency or a private
88.11 nonprofit organization.

88.12 (b) Eligible facilities must principally provide services to homeless or ~~very~~ low income
88.13 individuals and families, and include the following:

- 88.14 (1) Head Start or day care centers, including playhouses or similar incidental structures;
88.15 (2) homeless, battered women, or other shelters;
88.16 (3) transitional housing and tiny houses;
88.17 (4) youth or senior citizen centers;
88.18 (5) community health centers; and
88.19 (6) community garden facilities.

88.20 Two or more eligible organizations may jointly apply for a grant. The commissioner
88.21 shall administer the grant program.

88.22 Sec. 15. Minnesota Statutes 2022, section 116L.364, subdivision 3, is amended to read:

88.23 Subd. 3. **Work experience component.** A work experience component must be included
88.24 in each program. The work experience component must provide vocational skills training
88.25 in an industry where there is a viable expectation of job opportunities. A training subsidy,
88.26 living allowance, or stipend, not to exceed an amount equal to 100 percent of the poverty
88.27 line for a family of two as defined in ~~United States Code, title 42, section 673, paragraph~~

65.3 (b) By February 15 of each year beginning in 2024, the commissioner shall submit a
65.4 report to the chairs and ranking minority members of the legislative committees with
65.5 jurisdiction over workforce and economic development on program outcomes, including
65.6 copies of all reports received under paragraph (a).

80.16 Sec. 8. Minnesota Statutes 2022, section 116L.361, subdivision 7, is amended to read:

80.17 Subd. 7. ~~Very Low income.~~ "Very Low income" means incomes that are at or less than
80.18 ~~50~~ 80 percent of the area median income, adjusted for family size, as estimated by the
80.19 Department of Housing and Urban Development.

80.20 Sec. 9. Minnesota Statutes 2022, section 116L.362, subdivision 1, is amended to read:

80.21 Subdivision 1. **Generally.** (a) The commissioner shall make grants to eligible
80.22 organizations for programs to provide education and training services to targeted youth.
80.23 The purpose of these programs is to provide specialized training and work experience for
80.24 targeted youth who have not been served effectively by the current educational system. The
80.25 programs are to include a work experience component with work projects that result in the
80.26 rehabilitation, improvement, or construction of (1) residential units for the homeless; (2)
80.27 improvements to the energy efficiency and environmental health of residential units and
80.28 other green jobs purposes; (3) facilities to support community garden projects; or (4)
80.29 education, social service, or health facilities which are owned by a public agency or a private
80.30 nonprofit organization.

80.31 (b) Eligible facilities must principally provide services to homeless or ~~very~~ low income
80.32 individuals and families, and include the following:

- 81.1 (1) Head Start or day care centers, including playhouses or similar incidental structures;
81.2 (2) homeless, battered women, or other shelters;
81.3 (3) transitional housing and tiny houses;
81.4 (4) youth or senior citizen centers;
81.5 (5) community health centers; and
81.6 (6) community garden facilities.

81.7 Two or more eligible organizations may jointly apply for a grant. The commissioner
81.8 shall administer the grant program.

81.9 Sec. 10. Minnesota Statutes 2022, section 116L.364, subdivision 3, is amended to read:

81.10 Subd. 3. **Work experience component.** A work experience component must be included
81.11 in each program. The work experience component must provide vocational skills training
81.12 in an industry where there is a viable expectation of job opportunities. A training subsidy,
81.13 living allowance, or stipend, not to exceed an amount equal to 100 percent of the poverty
81.14 line for a family of two as defined in ~~United States Code, title 42, section 673, paragraph~~

88.28 ~~(2)~~ the final rules and regulations of the Workforce Innovation and Opportunity Act, may
88.29 be provided to program participants. The wage or stipend must be provided to participants
88.30 who are recipients of public assistance in a manner or amount which will not reduce public
88.31 assistance benefits. The work experience component must be designed so that work projects
88.32 result in (1) the expansion or improvement of residential units for homeless persons and
89.1 ~~very~~ low income families; (2) improvements to the energy efficiency and environmental
89.2 health of residential units; (3) facilities to support community garden projects; or (4)
89.3 rehabilitation, improvement, or construction of eligible education, social service, or health
89.4 facilities that principally serve homeless or ~~very~~ low income individuals and families. Any
89.5 work project must include direct supervision by individuals skilled in each specific vocation.
89.6 Program participants may earn credits toward the completion of their secondary education
89.7 from their participation in the work experience component.

89.8 Sec. 16. **[116L.43] TARGETED POPULATIONS WORKFORCE GRANTS.**

89.9 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
89.10 the meanings given.

89.11 (b) "Entry level jobs" means part-time or full-time jobs that an individual can perform
89.12 without any prior education or experience.

81.15 ~~(2)~~ the final rules and regulations of the Workforce Innovation and Opportunity Act, may
81.16 be provided to program participants. The wage or stipend must be provided to participants
81.17 who are recipients of public assistance in a manner or amount which will not reduce public
81.18 assistance benefits. The work experience component must be designed so that work projects
81.19 result in (1) the expansion or improvement of residential units for homeless persons and
81.20 ~~very~~ low income families; (2) improvements to the energy efficiency and environmental
81.21 health of residential units; (3) facilities to support community garden projects; or (4)
81.22 rehabilitation, improvement, or construction of eligible education, social service, or health
81.23 facilities that principally serve homeless or ~~very~~ low income individuals and families. Any
81.24 work project must include direct supervision by individuals skilled in each specific vocation.
81.25 Program participants may earn credits toward the completion of their secondary education
81.26 from their participation in the work experience component.

81.27 Sec. 11. Minnesota Statutes 2022, section 116L.365, subdivision 1, is amended to read:

81.28 Subdivision 1. **Priority for housing.** Any residential or transitional housing units that
81.29 become available through a work project that is part of the program described in section
81.30 116L.364 must be allocated in the following order:

- 82.1 (1) homeless targeted youth who have participated in constructing, rehabilitating, or
82.2 improving the unit;
- 82.3 (2) homeless families with at least one dependent;
- 82.4 (3) other homeless individuals;
- 82.5 (4) other ~~very~~ low income families and individuals; and
- 82.6 (5) families or individuals that receive public assistance and that do not qualify in any
82.7 other priority group.

82.8 Sec. 12. **[116L.43] TARGETED POPULATIONS WORKFORCE GRANTS.**

82.9 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
82.10 the meanings given.

- 82.11 (b) "Community-based organization" means a nonprofit organization that:
- 82.12 (1) provides workforce development programming or services;
- 82.13 (2) has an annual organizational budget of no more than \$1,000,000;
- 82.14 (3) has its primary office located in a historically underserved community of color or
82.15 low-income community; and
- 82.16 (4) serves a population that generally reflects the demographics of that local community.
- 82.17 (c) "Entry level jobs" means part-time or full-time jobs that an individual can perform
82.18 without any prior education or experience.

89.13 (c) "High wage" means the income needed for a family to cover minimum necessary
89.14 expenses in a given area, including food, child care, health care, housing, and transportation.

89.15 (d) "Industry specific certification" means a credential an individual can earn to show
89.16 proficiency in a particular area or skill.

89.17 (e) "Remedial training" means additional training provided to staff following the
89.18 identification of a need intended to increase proficiency in performing job tasks.

89.19 (f) "Small business" has the same meaning as section 645.445.

89.20 (g) "Workforce development community-based organization" means a nonprofit
89.21 organization with under \$1,000,000 in annual revenue that performs workforce development
89.22 activities.

89.23 Subd. 2. **Job and entrepreneurial skills training grants.** (a) The commissioner shall
89.24 establish a job and entrepreneurial skills training grant program that must provide competitive
89.25 funding to organizations to provide skills training that leads to employment or business
89.26 development in high-growth industries.

89.27 (b) Grants must be used to provide skills training including:
89.28 (1) student tutoring and testing support services;
89.29 (2) training and employment placement in high-wage and high-growth employment;
89.30 (3) assistance in obtaining industry specific certifications;
89.31 (4) remedial training leading to enrollment;
90.1 (5) real-time work experience or on-the-job training;
90.2 (6) career and educational counseling;
90.3 (7) work experience and internships;
90.4 (8) supportive services;
90.5 (9) tuition reimbursement for new entrants into public sector careers;
90.6 (10) career mentorship;
90.7 (11) postprogram case management services;
90.8 (12) job placement services; and
90.9 (13) the cost of corporate board of director training for people of color.

90.10 (c) The commissioner must award grants to community-based organizations meeting
90.11 the following criteria:

82.19 (d) "High wage" means the income needed for a family to cover minimum necessary
82.20 expenses in a given geographic area, including food, child care, health care, housing, and
82.21 transportation.

82.22 (e) "Industry specific certification" means a credential an individual can earn to show
82.23 proficiency in a particular area or skill.

82.24 (f) "Remedial training" means additional training provided to staff following the
82.25 identification of a need and intended to increase proficiency in performing job tasks.

82.26 (g) "Small business" has the same meaning as section 645.445.

82.27 Subd. 2. **Job and entrepreneurial skills training grants.** (a) The commissioner shall
82.28 establish a job and entrepreneurial skills training grant program that must provide competitive
82.29 funding to community-based organizations to provide skills training that leads to employment
82.30 or business development in high-growth industries.

83.1 (b) Eligible forms of skills training include:
83.2 (1) student tutoring and testing support services;
83.3 (2) training and employment placement in high-wage and high-growth employment;
83.4 (3) assistance in obtaining industry specific certifications;
83.5 (4) remedial training leading to enrollment in further training or education;
83.6 (5) real-time work experience or on-the-job training;
83.7 (6) career and educational counseling;
83.8 (7) work experience and internships;
83.9 (8) supportive services;
83.10 (9) tuition reimbursement for new entrants into public sector careers;
83.11 (10) career mentorship;
83.12 (11) postprogram case management services;
83.13 (12) job placement services; and
83.14 (13) the cost of corporate board of director training for people of color.

90.12 (1) the organization's primary operations are located in communities of color;

90.13 (2) 80 percent of the organization's participants reflect the demographics of the

90.14 community; and

90.15 (3) the organization's community has a high unemployment rate or poverty rate.

90.16 (d) Grant awards must not exceed \$750,0000 per year per organization and all funding

90.17 awards must be made for the duration of a biennium. An organization may partner with

90.18 another organization to utilize grant awards, provided that the organizations must not be

90.19 funded to deliver the same services. Grants awarded under this subdivision are not subject

90.20 to section 116L.98.

90.21 Subd. 3. **Diversity and inclusion training for small employers.** (a) The commissioner

90.22 shall establish a diversity and inclusion training grant program which shall provide

90.23 competitive grants to businesses that commit to actively engage, hire, and retain people of

90.24 color for both entry level and high-wage opportunities.

90.25 (b) Grant awards must not exceed \$300,000 per year per business. A business may only

90.26 receive one grant for diversity and inclusion training per biennium.

90.27 (c) Grant funds must be used to train small businesses in outreach, recruitment, and

90.28 retention of entry-level, mid-level, and senior-level management and a board of directors.

90.29 Grant recipients are required to submit a plan for use of the funds and an implementation

90.30 plan after training is completed.

91.1 (d) Grants awarded under this subdivision are not subject to section 116L.98.

91.2 Subd. 4. **Capacity building.** (a) The commissioner shall establish a capacity building

91.3 grant program to provide training services and funding to small workforce development

91.4 community-based organizations.

91.5 (b) Eligible organizations include nonprofit organizations that have:

91.6 (1) primary offices located in low-income communities;

83.15 (e) Grant awards must not exceed \$750,000 per year per organization and all funding

83.16 awards must be made for the duration of a biennium. An organization may partner with

83.17 another organization to utilize grant awards, provided that the organizations must not be

83.18 funded to deliver the same services. Grants awarded under this subdivision are not subject

83.19 to section 116L.98.

83.20 Subd. 3. **Diversity and inclusion training for small employers.** (a) The commissioner

83.21 shall establish a diversity and inclusion training grant program which shall provide

83.22 competitive grants to small businesses for diversity and inclusion training, including the

83.23 creation and implementation of a plan to actively engage, hire, and retain people of color

83.24 for both entry level and high-wage opportunities, including management and board of

83.25 director positions.

83.26 (b) Grant awards must not exceed \$300,000 per year per business. A business may only

83.27 receive one grant for diversity and inclusion training per biennium.

83.28 (c) Applicants are required to submit a plan for use of the funds. Grant recipients are

83.29 required to submit a diversity and inclusion implementation plan after training is completed.

83.30 (d) Grants awarded under this subdivision are not subject to section 116L.98.

84.1 (e) Sections 116J.993 to 116J.995 do not apply to assistance under this subdivision.

