ARTICLE 3

BUSINESS DEVELOPMENT

Section 1. [116J.659] CANNABIS INDUSTRY STARTUP FINANCING GRANTS.

Subdivision 1. Establishment. The commissioner of employment and economic development shall establish CanStartup, a program to award grants to nonprofit corporations to fund loans to new cannabis microbusinesses and to support job creation in communities where long-term residents are eligible to be social equity applicants.

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

(b) "Cannabis microbusiness" means a cannabis business that meets the requirements of section 342.28.

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

(h) "Industry" means the legal cannabis industry in the state of Minnesota.

(i) "New business" means a legal cannabis business that has been in existence for three years or less.

(f) "Program" means the CanStartup grant program.

(jj) "Social equity applicant" means a person who meets the qualification requirements in section 342.15.

Subd. 3. Grants. (a) The commissioner shall establish a revolving loan account to make grants under the CanStartup program.

(b) The commissioner must award grants to nonprofit corporations through a competitive grant process.

(c) To receive grant money, a nonprofit corporation must submit a written application to the commissioner using a form developed by the commissioner.

(d) In awarding grants under this subdivision, the commissioner shall give weight to whether the nonprofit corporation:

(1) has a board of directors that includes citizens experienced in business and community development, new business enterprises, and creating jobs for people facing barriers to education or employment;

(2) has the technical skills to analyze projects;

(e) "Program" means the CanStartup grant program.

(f) "Social equity applicant" means a person who meets the qualification requirements in section 342.16.

Subd. 4. Appropriation. Money in the CanStartup revolving loan account, including interest, is appropriated to the commissioner to make grants under the CanStartup program.

Subd. 5. Administration. The commissioner shall administer the CanStartup program in accordance with this section.
is familiar with other available public and private funding sources and economic
development programs;
(4) can initiate and implement economic development projects;
(5) can establish and administer a revolving loan account;
(6) can work with job referral networks that assist people facing barriers to education
or employment; and
(7) has established relationships with communities where long-term residents are eligible
to be social equity applicants.

The commissioner shall make grants that will assist new cannabis microbusinesses.

(a) The criteria in this subdivision apply to loans made
(1) $50,000; or
(2) $150,000, if state contributions are matched by an equal or greater amount of new
private investment. The commissioner shall review existing agreements with nonprofit corporations every five years and may renew or terminate an agreement based on that review. In making this review, the commissioner shall consider, among other criteria, the criteria in paragraph (d).

(b) Loans must be used to support a new cannabis microbusiness in the legal cannabis industry. Priority must be given to loans to businesses owned by individuals who are eligible to be social equity applicants and businesses located in communities where long-term residents are eligible to be social equity applicants.

(c) Loans must be made to cannabis microbusinesses that are not likely to undertake the project for which loans are sought without assistance from the program.

(d) The minimum state contribution to a loan is $2,500 and the maximum is either:
(1) $50,000; or
(2) $150,000, if state contributions are matched by an equal or greater amount of new
private investment.

(e) Loan applications given preliminary approval by the nonprofit corporation must be
forwarded to the commissioner for approval. The commissioner must give final approval
for each loan made by the nonprofit corporation under the program.
171.4 (f) A cannabis microbusiness that receives a loan may apply to renew the loan. Renewal applications must be made on an annual basis and a cannabis microbusiness may receive loans for up to six consecutive years. A nonprofit corporation may renew a loan to a cannabis microbusiness that is no longer a new business provided the business would otherwise qualify for the loan. A nonprofit corporation and the commissioner. A nonprofit corporation may adjust the amount of a renewed loan, or not renew a loan, if the nonprofit corporation determines that the cannabis microbusiness is financially stable and is substantially likely to continue the project for which the loan renewal is sought.

171.13 (g) If a borrower has met lender criteria, including being current with all payments for a minimum of three years, the commissioner may approve either full or partial forgiveness of interest or principal amounts.

171.16 Subd. 5. Revolving loan account administration. (a) The commissioner shall establish a minimum interest rate for loans or guarantees to ensure that necessary loan administration costs are covered. The interest rate charged by a nonprofit corporation for a loan under this section must not exceed the Wall Street Journal prime rate. For a loan under this section, the nonprofit corporation may charge a loan origination fee equal to or less than one percent of the loan value. The nonprofit corporation may retain the amount of the origination fee.

171.22 (b) Loan repayment of principal must be paid to the commissioner for deposit in the revolving loan account. Loan interest payments must be deposited in a revolving loan account created by the nonprofit corporation originating the loan being repaid for further distribution or use, consistent with the criteria of this section.

171.26 (c) Administrative expenses of the nonprofit corporations with whom the commissioner enters into agreements, including expenses incurred by a nonprofit corporation in providing financial, technical, managerial, and marketing assistance to a business receiving a loan under this section, are eligible program expenses the commissioner may agree to pay under the grant agreement.

171.31 Subd. 6. Program outreach. The commissioner shall make extensive efforts to publicize this program, including through partnerships with community organizations, particularly those organizations located in areas where long-term residents are eligible to be social equity applicants.

171.11 Subd. 7. Reporting requirements. (a) A nonprofit corporation that receives a grant shall:

171.3 (1) submit an annual report to the commissioner by February 1 of each year that the nonprofit corporation participates in the program that includes a description of businesses supported by the grant program, an account of loans made during the calendar year, the program's impact on business creation and job creation, particularly in communities where long-term residents are eligible to be social equity applicants, the source and amount of

171.17 (f) A business that receives a loan may apply to renew the loan. Renewal applications must be made on an annual basis and a business may receive loans for up to six consecutive years. A nonprofit corporation may renew a loan to a business that is no longer a new business provided the business would otherwise qualify for an initial loan and is in good standing with the nonprofit corporation and the commissioner. A nonprofit corporation may adjust the amount of a renewed loan, or not renew a loan, if the nonprofit corporation determines that the business is financially stable and is substantially likely to continue the project for which the loan renewal is sought.

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171.7 (b) Loan repayment of principal must be paid to the commissioner for deposit in the revolving loan account. Loan interest payments must be deposited in a revolving loan account created by the nonprofit corporation originating the loan being repaid for further distribution or use, consistent with the criteria of this section.

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171.3 (1) submit an annual report to the commissioner by February 1 of each year that the nonprofit corporation participates in the program that includes a description of businesses supported by the grant program, an account of loans made during the calendar year, the program's impact on business creation and job creation, particularly in communities where long-term residents are eligible to be social equity applicants, the source and amount of
money collected and distributed by the program, the program's assets and liabilities, and an
explanation of administrative expenses; and
(2) provide for an independent annual audit to be performed in accordance with generally
accepted accounting practices and auditing standards and submit a copy of each annual
audit report to the commissioner.
(b) By March 1, 2024, and each March 1 thereafter, the commissioner must submit a
report 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
awards given through the CanStartup program and the use of grant money, including any
measures of success toward financing new cannabis microbusinesses and creating jobs in
communities where long-term residents are eligible to be social equity applicants.
Sec. 2. [116J.6595] CANNABIS INDUSTRY NAVIGATION GRANTS.
Subd. 1. Establishment. The commissioner of employment and economic
development shall establish CanNavigate, a program to award grants to eligible organizations
to help individuals navigate the regulatory structure of the legal cannabis industry.
Subd. 2. Definitions. (a) For the purposes of this section, the following terms have the
meanings given:
(b) "Commissioner" means the commissioner of employment and economic development.
(c) "Eligible organization" means any organization capable of helping individuals navigate
the regulatory structure of the legal cannabis industry, particularly individuals facing barriers
to education or employment, and may include educational institutions, nonprofit
organizations, private businesses, community groups, units of local government, or
partnerships between different types of organizations.
(d) "Industry" means the legal cannabis industry in the state of Minnesota.
(e) "Program" means the CanNavigate grant program.
(f) "Social equity applicant" means a person who meets the qualification requirements
in section 342.16.
Subd. 3. Grants to organizations. (a) Grant money awarded to eligible organizations
may be used for both developing technical assistance resources relevant to the regulatory
structure of the legal cannabis industry and for providing technical assistance or navigation
services to individuals.
(b) The commissioner must award grants to eligible organizations through a competitive
grant process.
(c) To receive grant money, an eligible organization must submit a written application
to the commissioner, using a form developed by the commissioner, explaining the
(2) provide for an independent annual audit to be performed in accordance with generally
accepted accounting practices and auditing standards and submit a copy of each annual
audit report to the commissioner.
(b) By March 1, 2024, and each March 1 thereafter, the commissioner must submit a
report 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
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partnerships between different types of organizations.
(d) "Industry" means the legal cannabis industry in the state of Minnesota.
(e) "Program" means the CanNavigate grant program.
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services to individuals.
(b) The commissioner must award grants to eligible organizations through a competitive
grant process.
(c) To receive grant money, an eligible organization must submit a written application
to the commissioner, using a form developed by the commissioner, explaining the
organization's ability to assist individuals in navigating the regulatory structure of the legal cannabis industry, particularly individuals facing barriers to education or employment.