84.2 Subd. 4. **Capacity building.** (a) The commissioner shall establish a capacity building

84.3 grant program to provide training services and funding for capacity building to

84.4 community-based organizations.

84.5 (b) Eligible uses of grant awards include covering the cost of workforce program delivery

84.6 staff, program infrastructure costs, and workforce training related service model development.

91.7 (2) an annual client service base of over 80 percent of people of color; and
91.8 (3) an annual budget of less than \$1,000,000.
91.9 (c) Eligible uses of grant awards include covering the cost of workforce program delivery
91.10 staff, program infrastructure costs, and workforce training related service model development.
91.11 (d) Grant awards must not exceed \$50,000 per organization and are limited to one grant
91.12 per organization.
91.13 (e) Grants awarded under this subdivision are not subject to section 116L.98.

91.14 (f) By January 15, 2025, and each January 15 thereafter, the commissioner must submit
91.15 a report to the chairs and ranking minority members of the committees of the house of
91.16 representatives and the senate having jurisdiction over workforce development that details
91.17 the use of grant awards. If data is available, the report must contain data that is disaggregated
91.18 by race, cultural groups, family income, age, geographical location, migrant or foreign
91.19 immigrant status, primary language, whether the participant is an English learner under
91.20 section 124D.59, disability, and status of homelessness.
91.21 Sec. 17. Minnesota Statutes 2022, section 116L.56, subdivision 2, is amended to read:
91.22 Subd. 2. **Eligible applicant.** "Eligible applicant" means an individual who is between
91.23 the ages of 14 and ~~21~~ 24 and economically disadvantaged.
91.24 An at-risk youth who is classified as a family of one is deemed economically
91.25 disadvantaged. For purposes of eligibility determination the following individuals are
91.26 considered at risk:
91.27 (1) a pregnant or parenting youth;
91.28 (2) a youth with limited English proficiency;
91.29 (3) a potential or actual school dropout;
91.30 (4) a youth in an offender or diversion program;
92.1 (5) a public assistance recipient or a recipient of group home services;
92.2 (6) a youth with disabilities including learning disabilities;
92.3 (7) a child of drug or alcohol abusers or a youth with substance use disorder;
92.4 (8) a homeless or runaway youth;
92.5 (9) a youth with basic skills deficiency;

84.7 (c) Grant awards must not exceed \$50,000 per organization and are limited to one grant
84.8 per community-based organization.
84.9 (d) Grants awarded under this subdivision are not subject to section 116L.98.
84.10 (e) Grant recipients must submit a report to the commissioner outlining the use of grant
84.11 funds and the impact of that funding on the community-based organization's future ability
84.12 to provide workforce development services.

84.13 Sec. 13. Minnesota Statutes 2022, section 116L.56, subdivision 2, is amended to read:
84.14 Subd. 2. **Eligible applicant.** "Eligible applicant" means an individual who is between
84.15 the ages of 14 and ~~21~~ 24 and economically disadvantaged.
84.16 An at-risk youth who is classified as a family of one is deemed economically
84.17 disadvantaged. For purposes of eligibility determination the following individuals are
84.18 considered at risk:
84.19 (1) a pregnant or parenting youth;
84.20 (2) a youth with limited English proficiency;
84.21 (3) a potential or actual school dropout;
84.22 (4) a youth in an offender or diversion program;
84.23 (5) a public assistance recipient or a recipient of group home services;
84.24 (6) a youth with disabilities including learning disabilities;
84.25 (7) a child of drug or alcohol abusers or a youth with substance use disorder;
84.26 (8) a homeless or runaway youth;
84.27 (9) a youth with basic skills deficiency;

92.6 (10) a youth with an educational attainment of one or more levels below grade level
92.7 appropriate to age; or
92.8 (11) a foster child.
92.9 Sec. 18. Minnesota Statutes 2022, section 116L.561, subdivision 5, is amended to read:
92.10 Subd. 5. **Allocation formula.** Seventy percent of Minnesota youth program funds must
92.11 be allocated based on the county's share of economically disadvantaged youth. The remaining
92.12 30 percent must be allocated based on the county's share of population ages 14 to ~~24~~ 24.
92.13 Sec. 19. Minnesota Statutes 2022, section 116L.562, subdivision 2, is amended to read:
92.14 Subd. 2. **Definitions.** For purposes of this section:
92.15 (1) "eligible organization" or "eligible applicant" means a local government unit, nonprofit
92.16 organization, community action agency, or a public school district;
92.17 (2) "at-risk youth" means youth classified as at-risk under section 116L.56, subdivision
92.18 2; and
92.19 (3) "economically disadvantaged" means youth who are economically disadvantaged as
92.20 defined in ~~United States Code, title 29, section 1503~~ the rules and regulations of the
92.21 Workforce Innovation and Opportunity Act.

84.28 (10) a youth with an educational attainment of one or more levels below grade level
84.29 appropriate to age; or
85.1 (11) a foster child.
85.2 Sec. 14. Minnesota Statutes 2022, section 116L.561, subdivision 5, is amended to read:
85.3 Subd. 5. **Allocation formula.** Seventy percent of Minnesota youth program funds must
85.4 be allocated based on the county's share of economically disadvantaged youth. The remaining
85.5 30 percent must be allocated based on the county's share of population ages 14 to ~~24~~ 24.
85.6 Sec. 15. Minnesota Statutes 2022, section 116L.562, subdivision 2, is amended to read:
85.7 Subd. 2. **Definitions.** For purposes of this section:
85.8 (1) "eligible organization" or "eligible applicant" means a local government unit, nonprofit
85.9 organization, community action agency, or a public school district;
85.10 (2) "at-risk youth" means youth classified as at-risk under section 116L.56, subdivision
85.11 2; and
85.12 (3) "economically disadvantaged" means youth who are economically disadvantaged as
85.13 defined in ~~United States Code, title 29, section 1503~~ the rules and regulations of the
85.14 Workforce Innovation and Opportunity Act.
85.15 Sec. 16. Minnesota Statutes 2022, section 268.035, subdivision 20, is amended to read:
85.16 Subd. 20. **Noncovered employment.** "Noncovered employment" means:
85.17 (1) employment for the United States government or an instrumentality thereof, including
85.18 military service;
85.19 (2) employment for a state, other than Minnesota, or a political subdivision or
85.20 instrumentality thereof;
85.21 (3) employment for a foreign government;
85.22 (4) employment covered under the federal Railroad Unemployment Insurance Act;
85.23 (5) employment for a church or convention or association of churches, or a nonprofit
85.24 organization operated primarily for religious purposes that is operated, supervised, controlled,
85.25 or principally supported by a church or convention or association of churches;
85.26 (6) employment for an elementary or secondary school with a curriculum that includes
85.27 religious education that is operated by a church, a convention or association of churches,
85.28 or a nonprofit organization that is operated, supervised, controlled, or principally supported
85.29 by a church or convention or association of churches;
86.1 (7) employment for Minnesota or a political subdivision, or a nonprofit organization, of
86.2 a duly ordained or licensed minister of a church in the exercise of a ministry or by a member
86.3 of a religious order in the exercise of duties required by the order;

- 86.4 (8) employment for Minnesota or a political subdivision, or a nonprofit organization, of
86.5 an individual receiving rehabilitation of "sheltered" work in a facility conducted for the
86.6 purpose of carrying out a program of rehabilitation for individuals whose earning capacity
86.7 is impaired by age or physical or mental deficiency or injury or a program providing
86.8 "sheltered" work for individuals who because of an impaired physical or mental capacity
86.9 cannot be readily absorbed in the competitive labor market. This clause applies only to
86.10 services performed in a facility certified by the Rehabilitation Services Branch of the
86.11 department or in a day training or habilitation program licensed by the Department of Human
86.12 Services;
- 86.13 (9) employment for Minnesota or a political subdivision, or a nonprofit organization, of
86.14 an individual receiving work relief or work training as part of an unemployment work relief
86.15 or work training program financed in whole or in part by any federal agency or an agency
86.16 of a state or political subdivision thereof. This clause does not apply to programs that require
86.17 unemployment benefit coverage for the participants;
- 86.18 (10) employment for Minnesota or a political subdivision, as an elected official, a member
86.19 of a legislative body, or a member of the judiciary;
- 86.20 (11) employment as a member of the Minnesota National Guard or Air National Guard;
- 86.21 (12) employment for Minnesota or a political subdivision, or instrumentality thereof, of
86.22 an individual serving on a temporary basis in case of fire, flood, tornado, or similar
86.23 emergency;
- 86.24 (13) employment as an election official or election worker for Minnesota or a political
86.25 subdivision, if the compensation for that employment was less than \$1,000 in a calendar
86.26 year;
- 86.27 (14) employment for Minnesota that is a major policy-making or advisory position in
86.28 the unclassified service;
- 86.29 (15) employment for Minnesota in an unclassified position established under section
86.30 43A.08, subdivision 1a;
- 86.31 (16) employment for a political subdivision of Minnesota that is a nontenured major
86.32 policy making or advisory position;
- 87.1 (17) domestic employment in a private household, local college club, or local chapter
87.2 of a college fraternity or sorority, if the wages paid in any calendar quarter in either the
87.3 current or prior calendar year to all individuals in domestic employment totaled less than
87.4 \$1,000.
- 87.5 "Domestic employment" includes all service in the operation and maintenance of a
87.6 private household, for a local college club, or local chapter of a college fraternity or sorority
87.7 as distinguished from service as an employee in the pursuit of an employer's trade or business;

- 87.8 (18) employment of an individual by a son, daughter, or spouse, and employment of a
87.9 child under the age of 18 by the child's father or mother;
- 87.10 (19) employment of an inmate of a custodial or penal institution;
- 87.11 (20) employment for a school, college, or university, by a student who is enrolled and
87.12 whose primary relation to the school, college, or university is as a student. This does not
87.13 include an individual whose primary relation to the school, college, or university is as an
87.14 employee who also takes courses;
- 87.15 (21) employment of an individual who is enrolled as a student in a full-time program at
87.16 a nonprofit or public educational institution that maintains a regular faculty and curriculum
87.17 and has a regularly organized body of students in attendance at the place where its educational
87.18 activities are carried on, taken for credit at the institution, that combines academic instruction
87.19 with work experience, if the employment is an integral part of the program, and the institution
87.20 has so certified to the employer, except that this clause does not apply to employment in a
87.21 program established for or on behalf of an employer or group of employers;
- 87.22 (22) employment of a foreign college or university student who works on a seasonal or
87.23 temporary basis under the J-1 visa summer work travel program described in Code of Federal
87.24 Regulations, title 22, section 62.32;
- 87.25 (23) employment of university, college, or professional school students in an internship
87.26 or other training program with the city of St. Paul or the city of Minneapolis under Laws
87.27 1990, chapter 570, article 6, section 3;
- 87.28 (24) employment for a hospital by a patient of the hospital. "Hospital" means an institution
87.29 that has been licensed by the Department of Health as a hospital;
- 87.30 (25) employment as a student nurse for a hospital or a nurses' training school by an
87.31 individual who is enrolled and is regularly attending classes in an accredited nurses' training
87.32 school;
- 88.1 (26) employment as an intern for a hospital by an individual who has completed a
88.2 four-year course in an accredited medical school;
- 88.3 (27) employment as an insurance salesperson, by other than a corporate officer, if all
88.4 the wages from the employment is solely by way of commission. The word "insurance"
88.5 includes an annuity and an optional annuity;
- 88.6 (28) employment as an officer of a township mutual insurance company or farmer's
88.7 mutual insurance company under chapter 67A;
- 88.8 (29) employment of a corporate officer, if the officer directly or indirectly, including
88.9 through a subsidiary or holding company, owns 25 percent or more of the employer
88.10 corporation, and employment of a member of a limited liability company, if the member
88.11 directly or indirectly, including through a subsidiary or holding company, owns 25 percent
88.12 or more of the employer limited liability company;

- 88.13 (30) employment as a real estate salesperson, other than a corporate officer, if all the
88.14 wages from the employment is solely by way of commission;
- 88.15 (31) employment as a direct seller as defined in United States Code, title 26, section
88.16 3508;
- 88.17 (32) employment of an individual under the age of 18 in the delivery or distribution of
88.18 newspapers or shopping news, not including delivery or distribution to any point for
88.19 subsequent delivery or distribution;
- 88.20 (33) casual employment performed for an individual, other than domestic employment
88.21 under clause (17), that does not promote or advance that employer's trade or business;
- 88.22 (34) employment in "agricultural employment" unless it is "covered agricultural
88.23 employment" under subdivision 11; ~~or~~
- 88.24 (35) if employment during one-half or more of any pay period was covered employment,
88.25 all the employment for the pay period is covered employment; but if during more than
88.26 one-half of any pay period the employment was noncovered employment, then all of the
88.27 employment for the pay period is noncovered employment. "Pay period" means a period
88.28 of not more than a calendar month for which a payment or compensation is ordinarily made
88.29 to the employee by the employer; or
- 88.30 (36) employment of a foreign agricultural worker who works on a seasonal or temporary
88.31 basis under the H-2A visa temporary agricultural employment program described in Code
88.32 of Federal Regulations, title 20, section 655.
- 89.1 Sec. 17. Minnesota Statutes 2022, section 268A.15, is amended by adding a subdivision
89.2 to read:
- 89.3 Subd. 8a. **Provider rate increases.** (a) Effective July 1, 2023, subject to the availability
89.4 of additional funding, an annual growth factor adjustment of no less than a three percent
89.5 increase for providers of extended employment services for persons with severe disabilities
89.6 shall be authorized. If there is sufficient funding appropriated, the commissioner shall
89.7 increase reimbursement rates by the percentage of this adjustment.
- 89.8 (b) The commissioner of management and budget must include an annual inflationary
89.9 adjustment in reimbursement rates for providers of extended employment services for
89.10 persons with severe disabilities as a budget change request in each biennial detailed
89.11 expenditure budget submitted to the legislature under section 16A.11.
- 89.12 Sec. 18. Minnesota Statutes 2022, section 357.021, subdivision 1a, is amended to read:
- 89.13 Subd. 1a. **Transmittal of fees to commissioner of management and budget.** (a) Every
89.14 person, including the state of Minnesota and all bodies politic and corporate, who shall
89.15 transact any business in the district court, shall pay to the court administrator of said court
89.16 the sundry fees prescribed in subdivision 2. Except as provided in paragraph (d), the court
89.17 administrator shall transmit the fees monthly to the commissioner of management and budget

89.18 for deposit in the state treasury and credit to the general fund. ~~\$30~~ \$60 of each fee collected
89.19 in a dissolution action under subdivision 2, clause (1), must be deposited by the commissioner
89.20 of management and budget in the special revenue fund and is appropriated to the
89.21 commissioner of employment and economic development for the Minnesota Family
89.22 Resiliency Partnership under section 116L.96.

89.23 (b) In a county which has a screener-collector position, fees paid by a county pursuant
89.24 to this subdivision shall be transmitted monthly to the county treasurer, who shall apply the
89.25 fees first to reimburse the county for the amount of the salary paid for the screener-collector
89.26 position. The balance of the fees collected shall then be forwarded to the commissioner of
89.27 management and budget for deposit in the state treasury and credited to the general fund.
89.28 In a county in a judicial district under section 480.181, subdivision 1, paragraph (b), which
89.29 has a screener-collector position, the fees paid by a county shall be transmitted monthly to
89.30 the commissioner of management and budget for deposit in the state treasury and credited
89.31 to the general fund. A screener-collector position for purposes of this paragraph is an
89.32 employee whose function is to increase the collection of fines and to review the incomes
89.33 of potential clients of the public defender, in order to verify eligibility for that service.

90.1 (c) No fee is required under this section from the public authority or the party the public
90.2 authority represents in an action for:

90.3 (1) child support enforcement or modification, medical assistance enforcement, or
90.4 establishment of parentage in the district court, or in a proceeding under section 484.702;

90.5 (2) civil commitment under chapter 253B;

90.6 (3) the appointment of a public conservator or public guardian or any other action under
90.7 chapters 252A and 525;

90.8 (4) wrongfully obtaining public assistance under section 256.98 or 256D.07, or recovery
90.9 of overpayments of public assistance;

90.10 (5) court relief under chapters 260, 260A, 260B, and 260C;

90.11 (6) forfeiture of property under sections 169A.63 and 609.531 to 609.5317;

90.12 (7) recovery of amounts issued by political subdivisions or public institutions under
90.13 sections 246.52, 252.27, 256.045, 256.25, 256.87, 256B.042, 256B.14, 256B.15, 256B.37,
90.14 260B.331, and 260C.331, or other sections referring to other forms of public assistance;

90.15 (8) restitution under section 611A.04; or

90.16 (9) actions seeking monetary relief in favor of the state pursuant to section 16D.14,
90.17 subdivision 5.

90.18 (d) \$20 from each fee collected for child support modifications under subdivision 2,
90.19 clause (13), must be transmitted to the county treasurer for deposit in the county general

92.22 Sec. 20. Minnesota Statutes 2022, section 469.40, subdivision 11, is amended to read:

92.23 Subd. 11. **Public infrastructure project.** (a) "Public infrastructure project" means a
92.24 project financed in part or in whole with public money in order to support the medical
92.25 business entity's development plans, as identified in the DMCC development plan. A public
92.26 infrastructure project may:

92.27 (1) acquire real property and other assets associated with the real property;

92.28 (2) demolish, repair, or rehabilitate buildings;

93.1 (3) remediate land and buildings as required to prepare the property for acquisition or
93.2 development;

93.3 (4) install, construct, or reconstruct elements of public infrastructure required to support
93.4 the overall development of the destination medical center development district including,
93.5 but not limited to, streets, roadways, utilities systems and related facilities, utility relocations
93.6 and replacements, network and communication systems, streetscape improvements, drainage
93.7 systems, sewer and water systems, subgrade structures and associated improvements,
93.8 landscaping, facade construction and restoration, construction costs permitted in section
93.9 469.47, subdivision 1, paragraph (d), clauses (1), (2), and (4), wayfinding and signage,
93.10 community engagement, and other components of community infrastructure;

93.11 (5) acquire, construct or reconstruct, and equip parking facilities and other facilities to
93.12 encourage intermodal transportation and public transit;

93.13 (6) install, construct or reconstruct, furnish, and equip parks, cultural, and recreational
93.14 facilities, facilities to promote tourism and hospitality, conferencing and conventions, and
93.15 broadcast and related multimedia infrastructure;

90.20 fund and \$35 from each fee shall be credited to the state general fund. The fees must be
90.21 used by the county to pay for child support enforcement efforts by county attorneys.

90.22 (e) No fee is required under this section from any federally recognized Indian Tribe or
90.23 its representative in an action for:

90.24 (1) child support enforcement or modification, medical assistance enforcement, or
90.25 establishment of parentage in the district court or in a proceeding under section 484.702;

90.26 (2) civil commitment under chapter 253B;

90.27 (3) the appointment of a public conservator or public guardian or any other action under
90.28 chapters 252A and 525; or

90.29 (4) court relief under chapters 260, 260A, 260B, 260C, and 260D.

91.1 Sec. 19. Minnesota Statutes 2022, section 469.40, subdivision 11, is amended to read:

91.2 Subd. 11. **Public infrastructure project.** (a) "Public infrastructure project" means a
91.3 project financed in part or in whole with public money in order to support the medical
91.4 business entity's development plans, as identified in the DMCC development plan. A public
91.5 infrastructure project may:

91.6 (1) acquire real property and other assets associated with the real property;

91.7 (2) demolish, repair, or rehabilitate buildings;

91.8 (3) remediate land and buildings as required to prepare the property for acquisition or
91.9 development;

91.10 (4) install, construct, or reconstruct elements of public infrastructure required to support
91.11 the overall development of the destination medical center development district including,
91.12 but not limited to, streets, roadways, utilities systems and related facilities, utility relocations
91.13 and replacements, network and communication systems, streetscape improvements,
91.14 drainage systems, sewer and water systems, subgrade structures and associated
91.15 improvements, landscaping, facade construction and restoration, design and predesign,
91.16 including architectural, engineering, and similar services; legal, regulatory, and other
91.17 compliance services; construction costs, including all materials and supplies; wayfinding
91.18 and signage, community engagement; transit costs incurred on or after March 16, 2020;
91.19 and other components of community infrastructure;

91.20 (5) acquire, construct or reconstruct, and equip parking facilities and other facilities to
91.21 encourage intermodal transportation and public transit;

91.22 (6) install, construct or reconstruct, furnish, and equip parks, cultural, and recreational
91.23 facilities, facilities to promote tourism and hospitality, conferencing and conventions, and
91.24 broadcast and related multimedia infrastructure;

93.16 (7) make related site improvements including, without limitation, excavation, earth
93.17 retention, soil stabilization and correction, and site improvements to support the destination
93.18 medical center development district;

93.19 (8) prepare land for private development and to sell or lease land;

93.20 (9) provide costs of relocation benefits to occupants of acquired properties; and

93.21 (10) construct and equip all or a portion of one or more suitable structures on land owned
93.22 by the city for sale or lease to private development; provided, however, that the portion of
93.23 any structure directly financed by the city as a public infrastructure project must not be sold
93.24 or leased to a medical business entity.

93.25 (b) A public infrastructure project is not a business subsidy under section 116J.993.

93.26 (c) Public infrastructure project includes the planning, preparation, and modification of
93.27 the development plan under section 469.43. The cost of that planning, preparation, and any
93.28 modification is a capital cost of the public infrastructure project.

93.29 Sec. 21. Minnesota Statutes 2022, section 469.47, subdivision 1, is amended to read:

93.30 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
93.31 the meanings given them.

93.32 (b) "Commissioner" means the commissioner of employment and economic development.

94.1 (c) "Construction projects" means:

94.2 (1) for expenditures by a medical business entity, construction of buildings in the city
94.3 for which the building permit was issued after June 30, 2013; and

94.4 (2) for any other expenditures, construction of privately owned buildings and other
94.5 improvements that are undertaken pursuant to or as part of the development plan and are
94.6 located within a medical center development district.

94.7 (d) "Expenditures" means expenditures made by a medical business entity or by an
94.8 individual or private entity on construction projects for the capital cost of the project
94.9 including, but not limited to:

94.10 (1) design and predesign, including architectural, engineering, and similar services;

94.11 (2) legal, regulatory, and other compliance costs of the project;

94.12 (3) land acquisition, demolition of existing improvements, and other site preparation
94.13 costs;

94.14 (4) construction costs, including all materials and supplies of the project; and

94.15 (5) equipment and furnishings that are attached to or become part of the real property.

91.25 (7) make related site improvements including, without limitation, excavation, earth
91.26 retention, soil stabilization and correction, and site improvements to support the destination
91.27 medical center development district;

91.28 (8) prepare land for private development and to sell or lease land;

91.29 (9) provide costs of relocation benefits to occupants of acquired properties; and

91.30 (10) construct and equip all or a portion of one or more suitable structures on land owned
91.31 by the city for sale or lease to private development; provided, however, that the portion of
92.1 any structure directly financed by the city as a public infrastructure project must not be sold
92.2 or leased to a medical business entity.

92.3 (b) A public infrastructure project is not a business subsidy under section 116J.993.

92.4 (c) Public infrastructure project includes the planning, preparation, and modification of
92.5 the development plan under section 469.43. The cost of that planning, preparation, and any
92.6 modification is a capital cost of the public infrastructure project.

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

92.8 Sec. 20. Minnesota Statutes 2022, section 469.47, subdivision 1, is amended to read:

92.9 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
92.10 the meanings given them.

92.11 (b) "Commissioner" means the commissioner of employment and economic development.

92.12 (c) "Construction projects" means:

92.13 (1) for expenditures by a medical business entity, construction of buildings in the city
92.14 for which the building permit was issued after June 30, 2013; and

92.15 (2) for any other expenditures, construction of privately owned buildings and other
92.16 improvements that are undertaken pursuant to or as part of the development plan and are
92.17 located within a medical center development district.

92.18 (d) "Expenditures" means expenditures made by a medical business entity or by an
92.19 individual or private entity on construction projects for the capital cost of the project
92.20 including, but not limited to:

92.21 (1) design and predesign, including architectural, engineering, and similar services;

92.22 (2) legal, regulatory, and other compliance costs of the project;

92.23 (3) land acquisition, demolition of existing improvements, and other site preparation
92.24 costs;

92.25 (4) construction costs, including all materials and supplies of the project; and

92.26 (5) equipment and furnishings that are attached to or become part of the real property.

94.16 Expenditures excludes supplies and other items with a useful life of less than a year that
94.17 are not used or consumed in constructing improvements to real property or are otherwise
94.18 chargeable to capital costs.

94.19 (e) "Qualified expenditures for the year" means the total certified expenditures since
94.20 June 30, 2013, through the end of the preceding year, minus \$200,000,000.

94.21 (f) "Transit costs" means the portions of a public infrastructure project that are for public
94.22 transit intended primarily to serve the district, such as including but not limited to buses
94.23 and other means of transit, transit stations, equipment, rights-of-way, and similar costs, and
94.24 costs permitted under section 469.40, subdivision 11. This paragraph includes transit costs
94.25 incurred on or after March 16, 2020.