(d) An eligible organization's grant application must also include:

(1) a description of the proposed technical assistance or navigation services, including the types of individuals targeted for assistance;

(2) any evidence of the organization's past success in providing technical assistance or navigation services to individuals, particularly individuals who live in areas where long-term residents are eligible to be social equity applicants;

(3) an estimate of the cost of providing the technical assistance;

(4) the sources and amounts of any nonstate money or in-kind contributions that will supplement grant money, including any amounts that individuals will be charged to receive assistance; and

(5) any additional information requested by the commissioner.

d) In awarding grants under this subdivision, the commissioner shall give weight to applications from organizations that demonstrate a history of successful technical assistance or navigation services, particularly for individuals facing barriers to education or employment.

The commissioner shall also give weight to applications where the proposed technical assistance will serve areas where long-term residents are eligible to be social equity applicants. To the extent practicable, the commissioner shall fund technical assistance for a variety of sectors in the legal cannabis industry, including both processing and retail sectors.

Subd. 4. Program outreach.
The commissioner shall make extensive efforts to publicize these grants, including through partnerships with community organizations, particularly those organizations located in areas where long-term residents are eligible to be social equity applicants.

Subd. 5. Reports to the legislature.
By January 15, 2024, and each January 15 thereafter, the commissioner must submit a report 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 awards given through the CanNavigate program and the use of grant money, including any measures of success toward helping individuals navigate the regulatory structure of the legal cannabis industry.

Sec. 3. [116L.90] CANNABIS INDUSTRY TRAINING GRANTS.

Subdivision 1. Establishment.
The commissioner of employment and economic development shall establish CanTrain, a program to award grants to (1) eligible organizations to train people for work in the legal cannabis industry, and (2) eligible individuals to acquire such training.

organization's ability to assist individuals in navigating the regulatory structure of the legal cannabis industry, particularly individuals facing barriers to education or employment.

(d) An eligible organization's grant application must also include:

(1) a description of the proposed technical assistance or navigation services, including the types of individuals targeted for assistance;

(2) any evidence of the organization's past success in providing technical assistance or navigation services to individuals, particularly individuals who live in areas where long-term residents are eligible to be social equity applicants;

(3) an estimate of the cost of providing the technical assistance;

(4) the sources and amounts of any nonstate money or in-kind contributions that will supplement grant money, including any amounts that individuals will be charged to receive assistance; and

(5) any additional information requested by the commissioner.

d) In awarding grants under this subdivision, the commissioner shall give weight to applications from organizations that demonstrate a history of successful technical assistance or navigation services, particularly for individuals facing barriers to education or employment.

The commissioner shall also give weight to applications where the proposed technical assistance will serve areas where long-term residents are eligible to be social equity applicants. To the extent practicable, the commissioner shall fund technical assistance for a variety of sectors in the legal cannabis industry, including both processing and retail sectors.

Subd. 4. Program outreach.
The commissioner shall make extensive efforts to publicize these grants, including through partnerships with community organizations, particularly those organizations located in areas where long-term residents are eligible to be social equity applicants.

Subd. 5. Reports to the legislature.
By January 15, 2024, and each January 15 thereafter, the commissioner must submit a report 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 awards given through the CanNavigate program and the use of grant money, including any measures of success toward helping individuals navigate the regulatory structure of the legal cannabis industry.
Subd. 2. Definitions. (a) For the purposes of this section, the following terms have the meanings given.

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

c) "Eligible organization" means any organization capable of providing training relevant to the legal cannabis industry, particularly for individuals facing barriers to education or employment, and may include educational institutions, nonprofit organizations, private businesses, community groups, units of local government, or partnerships between different types of organizations.

d) "Eligible individual" means a Minnesota resident who is 21 years old or older.

e) "Industry" means the legal cannabis industry in Minnesota.

(f) "Program" means the CanTrain grant program.

g) "Social equity applicant" means a person who meets the qualification requirements in section 342.16.

Subd. 3. Grants to organizations. (a) Grant money awarded to eligible organizations may be used for both developing a training program relevant to the legal cannabis industry and for providing such training to individuals.

(b) The commissioner must award grants to eligible organizations through a competitive grant process.

c) To receive grant money, an eligible organization must submit a written application to the commissioner, using a form developed by the commissioner, explaining the organization's ability to train individuals for successful careers in the legal cannabis industry, particularly individuals facing barriers to education or employment.

d) An eligible organization's grant application must also include:

1) a description of the proposed training;

2) an analysis of the degree of demand in the legal cannabis industry for the skills gained through the proposed training;

3) any evidence of the organization's past success in training individuals for successful careers, particularly in new or emerging industries;

4) an estimate of the cost of providing the proposed training;

5) the sources and amounts of any nonstate funds or in-kind contributions that will supplement grant money, including any amounts that individuals will be charged to participate in the training; and

6) any additional information requested by the commissioner.

e) Grant money awarded to eligible organizations, including any amounts that individuals will be charged to participate in the training, may be used for both developing a training program relevant to the legal cannabis industry, particularly for individuals facing barriers to education or employment, and may include educational institutions, nonprofit organizations, private businesses, community groups, units of local government, or partnerships between different types of organizations.