94.26 Sec. 22. Minnesota Statutes 2022, section 469.47, subdivision 5, is amended to read:

94.27 Subd. 5. **State transit aid.** (a) The city qualifies for state transit aid under this section
94.28 if the county contributes the required local matching contribution under subdivision 6 or
94.29 the city or county has agreed to make an equivalent contribution out of other funds for the
94.30 year.

95.1 (b) If the city qualifies for aid under paragraph (a), the commissioner must pay the city
95.2 the state transit aid in the amount calculated under this paragraph. The amount of the state
95.3 transit aid for a year equals the qualified expenditures for the year, as certified by the
95.4 commissioner, multiplied by 0.75 percent, ~~reduced by~~ subject to the amount of the required
95.5 local contribution under subdivision 6. City or county contributions that are in excess of
95.6 this ratio carry forward and are credited toward subsequent years. The maximum amount
95.7 of state transit aid payable in any year is limited to no more than \$7,500,000. If the
95.8 commissioner determines that the city or county has not made the full required matching
95.9 local contribution for the year, the commissioner must pay state transit aid only ~~in proportion~~
95.10 ~~to the amount of~~ for the matching contribution made for the year and any unpaid amount
95.11 is a carryover aid. The carryover aid must be paid in the first year after the required matching
95.12 contribution ~~for that prior year~~ is made and in which the aid entitlement for the current year
95.13 is less than the maximum annual limit, but only to the extent the carryover, when added to
95.14 the current year aid, is less than the maximum annual limit.

95.15 (c) The commissioner, in consultation with the commissioner of management and budget,
95.16 and representatives of the city and the corporation, must establish a total limit on the amount
95.17 of state aid payable under this subdivision that will be adequate to finance, in combination
95.18 with the local contribution, \$116,000,000 of transit costs.

95.19 (d) The city must use state transit aid it receives under this subdivision for transit costs.
95.20 The city must maintain appropriate records to document the use of the funds under this
95.21 requirement.

92.27 Expenditures excludes supplies and other items with a useful life of less than a year that
92.28 are not used or consumed in constructing improvements to real property or are otherwise
92.29 chargeable to capital costs.

93.1 (e) "Qualified expenditures for the year" means the total certified expenditures since
93.2 June 30, 2013, through the end of the preceding year, minus \$200,000,000.

93.3 (f) "Transit costs" means the portions of a public infrastructure project that are for public
93.4 transit intended primarily to serve the district, such as including but not limited to buses
93.5 and other means of transit, transit stations, equipment, bus charging stations or bus charging
93.6 equipment, rights-of-way, and similar costs permitted under section 469.40, subdivision
93.7 11. This provision includes transit costs incurred on or after March 16, 2020.

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

93.9 Sec. 21. Minnesota Statutes 2022, section 469.47, subdivision 5, is amended to read:

93.10 Subd. 5. **State transit aid.** (a) The city qualifies for state transit aid under this section
93.11 if the county contributes the required local matching contribution under subdivision 6 or
93.12 the city or county has agreed to make an equivalent contribution out of other funds for the
93.13 year.

93.14 (b) If the city qualifies for aid under paragraph (a), the commissioner must pay the city
93.15 the state transit aid in the amount calculated under this paragraph. The amount of the state
93.16 transit aid for a year equals the qualified expenditures for the year, as certified by the
93.17 commissioner, multiplied by 0.75 percent, ~~reduced by~~ subject to the amount of the required
93.18 local contribution under subdivision 6. City or county contributions that are in excess of
93.19 this ratio carry forward and are credited toward subsequent years. The maximum amount
93.20 of state transit aid payable in any year is limited to no more than \$7,500,000. If the
93.21 commissioner determines that the city or county has not made the full required matching
93.22 local contribution for the year, the commissioner must pay state transit aid only ~~in proportion~~
93.23 ~~to the amount of~~ for the matching contribution made for the year and any unpaid amount
93.24 is a carryover aid. The carryover aid must be paid in the first year after the required matching
93.25 contribution ~~for that prior year~~ is made and in which the aid entitlement for the current year
93.26 is less than the maximum annual limit, but only to the extent the carryover, when added to
93.27 the current year aid, is less than the maximum annual limit.

93.28 (c) The commissioner, in consultation with the commissioner of management and budget,
93.29 and representatives of the city and the corporation, must establish a total limit on the amount
93.30 of state aid payable under this subdivision that will be adequate to finance, in combination
93.31 with the local contribution, \$116,000,000 of transit costs.

94.1 (d) The city must use state transit aid it receives under this subdivision for transit costs.
94.2 The city must maintain appropriate records to document the use of the funds under this
94.3 requirement.

95.22 Sec. 23. Minnesota Statutes 2022, section 469.47, subdivision 6, is amended to read:

95.23 Subd. 6. **Transit aid; local matching contribution.** (a) The required local matching

95.24 contribution for state transit aid equals the lesser of:

95.25 (1) 40 percent of the state transit aid subject to the \$7,500,000 limit under subdivision

95.26 5; or

95.27 (2) the amount that would be raised by a 0.15 percent sales tax imposed by the county

95.28 in the preceding year.

95.29 The county may impose the sales tax or the wheelage tax under section 469.46 to meet

95.30 this obligation.

95.31 (b) If the county elects not to impose any of the taxes authorized under section 469.46,

95.32 the county, or city, or both, may agree to make the local contribution out of other available

96.1 funds, other than state aid payable under this section. The commissioner of revenue must

96.2 estimate the required amount and certify it to the commissioner, city, and county.

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

94.5 Sec. 22. Minnesota Statutes 2022, section 517.08, subdivision 1c, is amended to read:

94.6 Subd. 1c. **Disposition of license fee.** (a) Of the civil marriage license fee collected

94.7 pursuant to subdivision 1b, paragraph (a), \$25 must be retained by the county. The local

94.8 registrar must pay \$90 to the commissioner of management and budget to be deposited as

94.9 follows:

94.10 (1) ~~\$55~~ \$25 in the general fund;

94.11 (2) \$3 in the state government special revenue fund to be appropriated to the

94.12 commissioner of public safety for parenting time centers under section 119A.37;

94.13 (3) \$2 in the special revenue fund to be appropriated to the commissioner of health for

94.14 developing and implementing the MN ENABL program under section 145.9255;

94.15 (4) ~~\$25~~ \$55 in the special revenue fund is appropriated to the commissioner of

94.16 employment and economic development for the Minnesota Family Resiliency Partnership

94.17 under section 116L.96; and

94.18 (5) \$5 in the special revenue fund, which is appropriated to the Board of Regents of the

94.19 University of Minnesota for the Minnesota couples on the brink project under section 137.32.

94.20 (b) Of the \$40 fee under subdivision 1b, paragraph (b), \$25 must be retained by the

94.21 county. The local registrar must pay \$15 to the commissioner of management and budget

94.22 to be deposited as follows:

94.23 (1) \$5 as provided in paragraph (a), clauses (2) and (3); and

96.3 Sec. 24. **MINNESOTA EMPLOYER REASONABLE ACCOMMODATION FUND.**

96.4 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this
96.5 subdivision have the meanings given.

96.6 (b) "Applicant" means any person, whether employed or unemployed, seeking or entering
96.7 into any arrangement for employment or change of employment with an eligible employer.

96.8 (c) "Commissioner" means the commissioner of employment and economic development.

96.9 (d) "Eligible employer" means an employer domiciled within the legal boundaries of
96.10 Minnesota and having its principal place of business as identified in its certificate of
96.11 incorporation in the state of Minnesota who:

96.12 (1) employs not more than 500 employees on any business day during the preceding
96.13 calendar year; and

96.14 (2) generates \$5,000,000 or less in gross annual revenue.

96.15 (e) "Employee" has the meaning given in Minnesota Statutes, section 363A.03,
96.16 subdivision 15.

96.17 (f) "Individual with a disability" has the meaning given to "qualified disabled person"
96.18 in Minnesota Statutes, section 363A.03, subdivision 36.

96.19 (g) "Reasonable accommodation" has the meaning given in Minnesota Statutes, section
96.20 363A.08, subdivision 6.

96.21 Subd. 2. **Reimbursement grant program established.** The commissioner shall establish
96.22 a reasonable accommodation reimbursement grant program that reimburses eligible
96.23 employers for the cost of expenses incurred in providing reasonable accommodations for
96.24 individuals with a disability who are either applicants or employees of the eligible employer.

96.25 Subd. 3. **Application.** (a) The commissioner must develop forms and procedures for
96.26 soliciting and reviewing applications for reimbursement under this section.

96.27 (b) The program shall award reimbursements to eligible employers to the extent that
96.28 funds are available in the account established under subdivision 5 for this purpose.

96.29 (c) Applications shall be processed on a first-received, first-processed basis within each
96.30 fiscal year until funding is exhausted. Applications received after funding has been exhausted
96.31 in a fiscal year are not eligible for reimbursement.

97.1 (d) Documentation for reimbursement shall be provided by eligible employers in a form
97.2 approved by the commissioner.

94.24 (2) \$10 in the special revenue fund is appropriated to the commissioner of employment
94.25 and economic development for the Minnesota Family Resiliency Partnership under section
94.26 116L.96.

94.27 Sec. 23. **MINNESOTA EMPLOYER REASONABLE ACCOMMODATION FUND.**

94.28 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this
94.29 subdivision have the meanings given.

95.1 (b) "Applicant" means any person, whether employed or unemployed, seeking or entering
95.2 into any arrangement for employment or change of employment with an eligible employer.

95.3 (c) "Commissioner" means the commissioner of employment and economic development.

95.4 (d) "Eligible employer" means an employer domiciled within the legal boundaries of
95.5 Minnesota and having its principal place of business as identified in its certificate of
95.6 incorporation in the state of Minnesota who:

95.7 (1) employs not more than 500 employees on any business day during the preceding
95.8 calendar year; and

95.9 (2) generates \$5,000,000 or less in gross annual revenue.

95.10 (e) "Employee" has the meaning given in Minnesota Statutes, section 363A.03,
95.11 subdivision 15.

95.12 (f) "Individual with a disability" has the meaning given to "qualified disabled person"
95.13 in Minnesota Statutes, section 363A.03, subdivision 36.

95.14 (g) "Reasonable accommodation" has the meaning given in Minnesota Statutes, section
95.15 363A.08, subdivision 6.

95.16 Subd. 2. **Reimbursement grant program established.** The commissioner shall establish
95.17 a reasonable accommodation reimbursement grant program that reimburses eligible
95.18 employers for the cost of expenses incurred in providing reasonable accommodations for
95.19 individuals with a disability who are either applicants or employees of the eligible employer.

95.20 Subd. 3. **Application.** (a) The commissioner must develop forms and procedures for
95.21 soliciting and reviewing applications for reimbursement under this section.

95.22 (b) The program shall award reimbursements to eligible employers to the extent that
95.23 funds are available in the account established under subdivision 5 for this purpose.

95.24 (c) Applications shall be processed on a first-received, first-processed basis within each
95.25 fiscal year until funding is exhausted. Applications received after funding has been exhausted
95.26 in a fiscal year are not eligible for reimbursement.

95.27 (d) Documentation for reimbursement shall be provided by eligible employers in a form
95.28 approved by the commissioner.

97.3 Subd. 4. **Reimbursement awards.** The maximum total reimbursement per eligible
97.4 employer in a fiscal year is \$30,000 and:

97.5 (1) submissions for onetime reasonable accommodation expenses must be no less than
97.6 \$250 and no more than \$15,000 per individual with a disability; and

97.7 (2) submissions for ongoing reasonable accommodation expenses have no minimum or
97.8 maximum requirements.

97.9 Subd. 5. **Employer reasonable accommodation fund account established.** The
97.10 employer reasonable accommodation fund account is created as an account in the special
97.11 revenue fund. Money in the account is appropriated to the commissioner for the purposes
97.12 of reimbursing eligible employers under this section.

97.13 Subd. 6. **Technical assistance and consultation.** The commissioner may provide
97.14 technical assistance regarding requests for reasonable accommodations.

97.15 Subd. 7. **Administration and marketing costs.** The commissioner may use up to 20
97.16 percent of the biennial appropriation for administration and marketing of this section.

97.17 Subd. 8. **Notification.** By September 1, 2023, or within 60 days following final enactment,
97.18 whichever is later, and each year thereafter by June 30, the commissioner shall make publicly
97.19 available information regarding the availability of funds for reasonable accommodation
97.20 reimbursement and the procedure for requesting reimbursement under this section.