(f) "Eligible individual" means a Minnesota resident who is 21 years old or older.

g) "Industry" means the legal cannabis industry in Minnesota.

(h) "Program" means the CanTrain grant program.

(i) "Social equity applicant" means a person who meets the qualification requirements in section 342.16.
(c) In awarding grants under this subdivision, the commissioner shall give weight to applications from organizations that demonstrate a history of successful career training, particularly for individuals facing barriers to education or employment. The commissioner shall also give weight to applications where the proposed training will:

1. result in an industry-relevant credential; or
2. include opportunities for hands-on or on-site experience in the industry.

The commissioner shall fund training for a broad range of careers in the legal cannabis industry, including both potential business owners and employees and for work in the growing, processing, and retail sectors of the legal cannabis industry.

Subd. 4. Grants to individuals. (a) The commissioner shall award grants of $20,000 to eligible individuals to pursue a training program relevant to a career in the legal cannabis industry.

(b) To receive grant money, an eligible individual must submit a written application to the commissioner, using a form developed by the commissioner, identifying a training program relevant to the legal cannabis industry and the estimated cost of completing that training. The application must also indicate whether:

1. the applicant is eligible to be a social equity applicant;
2. (2) the proposed training program results in an industry-relevant credential; and
3. (3) the proposed training program includes opportunities for hands-on or on-site experience in the industry.

The commissioner shall attempt to make the application process simple for individuals to complete, such as by publishing lists of industry-relevant training programs along with the training program’s estimated cost of completing the training programs and whether the training programs will result in an industry-relevant credential or include opportunities for hands-on or on-site experience in the legal cannabis industry.

(c) The commissioner must award grants to eligible individuals through a lottery process. Applicants who have filed complete applications by the deadline set by the commissioner shall receive one entry in the lottery, plus one additional entry for each of the following:

1. (1) being eligible to be a social equity applicant;
2. (2) seeking to enroll in a training program that results in an industry-relevant credential; and
3. (3) seeking to enroll in a training program that includes opportunities for hands-on or on-site experience in the industry.

(d) Grant money awarded to eligible individuals shall be used to pay the costs of enrolling in a training program relevant to the legal cannabis industry, including tuition, fees, and

In awarding grants under this subdivision, the commissioner shall give weight to applications from organizations that demonstrate a history of successful career training, particularly for individuals facing barriers to education or employment. The commissioner shall also give weight to applications where the proposed training will:

1. (1) result in an industry-relevant credential; or
2. (2) include opportunities for hands-on or on-site experience in the industry.

The commissioner shall fund training for a broad range of careers in the legal cannabis industry, including both potential business owners and employees and for work in the growing, processing, and retail sectors of the legal cannabis industry.

Subd. 4. Grants to individuals. (a) The commissioner shall award grants of up to $20,000 to eligible individuals to pursue a training program relevant to a career in the legal cannabis industry.

(b) To receive grant money, an eligible individual must submit a written application to the commissioner, using a form developed by the commissioner, identifying a training program relevant to the legal cannabis industry and the estimated cost of completing that training. The application must also indicate whether:

1. (1) the applicant is eligible to be a social equity applicant;
2. (2) the proposed training program results in an industry-relevant credential; and
3. (3) the proposed training program includes opportunities for hands-on or on-site experience in the industry.

The commissioner shall attempt to make the application process simple for individuals to complete, such as by publishing lists of industry-relevant training programs along with the training program’s estimated cost of completing the training programs and whether the training programs will result in an industry-relevant credential or include opportunities for hands-on or on-site experience in the legal cannabis industry.

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Grant money may also be used to remove external barriers to attending such a training program, such as the cost of child care, transportation, or other expenses approved by the commissioner. Subd. 5. Program outreach. The commissioner shall make extensive efforts to publicize these grants, including through partnerships with community organizations, particularly those organizations located in areas where long-term residents are eligible to be social equity applicants.

Subd. 6. Reports to the legislature. By January 15, 2024, and each January 15 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over workforce development that describes awards given through the CanTrain program and the use of grant money, including any measures of success toward training people for successful careers in the legal cannabis industry.