97.21 Subd. 9. **Reports to the legislature.** By January 15, 2024, and each January 15 thereafter
97.22 until expiration, the commissioner must submit a report to the chairs and ranking minority
97.23 members of the house of representatives and the senate committees with jurisdiction over
97.24 workforce development that details the use of grant funds. This report must include data on
97.25 the number of employer reimbursements the program made in the preceding calendar year.
97.26 The report must include:

97.27 (1) the number and type of accommodations requested;

97.28 (2) the cost of accommodations requested;

97.29 (3) the employers from which the requests were made;

97.30 (4) the number and type of accommodations that were denied and why;

97.31 (5) any remaining balance left in the account; and

98.1 (6) if the account was depleted, the date on which funds were exhausted and the number,
98.2 type, and cost of accommodations that were not reimbursed to employers.

98.3 Subd. 10. **Expiration.** This section expires June 30, 2025, or when money appropriated
98.4 for its purpose expires, whichever is later.

95.29 Subd. 4. **Reimbursement awards.** The maximum total reimbursement per eligible
95.30 employer in a fiscal year is \$30,000 and:

96.1 (1) submissions for onetime reasonable accommodation expenses must be no less than
96.2 \$250 and no more than \$15,000 per individual with a disability; and

96.3 (2) submissions for ongoing reasonable accommodation expenses have no minimum or
96.4 maximum requirements.

96.5 Subd. 5. **Employer reasonable accommodation fund account established.** The
96.6 employer reasonable accommodation fund account is created as an account in the special
96.7 revenue fund. Money in the account is appropriated to the commissioner for the purposes
96.8 of reimbursing eligible employers under this section.

96.9 Subd. 6. **Technical assistance and consultation.** The commissioner may provide
96.10 technical assistance regarding requests for reasonable accommodations.

96.11 Subd. 7. **Administration and marketing costs.** The commissioner may use up to 20
96.12 percent of the biennial appropriation for administration and marketing of this section.

96.13 Subd. 8. **Notification.** By September 1, 2023, or within 60 days following final enactment,
96.14 whichever is later, and each year thereafter by June 30, the commissioner shall make publicly
96.15 available information regarding the availability of funds for reasonable accommodation
96.16 reimbursement and the procedure for requesting reimbursement under this section.

96.17 Subd. 9. **Reports to the legislature.** By January 15, 2024, and each January 15 thereafter
96.18 until expiration, the commissioner must submit a report to the chairs and ranking minority
96.19 members of the house of representatives and the senate committees with jurisdiction over
96.20 workforce development that details the use of grant funds. This report must include data on
96.21 the number of employer reimbursements the program made in the preceding calendar year.
96.22 The report must include:

96.23 (1) the number and type of accommodations requested;

96.24 (2) the cost of accommodations requested;

96.25 (3) the employers from which the requests were made;

96.26 (4) the number and type of accommodations that were denied and why;

96.27 (5) any remaining balance left in the account; and

96.28 (6) if the account was depleted, the date on which funds were exhausted and the number,
96.29 type, and cost of accommodations that were not reimbursed to employers.

96.30 Subd. 10. **Expiration.** This section expires June 30, 2025, or when money appropriated
96.31 for its purpose expires, whichever is later.

68.20 Sec. 14. **EMPOWERING ENTERPRISE PROGRAM.**

68.21 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
68.22 the meanings given.

68.23 (b) "Commissioner" means the commissioner of employment and economic development.

68.24 (c) "Eligible organization" means:

68.25 (1) a federally certified community development financial institution;

68.26 (2) a nonprofit organization; or

68.27 (3) a city.

68.28 (d) "Entity" includes any registered business or nonprofit organization. This includes
68.29 businesses, cooperatives, utilities, industrial, commercial, retail, and nonprofit organizations.

69.1 Subd. 2. **Establishment.** The commissioner shall establish a program to make grants to
69.2 eligible organizations to develop and implement local economic relief programs designed
69.3 with the primary goal of assisting communities adversely affected by civil unrest during
69.4 the peacetime emergency declared in governor's Executive Order No. 20-64 by preserving
69.5 incumbent entities and encouraging new entities to locate in those areas. To this end, local
69.6 programs should include outreach to cultural communities and support for microenterprises.

69.7 Subd. 3. **Available relief.** (a) The local programs established by eligible organizations
69.8 under this section may include grants or loans as provided in this section, as well as subgrants
69.9 to local nonprofits to further the goals of the program. Prior to awarding a grant to an eligible
69.10 organization for a local program under this section:

69.11 (1) the eligible organization must develop criteria, procedures, and requirements for:

69.12 (i) determining eligibility for assistance;

69.13 (ii) the duration, terms, underwriting and security requirements, and repayment
69.14 requirements for loans;

69.15 (iii) evaluating applications for assistance;

69.16 (iv) awarding assistance; and

69.17 (v) administering the grant and loan programs authorized under this section, including
69.18 any subgrants to local nonprofits;

69.19 (2) the eligible organization must submit its criteria, procedures, and requirements
69.20 developed pursuant to clause (1) to the commissioner of employment and economic
69.21 development for review; and

69.22 (3) the commissioner must approve the criteria, procedures, and requirements as
69.23 developed pursuant to clause (1) to be used by an eligible organization in determining
69.24 eligibility for assistance, evaluating, awarding, and administering a grant and loan program.

69.25 (b) Relief under this section includes grants to entities. These grants must not exceed
69.26 \$500,000 per entity, must specify that an entity receiving a grant must remain in the local
69.27 community a minimum of three years after the date of the grant, and must require submission
69.28 of a plan for continued operation. Grants may be awarded to applicants only when an eligible
69.29 organization determines that a loan is not appropriate to address the needs of the applicant.

69.30 (c) Relief under this section includes loans to entities, with or without interest, and
69.31 deferred or forgivable loans. The maximum loan amount under this subdivision is \$500,000
70.1 per entity. The lending criteria adopted by an eligible organization for loans under this
70.2 subdivision must:

70.3 (1) specify that an entity receiving a deferred or forgivable loan must remain in the local
70.4 community a minimum of three years after the date of the loan. The maximum loan deferral
70.5 period must not exceed three years from the date the loan is approved; and

70.6 (2) require submission of a plan for continued operation. The plan must document the
70.7 probable success of the applicant's plan and probable success in repaying the loan according
70.8 to the terms established for the loan program.

70.9 (d) All loan repayment funds under this subdivision must be paid to the commissioner
70.10 of employment and economic development for deposit in the general fund.

70.11 Subd. 4. **Monitoring and reporting.** (a) Participating eligible organizations must
70.12 establish performance measures that include but are not limited to the following components:

70.13 (1) the number of loans approved and the amounts and terms of the loans;

70.14 (2) the number of grants awarded, award amounts, and the reason that a grant award
70.15 was made in lieu of a loan;

70.16 (3) the loan default rate;

70.17 (4) the number of jobs created or retained as a result of the assistance, including
70.18 information on the wages and benefit levels, the status of the jobs as full-time or part-time,
70.19 and the status of the jobs as temporary or permanent; and

70.20 (5) the amount of business activity and changes in gross revenues of the grant or loan
70.21 recipient as a result of the assistance.

70.22 (b) The commissioner of employment and economic development must monitor the
70.23 participating eligible organizations' compliance with this section and the performance
70.24 measures developed under paragraph (a).

98.5

ARTICLE 6

98.6

ECONOMIC DEVELOPMENT POLICY

98.7

Section 1. [116J.545] GETTING TO WORK GRANT PROGRAM.

98.8

98.9

98.10

98.11

Subdivision 1. **Creation.** The commissioner of employment and economic development shall make grants to nonprofit organizations to establish and operate programs under this section that provide, repair, or maintain motor vehicles to assist eligible individuals to obtain or maintain employment. All grants shall be for two years.

98.12

Subd. 2. **Qualified grantee.** A grantee must:

98.13

(1) qualify under section 501(c)(3) of the Internal Revenue Code; and

70.25

70.26

70.27

(c) Participating eligible organizations must comply with all requests made by the commissioner under this section and are responsible for the reporting and compliance of any subgrantees.

70.28

70.29

70.30

70.31

71.1

71.2

(d) By December 15 of each year the program is in existence, participating eligible organizations must report their performance measures to the commissioner. By January 15 of each year the program is in existence, after the first, the commissioner must submit a report of these performance measures to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over economic development that details the use of funds under this section.

71.3

71.4

71.5

Subd. 5. **Exemptions.** (a) Minnesota Statutes, sections 116J.993 to 116J.995, do not apply to assistance under this section. Entities in receipt of assistance under this section must provide for job creation and retention goals and wage and benefit goals.

71.6

71.7

(b) Minnesota Statutes, sections 16A.15, 16B.97, 16B.98, 16B.991, 16C.05, and 16C.053, do not apply to assistance under this section.

71.8

71.9

71.10

71.11

Subd. 6. **Administrative costs.** The commissioner of employment and economic development may use up to seven percent of the appropriation made for this section for administrative expenses of the department or for assisting participating eligible organizations with their administrative expenses.

71.12

71.13

EFFECTIVE DATE. This section is effective the day following final enactment and expires the day after the last loan is repaid or forgiven as provided under this section.

73.1

Sec. 16. **REPEALER.**

73.2

73.3

73.4

Minnesota Statutes 2022, section 116J.9924, subdivision 6, and Laws 2019, First Special Session chapter 7, article 2, section 8, as amended by Laws 2021, First Special Session chapter 10, article 2, section 19, is repealed.

73.5

ARTICLE 4

73.6

WORKFORCE DEVELOPMENT POLICY

73.7

Section 1. [116J.545] GETTING TO WORK GRANT PROGRAM.

73.8

73.9

73.10

73.11

Subdivision 1. **Creation.** The commissioner of employment and economic development shall make grants to nonprofit organizations to establish and operate programs under this section that provide, repair, or maintain motor vehicles to assist eligible individuals to obtain or maintain employment. All grants shall be for two years.

73.12

Subd. 2. **Qualified grantee.** A grantee must:

73.13

(1) qualify under section 501(c)(3) of the Internal Revenue Code; and

98.14 (2) at the time of application, offer or have the demonstrated capacity to offer a motor
98.15 vehicle program that provides the services required under subdivision 3.

98.16 Subd. 3. **Program requirements.** (a) A program must offer one or more of the following
98.17 services:

98.18 (1) provision of new or used motor vehicles by gift, sale, or lease;

98.19 (2) motor vehicle repair and maintenance services; or

98.20 (3) motor vehicle loans.

98.21 (b) In addition to the requirements of paragraph (a), a program must offer one or more
98.22 of the following services:

98.23 (1) financial literacy education;

98.24 (2) education on budgeting for vehicle ownership;

98.25 (3) car maintenance and repair instruction;

98.26 (4) credit counseling; or

98.27 (5) job training related to motor vehicle maintenance and repair.

99.1 Subd. 4. **Application.** Applications for a grant must be on a form provided by the
99.2 commissioner and on a schedule set by the commissioner. Applications must, in addition
99.3 to any other information required by the commissioner, include the following:

99.4 (1) a detailed description of all services to be offered;

99.5 (2) the area to be served;

99.6 (3) the estimated number of program participants to be served by the grant; and

99.7 (4) a plan for leveraging resources from partners that may include but are not limited
99.8 to:

99.9 (i) automobile dealers;

99.10 (ii) automobile parts dealers;

99.11 (iii) independent local mechanics and automobile repair facilities;

99.12 (iv) banks and credit unions;

99.13 (v) employers;

99.14 (vi) employment and training agencies;

99.15 (vii) insurance companies and agents;

73.14 (2) at the time of application, offer or have the demonstrated capacity to offer a motor
73.15 vehicle program that provides the services required under subdivision 3.

73.16 Subd. 3. **Program requirements.** (a) A program must offer one or more of the following
73.17 services:

73.18 (1) provision of new or used motor vehicles by gift, sale, or lease;

73.19 (2) motor vehicle repair and maintenance services; or

73.20 (3) motor vehicle loans.

73.21 (b) In addition to the requirements of paragraph (a), a program must offer one or more
73.22 of the following services:

73.23 (1) financial literacy education;

73.24 (2) education on budgeting for vehicle ownership;

73.25 (3) car maintenance and repair instruction;

73.26 (4) credit counseling; or

73.27 (5) job training related to motor vehicle maintenance and repair.

74.1 Subd. 4. **Application.** Applications for a grant must be on a form provided by the
74.2 commissioner and on a schedule set by the commissioner. Applications must, in addition
74.3 to any other information required by the commissioner, include the following:

74.4 (1) a detailed description of all services to be offered;

74.5 (2) the area to be served;

74.6 (3) the estimated number of program participants to be served by the grant; and

74.7 (4) a plan for leveraging resources from partners that may include but are not limited
74.8 to:

74.9 (i) automobile dealers;

74.10 (ii) automobile parts dealers;

74.11 (iii) independent local mechanics and automobile repair facilities;

74.12 (iv) banks and credit unions;

74.13 (v) employers;

74.14 (vi) employment and training agencies;

74.15 (vii) insurance companies and agents;

99.16 (viii) local workforce centers; and

99.17 (ix) educational institutions, including vocational institutions and jobs or skills training

99.18 programs.

99.19 Subd. 5. **Participant eligibility.** (a) To be eligible to receive program services, a person

99.20 must:

99.21 (1) have a household income at or below 200 percent of the federal poverty level;

99.22 (2) be at least 18 years of age;

99.23 (3) have a valid driver's license;

99.24 (4) provide the grantee with proof of motor vehicle insurance; and

99.25 (5) demonstrate to the grantee that a motor vehicle is required by the person to obtain

99.26 or maintain employment.

99.27 (b) This subdivision does not preclude a grantee from imposing additional requirements,

99.28 not inconsistent with paragraph (a), for the receipt of program services.

100.1 Subd. 6. **Report to legislature.** By February 15, 2025, and each January 15 in an

100.2 odd-numbered year thereafter, the commissioner shall submit a report to the chairs of the

100.3 house of representatives and senate committees with jurisdiction over workforce and

100.4 economic development on program outcomes. At a minimum, the report must include:

100.5 (1) the total number of program participants;

100.6 (2) the number of program participants who received each of the following:

100.7 (i) provision of a motor vehicle;

100.8 (ii) motor vehicle repair services; and

100.9 (iii) motor vehicle loans;

100.10 (3) the number of program participants who report that they or their children were able

100.11 to increase their participation in community activities such as after school programs, other

100.12 youth programs, church or civic groups, or library services as a result of participation in the

100.13 program; and

100.14 (4) an analysis of the impact of the getting to work grant program on the employment

100.15 rate and wages of program participants.

100.16 Sec. 2. Minnesota Statutes 2022, section 116J.55, subdivision 1, is amended to read:

100.17 Subdivision 1. **Definitions.** For the purposes of this section, "eligible community" means

100.18 a county, municipality, or tribal government located in Minnesota in which an electric

100.19 generating plant owned by a public utility, as defined in section 216B.02, that is powered

100.20 by coal, nuclear energy, or natural gas:

74.16 (viii) local workforce centers; and

74.17 (ix) educational institutions, including vocational institutions and jobs or skills training

74.18 programs.

74.19 Subd. 5. **Participant eligibility.** (a) To be eligible to receive program services, a person

74.20 must:

74.21 (1) have a household income at or below 200 percent of the federal poverty level;

74.22 (2) be at least 18 years of age;

74.23 (3) have a valid driver's license;

74.24 (4) provide the grantee with proof of motor vehicle insurance; and

74.25 (5) demonstrate to the grantee that a motor vehicle is required by the person to obtain

74.26 or maintain employment.

74.27 (b) This subdivision does not preclude a grantee from imposing additional requirements,

74.28 not inconsistent with paragraph (a), for the receipt of program services.

75.1 Subd. 6. **Report to legislature.** By January 15, 2026, and each January 15 in an

75.2 even-numbered year thereafter, the commissioner shall submit a report to the chairs of the

75.3 house of representatives and senate committees with jurisdiction over workforce and

75.4 economic development on program outcomes. At a minimum, the report must include:

75.5 (1) the total number of program participants;

75.6 (2) the number of program participants who received each of the following:

75.7 (i) provision of a motor vehicle;

75.8 (ii) motor vehicle repair services; and

75.9 (iii) motor vehicle loans;

75.10 (3) the number of program participants who report that they or their children were able

75.11 to increase their participation in community activities such as after school programs, other

75.12 youth programs, church or civic groups, or library services as a result of participation in the

75.13 program; and

75.14 (4) an analysis of the impact of the getting to work grant program on the employment

75.15 rate and wages of program participants.

75.25 Sec. 4. Minnesota Statutes 2022, section 116J.55, subdivision 1, is amended to read:

75.26 Subdivision 1. **Definitions.** For the purposes of this section, "eligible community" means

75.27 a county, municipality, or tribal government located in Minnesota in which an electric

75.28 generating plant owned by a public utility, as defined in section 216B.02, that is powered

75.29 by coal, nuclear energy, or natural gas:

100.21 (1) is currently operating and ~~(i)~~ is scheduled to cease operations ~~or, (ii)~~ whose cessation
100.22 of operations has been proposed in an integrated resource plan filed with the commission
100.23 under section 216B.2422, or (iii) whose current operating license expires within 15 years
100.24 of the effective date of this section; or

100.25 (2) ceased operations or was removed from the local property tax base no earlier than
100.26 five years before the date an application is made for a grant under this section.

100.27 Sec. 3. Minnesota Statutes 2022, section 116J.55, subdivision 5, is amended to read:

100.28 Subd. 5. **Grant awards; limitations.** ~~(a) The commissioner must award grants under~~
100.29 ~~this section to eligible communities through a competitive grant process.~~

101.1 ~~(b)~~ (a) A grant awarded to an eligible community under this section must not exceed
101.2 ~~\$500,000~~ \$1,000,000 in any calendar year. The commissioner may accept grant applications
101.3 on an ongoing or rolling basis.

101.4 ~~(c)~~ (b) Grants funded with revenues from the renewable development account established
101.5 in section 116C.779 must be awarded to an eligible community located within the retail
101.6 electric service territory of the public utility that is subject to section 116C.779 or to an
101.7 eligible community in which an electric generating plant owned by that public utility is
101.8 located.

101.9 Sec. 4. Minnesota Statutes 2022, section 116J.55, subdivision 6, is amended to read:

101.10 Subd. 6. **Eligible expenditures.** (a) Money in the account established in subdivision 3
101.11 must be used only to:

101.12 (1) award grants to eligible communities under this section; and

101.13 (2) reimburse the department's reasonable costs to administer this section, up to a
101.14 maximum of five percent of the appropriation made to the commissioner under this section.
101.15 The commissioner may transfer part of the allowable administrative portion of this
101.16 appropriation to the Environmental Quality Board to assist communities with regulatory
101.17 coordination and dedicated technical assistance on conversion for these communities.

101.18 (b) An eligible community awarded a grant under this section may use the grant to plan
101.19 for or address the economic and social impacts on the eligible community of the electric
101.20 generating plant's cessation of operations, including but not limited to land use studies,
101.21 economic planning, researching, planning, and implementing activities, capital costs of
101.22 public infrastructure necessary for economic development, and impact studies and other
101.23 planning activities enabling communities to become shovel-ready and support the transition
101.24 from power plants to other economic activities to minimize the negative impacts of power
101.25 plant closures on tax revenues and jobs designed to:

101.26 (1) assist workers at the plant find new employment, including worker retraining and
101.27 developing small business start-up skills;

76.1 (1) is currently operating and ~~(i)~~ is scheduled to cease operations ~~or, (ii)~~ whose cessation
76.2 of operations has been proposed in an integrated resource plan filed with the commission
76.3 under section 216B.2422, or (iii) whose current operating license expires within 15 years
76.4 of the effective date of this section; or

76.5 (2) ceased operations or was removed from the local property tax base no earlier than
76.6 five years before the date an application is made for a grant under this section.

76.7 Sec. 5. Minnesota Statutes 2022, section 116J.55, subdivision 5, is amended to read:

76.8 Subd. 5. **Grant awards; limitations.** ~~(a) The commissioner must award grants under~~
76.9 ~~this section to eligible communities through a competitive grant process.~~

76.10 ~~(b)~~ (a) A grant awarded to an eligible community under this section must not exceed
76.11 ~~\$500,000~~ \$1,000,000 in any calendar year. The commissioner may accept grant applications
76.12 on an ongoing or rolling basis.

76.13 ~~(c)~~ (b) Grants funded with revenues from the renewable development account established
76.14 in section 116C.779 must be awarded to an eligible community located within the retail
76.15 electric service territory of the public utility that is subject to section 116C.779 or to an
76.16 eligible community in which an electric generating plant owned by that public utility is
76.17 located.

76.18 Sec. 6. Minnesota Statutes 2022, section 116J.55, subdivision 6, is amended to read:

76.19 Subd. 6. **Eligible expenditures.** (a) Money in the account established in subdivision 3
76.20 must be used only to:

76.21 (1) award grants to eligible communities under this section; and

76.22 (2) reimburse the department's reasonable costs to administer this section, up to a
76.23 maximum of five percent of the appropriation made to the commissioner under this section.
76.24 The commissioner may transfer part of the allowable administrative portion of this
76.25 appropriation to the Environmental Quality Board to assist communities with regulatory
76.26 coordination and dedicated technical assistance on conversion for these communities.

76.27 (b) An eligible community awarded a grant under this section may use the grant to plan
76.28 for or address the economic and social impacts on the eligible community of the electric
76.29 generating plant's cessation of operations, including but not limited to land use studies,
76.30 economic planning, researching, planning, and implementing activities, capital costs of
76.31 public infrastructure necessary for economic development, and impact studies and other
76.32 planning activities enabling communities to become shovel-ready and support the transition
77.1 from power plants to other economic activities to minimize the negative impacts of power
77.2 plant closures on tax revenues and jobs designed to:

77.3 (1) assist workers at the plant find new employment, including worker retraining and
77.4 developing small business start-up skills;

101.28 (2) increase the eligible community's property tax base; and
101.29 (3) develop alternative economic development strategies to attract new employers to the
101.30 eligible community.

102.1 Sec. 5. **[116J.9926] EMERGING DEVELOPER FUND PROGRAM.**

102.2 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
102.3 the meanings given.

102.4 (b) "Commissioner" means the commissioner of employment and economic development.

102.5 ~~(c)~~ "Eligible project" means a project that is based in Minnesota and meets one or more
102.6 of the following criteria:

102.7 (1) it will stimulate community stabilization or revitalization;

102.8 (2) it will be located within a census tract identified as a disadvantaged community or
102.9 low-income community;

102.10 (3) it will directly benefit residents of a low-income household;

102.11 (4) it will increase the supply and improve the condition of affordable housing and
102.12 homeownership;

102.13 (5) it will support the growth needs of new and existing community-based enterprises
102.14 that promote economic stability or improve the supply or quality of job opportunities; or

102.15 (6) it will promote wealth creation, including by being a project in a neighborhood
102.16 traditionally not served by real estate developers.

102.17 ~~(d)~~ "Emerging developer" means a developer who:

102.18 (1) has limited access to loans from traditional financial institutions; or

102.19 (2) is a new or smaller developer who has engaged in educational training in real estate
102.20 development; and

102.21 (3) is either a:

102.22 (i) minority as defined ~~by~~ section 116M.14, subdivision 6;

102.23 (ii) woman;

102.24 (iii) person with a disability, as defined ~~under~~ section 116M.14, subdivision 9; or

102.25 (iv) low-income person.

77.5 (2) increase the eligible community's property tax base; and
77.6 (3) develop alternative economic development strategies to attract new employers to the
77.7 eligible community.

65.7 Sec. 13. **[116J.9926] EMERGING DEVELOPER FUND PROGRAM.**

65.8 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
65.9 the meanings given.

65.10 (b) "Commissioner" means the commissioner of employment and economic development.

65.11 ~~(c) "Disadvantaged community" means a community where the median household~~
65.12 ~~income is less than 80 percent of the area median income.~~

65.13 ~~(d)~~ "Eligible project" means a project that is based in Minnesota and meets one or more
65.14 of the following criteria:

65.15 (1) it will stimulate community stabilization or revitalization;

65.16 (2) it will be located within a census tract identified as a disadvantaged community or
65.17 low-income community;

65.18 (3) it will directly benefit residents of a low-income household;

65.19 (4) it will increase the supply and improve the condition of affordable housing and
65.20 homeownership;

65.21 (5) it will support the growth needs of new and existing community-based enterprises
65.22 that promote economic stability or improve the supply or quality of job opportunities; or

65.23 (6) it will promote wealth creation, including by being a project in a neighborhood
65.24 traditionally not served by real estate developers.

65.25 ~~(e)~~ "Emerging developer" means a developer who:

65.26 (1) has limited access to loans from traditional financial institutions; or

65.27 (2) is a new or smaller developer who has engaged in educational training in real estate
65.28 development; and

65.29 (3) is either a:

65.30 (i) minority as defined ~~in~~ section 116M.14, subdivision 6;

66.1 (ii) woman;

66.2 (iii) person with a disability, as defined ~~in~~ section 116M.14, subdivision 9; or

66.3 (iv) low-income person.

102.26 (e) "Low-income person" means a person who:
102.27 (i) has a household income at or below 200 percent of the federal poverty guidelines;
102.28 or
103.1 (ii) has a family income that does not exceed 60 percent of the area median income as
103.2 determined by the United States Department of Housing and Urban Development.

103.3 (f) "Program" means the emerging developer fund program created under this section.
103.4 Subd. 2. **Establishment.** The commissioner shall establish an emerging developer fund
103.5 program to make loans to emerging developers for eligible projects to transform
103.6 neighborhoods statewide and promote economic development and the creation and retention
103.7 of jobs in Minnesota. The program shall also reduce racial and socioeconomic disparities
103.8 by growing the financial capacity of emerging developers.

103.9 Subd. 3. **Loan program.** (a) Through the program, the commissioner shall offer emerging
103.10 developers predevelopment, construction, and bridge loans for eligible projects.

103.11 (b) Predevelopment loans shall be for no more than \$50,000. All other types of loans
103.12 shall be for no more than \$500,000.

103.13 (c) Loans shall be for a term set by the commissioner of no less than six months and no
103.14 more than five years, depending on the use of loan proceeds.

103.15 (d) Loans shall be for zero interest or a low interest rate, as determined by the
103.16 commissioner based on the individual project risk and type of loan sought.

103.17 (e) Loans shall have flexible collateral requirements, but may require a personal guaranty
103.18 from the emerging developer and may be largely unsecured when the appraised value of
103.19 the real estate is low.

66.4 (f) "Low-income person" means a person who:
66.5 (1) has a household income at or below 200 percent of the federal poverty level; or
66.6 (2) has a family income that does not exceed 60 percent of the area median income as
66.7 determined by the United States Department of Housing and Urban Development.

66.8 (g) "Partner organization" means a community development financial institution or a
66.9 similarly qualified nonprofit corporation, as determined by the commissioner.

66.10 (h) "Program" means the emerging developer fund program created under this section.
66.11 Subd. 2. **Establishment.** The commissioner shall establish an emerging developer fund
66.12 program to make grants to partner organizations to make grants and loans to emerging
66.13 developers for eligible projects to transform neighborhoods statewide and promote economic
66.14 development and the creation and retention of jobs in Minnesota. The program must also
66.15 reduce racial and socioeconomic disparities by growing the financial capacity of emerging
66.16 developers.

66.17 Subd. 3. **Grants to partner organizations.** (a) The commissioner shall design a
66.18 competitive process to award grants to partner organizations to make grants and loans to
66.19 emerging developers under subdivision 4.

66.20 (b) A partner organization may use up to ten percent of grant funds for the administrative
66.21 costs of the program.

66.22 Subd. 4. **Grants and loans to emerging developers.** (a) Through the program, partner
66.23 organizations shall offer emerging developers predevelopment grants and predevelopment,
66.24 construction, and bridge loans for eligible projects according to a plan submitted to and
66.25 approved by the commissioner.

66.26 (b) Predevelopment grants must be for no more than \$100,000. All loans must be for no
66.27 more than \$1,000,000.

66.28 (c) Loans must be for a term set by the partner organization and approved by the
66.29 commissioner of no less than six months and no more than eight years, depending on the
66.30 use of loan proceeds.

67.1 (d) Loans must be for zero interest or an interest rate of no more than the Wall Street
67.2 Journal prime rate, as determined by the partner organization and approved by the
67.3 commissioner based on the individual project risk and type of loan sought.

67.4 (e) Loans must have flexible collateral requirements compared to traditional loans, but
67.5 may require a personal guaranty from the emerging developer and may be largely unsecured
67.6 when the appraised value of the real estate is low.

103.20 (f) Loans shall have no prepayment penalties and are expected to be repaid from
103.21 permanent financing or a conventional loan, once that is secured.

103.22 (g) Loans shall have the ability to bridge many types of receivables, such as tax credits,
103.23 grants, developer fees, and other forms of long-term financing.

103.24 (h) At the commissioner's discretion, an emerging developer may be required to work
103.25 with an experienced developer or professional services consultant who can offer expertise
103.26 and advice throughout the development of the project.

103.27 (i) All loan repayments shall be paid into the emerging developer fund account created
103.28 in this section to fund additional loans.

103.29 Subd. 4. **Eligible expenses.** (a) The following shall be eligible expenses for a
103.30 predevelopment loan under the program:

103.31 (1) earnest money or purchase deposit;

104.1 (2) building inspection fees and environmental reviews;

104.2 (3) appraisal and surveying;

104.3 (4) design and tax credit application fees;

104.4 (5) title and recording fees;

104.5 (6) site preparation, demolition, and stabilization;

104.6 (7) interim maintenance and project overhead;

104.7 (8) property taxes and insurance;

104.8 (9) construction bonds or letters of credit;

104.9 (10) market and feasibility studies; and

104.10 (11) professional fees.

104.11 (b) The following shall be eligible expenses for a construction or bridge loan under the
104.12 program:

104.13 (1) land or building acquisition;

104.14 (2) construction-related expenses;

104.15 (3) developer and contractor fees;

104.16 (4) site preparation and demolition;

104.17 (5) financing fees, including title and recording;

104.18 (6) professional fees;

67.7 (f) Loans must have no prepayment penalties and are expected to be repaid from
67.8 permanent financing or a conventional loan, once that is secured.

67.9 (g) Loans must have the ability to bridge many types of receivables, such as tax credits,
67.10 grants, developer fees, and other forms of long-term financing.

67.11 (h) At the partner organization's request and the commissioner's discretion, an emerging
67.12 developer may be required to work with an experienced developer or professional services
67.13 consultant who can offer expertise and advice throughout the development of the project.

67.14 (i) All loan repayments must be paid into the emerging developer fund account created
67.15 in this section to fund additional loans.

67.16 Subd. 5. **Eligible expenses.** (a) The following are eligible expenses for a predevelopment
67.17 grant or loan under the program:

67.18 (1) earnest money or purchase deposit;

67.19 (2) building inspection fees and environmental reviews;

67.20 (3) appraisal and surveying;

67.21 (4) design and tax credit application fees;

67.22 (5) title and recording fees;

67.23 (6) site preparation, demolition, and stabilization;

67.24 (7) interim maintenance and project overhead;

67.25 (8) property taxes and insurance;

67.26 (9) construction bonds or letters of credit;

67.27 (10) market and feasibility studies; and

67.28 (11) professional fees.

67.29 (b) The following are eligible expenses for a construction or bridge loan under the
67.30 program:

68.1 (1) land or building acquisition;

68.2 (2) construction-related expenses;

68.3 (3) developer and contractor fees;

68.4 (4) site preparation, environmental cleanup, and demolition;

68.5 (5) financing fees, including title and recording;

68.6 (6) professional fees;

104.19 (7) carrying costs;

104.20 (8) construction period interest;

104.21 (9) project reserves; and

104.22 (10) leasehold improvements and equipment purchase.

104.23 Subd. 5. **Emerging developer fund account.** An emerging developer fund account is

104.24 created in the special revenue fund in the state treasury. Money in the account is appropriated

104.25 to the commissioner for loans under this section.

104.26 Subd. 6. **Reports to the legislature.** By February 15 of each year, beginning in 2025,

104.27 the commissioner shall submit a report to the chairs of the house of representatives and

104.28 senate committees with jurisdiction over economic development on loans made under the

104.29 program.

105.1 Sec. 6. Laws 2021, First Special Session chapter 10, article 2, section 24, is amended to

105.2 read:

105.3 Sec. 24. **FORGIVABLE LOAN PROGRAM FOR REMOTE RECREATIONAL**

105.4 **BUSINESSES.**

105.5 Subdivision 1. **Establishment.** Lake of the Woods County shall establish a loan program

105.6 to make forgivable loans to eligible remote recreational businesses that experienced a loss

105.7 in revenue that is greater than 30 percent during the period between March 15, 2020 2021,

105.8 and March 15, 2024 2022, as compared with the previous year March 15, 2019, and March

105.9 15, 2020.

105.10 Subd. 2. **Definition.** For the purposes of this section, "remote recreational business"

105.11 means a business in the contiguous United States that is:

105.12 (1) a small business concern as defined under section 3 of the Small Business Act, United

105.13 States Code, title 15, section 632, operating in the recreational industry;

105.14 (2) located within 75 miles of the United States and Canadian border; and

105.15 (3) only accessible by land via Canada.

105.16 Subd. 3. **Eligibility.** To be eligible for a forgivable loan, a remote recreational business

105.17 must:

105.18 (1) have been in operation on March 15, 2020 2021;

105.19 (2) show that the closure and ongoing COVID-19-related requirements of the United

105.20 States and Canadian border restricted the ability of American customers to access the location

105.21 of the remote recreational business; and

68.7 (7) carrying costs;

68.8 (8) construction period interest;

68.9 (9) project reserves; and

68.10 (10) leasehold improvements and equipment purchase.

68.11 Subd. 6. **Emerging developer fund account.** An emerging developer fund account is

68.12 created in the special revenue fund in the state treasury. Money in the account is appropriated

68.13 to the commissioner for grants to partner organizations to make loans under this section.

68.14 Subd. 7. **Reports to the legislature.** (a) By January 15 of each year, beginning in 2025,

68.15 each partner organization shall submit a report to the commissioner on the use of program

68.16 funds and program outcomes.

68.17 (b) By February 15 of each year, beginning in 2025, the commissioner shall submit a

68.18 report to the chairs of the house of representatives and senate committees with jurisdiction

68.19 over economic development on the use of program funds and program outcomes.

105.22 (3) not have received a grant under the Main Street COVID-19 relief grant program.

105.23 Subd. 4. **Application.** (a) Lake of the Woods County shall develop forms and procedures

105.24 for soliciting and reviewing applications for loans under this section.

105.25 (b) Loans shall be made before April 1, 2022 December 30, 2023. Any funds not spent

105.26 by April 1 December 30, 2022 2024, must be returned to the state general fund.

105.27 (c) If there are insufficient funds to pay all claims in full, the county shall distribute

105.28 funds on a prorated basis.

105.29 Subd. 5. **Maximum loan amount.** The maximum loan amount shall be equal to 75

105.30 percent of the remote recreational business's gross annual receipts for fiscal year 2020 2021,

105.31 not to exceed \$500,000 per eligible remote recreational business.

106.1 Subd. 6. **Forgiveness.** Loans are forgiven for a remote recreational business if the

106.2 business remains in operation for at least one year after the date of the loan. Lake of the

106.3 Woods County shall forgive 100 percent of the value of a loan received less the amount the

106.4 borrower received from:

106.5 (1) any other loan forgiveness program, including any program established under the

106.6 CARES Act, Public Law 116-136; and

106.7 (2) an advance received under section 1110 of the CARES Act, United States Code, title

106.8 15, section 9009.

106.9 Subd. 7. **Report to legislature.** By January 15, 2023 April 30, 2024, Lake of the Woods

106.10 County shall report to the legislative committees with jurisdiction over economic

106.11 development policy and finance on the loans provided to remote recreational businesses

106.12 under this section.

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

106.14 Sec. 7. **CANADIAN BORDER COUNTIES ECONOMIC RELIEF PROGRAM.**

106.15 Subdivision 1. **Relief program established.** The Northland Foundation must develop

106.16 and implement a Canadian border counties economic relief program to assist businesses

106.17 adversely affected by the 2021 closure of the Boundary Waters Canoe Area Wilderness or

106.18 the closures of the Canadian border since 2020.

106.19 Subd. 2. **Available relief.** (a) The economic relief program established under this section

106.20 may include grants provided in this section to the extent that funds are available. Before

106.21 awarding a grant to the Northland Foundation for the relief program under this section:

106.22 (1) the Northland Foundation must develop criteria, procedures, and requirements for:

106.23 (i) determining eligibility for assistance;

106.24 (ii) evaluating applications for assistance;

71.14 Sec. 15. **CANADIAN BORDER COUNTIES ECONOMIC RELIEF PROGRAM.**

71.15 Subdivision 1. **Relief program established.** The Northland Foundation must develop

71.16 and implement a Canadian border counties economic relief program to assist businesses

71.17 adversely affected by the 2021 closure of the Boundary Waters Canoe Area Wilderness or

71.18 the closures of the Canadian border since 2020.

71.19 Subd. 2. **Available relief.** (a) The economic relief program established under this section

71.20 may include grants provided in this section to the extent that funds are available. Before

71.21 awarding a grant to the Northland Foundation for the relief program under this section:

71.22 (1) the Northland Foundation must develop criteria, procedures, and requirements for:

71.23 (i) determining eligibility for assistance;

71.24 (ii) evaluating applications for assistance;

106.25 (iii) awarding assistance; and
106.26 (iv) administering the grant program authorized under this section;
106.27 (2) the Northland Foundation must submit its criteria, procedures, and requirements
106.28 developed under clause (1) to the commissioner of employment and economic development
106.29 for review; and
106.30 (3) the commissioner must approve the criteria, procedures, and requirements submitted
106.31 under clause (2).
107.1 (b) The maximum grant to a business under this section is \$50,000 per business.
107.2 Subd. 3. **Qualification requirements.** To qualify for assistance under this section, a
107.3 business must:
107.4 (1) be located within a county that shares a border with Canada;
107.5 (2) document a reduction of at least ten percent in gross receipts in 2021 compared to
107.6 2019; and
107.7 (3) provide a written explanation for how the 2021 closure of the Boundary Waters
107.8 Canoe Area Wilderness or the closures of the Canadian border since 2020 resulted in the
107.9 reduction in gross receipts documented under clause (2).
107.10 Subd. 4. **Monitoring.** (a) The Northland Foundation must establish performance
107.11 measures, including but not limited to the following components:
107.12 (1) the number of grants awarded and award amounts for each grant;
107.13 (2) the number of jobs created or retained as a result of the assistance, including
107.14 information on the wages and benefit levels, the status of the jobs as full time or part time,
107.15 and the status of the jobs as temporary or permanent;
107.16 (3) the amount of business activity and changes in gross revenues of the grant recipient
107.17 as a result of the assistance; and
107.18 (4) the new tax revenue generated as a result of the assistance.
107.19 (b) The commissioner of employment and economic development must monitor the
107.20 Northland Foundation's compliance with this section and the performance measures
107.21 developed under paragraph (a).
107.22 (c) The Northland Foundation must comply with all requests made by the commissioner
107.23 under this section.
107.24 Subd. 5. **Business subsidy requirements.** Minnesota Statutes, sections 116J.993 to
107.25 116J.995, do not apply to assistance under this section. Businesses in receipt of assistance

71.25 (iii) awarding assistance; and
71.26 (iv) administering the grant program authorized under this section;
71.27 (2) the Northland Foundation must submit its criteria, procedures, and requirements
71.28 developed under clause (1) to the commissioner of employment and economic development
71.29 for review; and
71.30 (3) the commissioner must approve the criteria, procedures, and requirements submitted
71.31 under clause (2).
72.1 (b) The maximum grant to a business under this section is \$50,000 per business.
72.2 Subd. 3. **Qualification requirements.** To qualify for assistance under this section, a
72.3 business must:
72.4 (1) be located within a county that shares a border with Canada;
72.5 (2) document a reduction of at least ten percent in gross receipts in 2021 compared to
72.6 2019; and
72.7 (3) provide a written explanation for how the 2021 closure of the Boundary Waters
72.8 Canoe Area Wilderness or the closures of the Canadian border since 2020 resulted in the
72.9 reduction in gross receipts documented under clause (2).
72.10 Subd. 4. **Monitoring.** (a) The Northland Foundation must establish performance
72.11 measures, including but not limited to the following components:
72.12 (1) the number of grants awarded and award amounts for each grant;
72.13 (2) the number of jobs created or retained as a result of the assistance, including
72.14 information on the wages and benefit levels, the status of the jobs as full time or part time,
72.15 and the status of the jobs as temporary or permanent;
72.16 (3) the amount of business activity and changes in gross revenues of the grant recipient
72.17 as a result of the assistance; and
72.18 (4) the new tax revenue generated as a result of the assistance.
72.19 (b) The commissioner of employment and economic development must monitor the
72.20 Northland Foundation's compliance with this section and the performance measures
72.21 developed under paragraph (a).
72.22 (c) The Northland Foundation must comply with all requests made by the commissioner
72.23 under this section.
72.24 Subd. 5. **Business subsidy requirements.** Minnesota Statutes, sections 116J.993 to
72.25 116J.995, do not apply to assistance under this section. Businesses in receipt of assistance

107.26 under this section must provide for job creation and retention goals, and wage and benefit
107.27 goals.

107.28 Subd. 6. **Administrative costs.** The commissioner of employment and economic
107.29 development may use up to one percent of the appropriation made for this section for
107.30 administrative expenses of the department.

107.31 **EFFECTIVE DATE.** This section is effective July 1, 2023, and expires June 30, 2024.

72.26 under this section must provide for job creation and retention goals, and wage and benefit
72.27 goals.

72.28 Subd. 6. **Administrative costs.** The commissioner of employment and economic
72.29 development may use up to one percent of the appropriation made for this section for
72.30 administrative expenses of the department.

72.31 **EFFECTIVE DATE.** This section is effective July 1, 2023, and expires June 30, 2024.

97.1 Sec. 24. **ENGAGEMENT TO ADDRESS BARRIERS TO EMPLOYMENT.**

97.2 The commissioner of employment and economic development shall engage stakeholders
97.3 to identify barriers that adults with mental illness face in obtaining and retaining employment
97.4 and recommend strategies to address those barriers. The commissioner shall solicit feedback
97.5 from advocacy organizations for people with mental illness, mental health providers, people
97.6 with mental illness, organizations that support people with mental illness in obtaining
97.7 employment, and employers. The commissioner shall submit a plan to the legislative
97.8 committees with jurisdiction over employment and human services before February 1, 2024,
97.9 identifying the barriers to employment and making recommendations on how to best improve
97.10 the employment rate among people with mental illness.

97.11 Sec. 25. **SOUTHWESTERN MINNESOTA WORKFORCE DEVELOPMENT**
97.12 **SCHOLARSHIP PILOT PROGRAM.**

97.13 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
97.14 the meanings given.

97.15 (b) "Commissioner" means the commissioner of employment and economic development.

97.16 (c) "Southwest Initiative Foundation" or "foundation" means a nonprofit organization
97.17 that provides services to the following counties in southwest Minnesota: Big Stone,
97.18 Chippewa, Cottonwood, Jackson, Kandiyohi, Lac qui Parle, Lincoln, Lyon, McLeod, Meeker,
97.19 Murray, Nobles, Pipestone, Redwood, Renville, Rock, Swift, and Yellow Medicine, and
97.20 the Lower Sioux Indian Community and Upper Sioux Community.

97.21 (d) "Employer-sponsored applicant" means a student applicant with a local employer
97.22 scholarship equal to or greater than 25 percent of the workforce development scholarship.

97.23 (e) "Eligible student" means a student applicant who:

97.24 (1) is eligible for resident or nonresident tuition;

97.25 (2) is enrolling in an eligible program as determined by the regional workforce
97.26 development board; and

97.27 (3) is enrolling at least half-time at a Minnesota West college listed in subdivision 4.

97.28 (f) "Local employer" means an employer with a physical location in a county within the
97.29 service area of the foundation listed in paragraph (c).

97.30 Subd. 2. **Program established.** The commissioner shall establish a southwestern
97.31 Minnesota workforce development scholarship pilot program administered by the foundation
97.32 to assist in meeting the workforce challenges in southwest Minnesota and enhance long-term
98.1 economic self-sufficiency by connecting students, higher education facilities, employers,
98.2 and communities.

98.3 Subd. 3. **Grant to the Southwest Initiative Foundation.** The commissioner shall award
98.4 all grant funds to the foundation, which shall administer the southwestern Minnesota
98.5 workforce development scholarship pilot program. The foundation may use up to seven
98.6 percent of grant funds for administrative costs.

98.7 Subd. 4. **Scholarship awards.** (a) The foundation shall coordinate available funds and
98.8 award scholarships to the following Minnesota West colleges:

98.9 (1) Canby;
98.10 (2) Granite Falls;
98.11 (3) Pipestone;
98.12 (4) Worthington;
98.13 (5) Jackson;
98.14 (6) Luverne; and
98.15 (7) Marshall.

98.16 (b) Scholarships shall be coordinated by the individual colleges listed in paragraph (a)
98.17 and applied only after all other available grant funding through a last-dollar-in model.

98.18 (c) In awarding grants, priority shall first be given to applicants that are
98.19 program-continuing applicants. Priority shall then be given to employer-sponsored applicants.

98.20 (d) Scholarships are intended to supplement all other grant opportunities and to cover
98.21 the full cost of attendance to the eligible students.

98.22 Subd. 5. **Program eligibility.** Scholarships shall be awarded to eligible students who
98.23 are enrolled in or enrolling in a high-demand occupation associate degree, diploma, or
98.24 certificate or industry-recognized credential program as defined annually by the applicable
98.25 regional workforce development board. Students must complete the Free Application for
98.26 Federal Student Aid if applicable to the program to which they are applying.

98.27 Subd. 6. **Renewal; cap.** A student who has been awarded a scholarship may apply in
98.28 subsequent academic years, but total lifetime awards are not to exceed two full scholarships

98.29 per student. Students may only be awarded a second scholarship upon successful completion
98.30 of the program and subsequent work period requirement.

99.1 Subd. 7. **Administration.** (a) The foundation and Minnesota West colleges shall establish
99.2 an application process and other guidelines for implementing the pilot program.

99.3 (b) Each college shall receive from their respective workforce development board by
99.4 December 1 of each year, commencing in 2023, a list of eligible programs administered by
99.5 the college that are eligible for subsequent year scholarships. The applicable workforce
99.6 development board must consider data based on a workforce shortage for full-time
99.7 employment requiring postsecondary education that is unique to the specific region, as
99.8 reported in the most recent Department of Employment and Economic Development job
99.9 vacancy survey data for the economic development region in which the college is located.
99.10 A workforce shortage area is one in which the job vacancy rate for full-time employment
99.11 in a specific occupation in a region is higher than the state average vacancy rate for that
99.12 same occupation.

99.13 Subd. 8. **Scholarship recipient requirements.** (a) A recipient of a scholarship awarded
99.14 under the program established in this section shall:

99.15 (1) be enrolled in a high-demand occupation associate degree, diploma, or certificate or
99.16 industry-recognized credential program as defined by the regional workforce development
99.17 board and offered by a Minnesota West college;

99.18 (2) adhere to any applicable participating local employer program requirements;

99.19 (3) commit to three years of full-time employment with:

99.20 (i) a sponsoring local employer; or

99.21 (ii) any qualified local employer within the high-demand occupations as defined by the
99.22 regional workforce development board; and

99.23 (4) fulfill the three-year full-time employment commitment in a county within the service
99.24 area of the foundation as listed in subdivision 1, paragraph (c).

99.25 (b) If a recipient of a scholarship fails to fulfill the requirements of paragraph (a), the
99.26 foundation may convert the scholarship to a loan. Amounts repaid from a loan shall be used
99.27 to fund scholarship awards under this section.

99.28 Subd. 9. **Employer partnerships.** The foundation and Minnesota West colleges shall
99.29 establish partnerships with qualified local employers and work to ensure that a percentage
99.30 of the state funds appropriated to each college for the southwestern Minnesota workforce
99.31 development scholarship program are equally matched with employer funds.

100.1 Subd. 10. **Report required.** The foundation must submit an annual report by December
100.2 31 of each year regarding the scholarship program to the chairs and ranking minority
100.3 members of the legislative committees with jurisdiction over employment and economic

100.4 development policy. The first report is due no later than December 31, 2023. The annual
100.5 report shall include:

100.6 (1) the number of students receiving a scholarship at each participating college during
100.7 the previous calendar year;

100.8 (2) the number of scholarships awarded for each program and type of program during
100.9 the previous calendar year;

100.10 (3) the number of scholarship recipients who completed a program of study or
100.11 certification;

100.12 (4) the number of scholarship recipients who secured employment by their graduation
100.13 date and those who secured employment within three months of their graduation date;

100.14 (5) a list of the colleges that received funding, the amount of funding each institution
100.15 received, and whether all withheld funds were distributed;

100.16 (6) a list of occupations scholarship recipients are entering;

100.17 (7) the number of students who were denied a scholarship;

100.18 (8) a list of participating local employers and amounts of any applicable employer
100.19 contributions; and

100.20 (9) a list of recommendations to the legislature regarding potential program improvements.

100.21 Sec. 26. **UNEMPLOYMENT INSURANCE FINE REDUCTION AND INTEREST**
100.22 **ELIMINATION.**

100.23 By January 1, 2024, the commissioner of employment and economic development must
100.24 make recommendations to the legislative committees with jurisdiction over workforce
100.25 development for how the unemployment insurance system will reduce the fines and interest
100.26 applied to misrepresentation overpayments. The commissioner must provide a timeline for
100.27 implementing a reduction of the 40 percent fine to 15 percent and an elimination of the 12
100.28 percent interest rate.