

CHAPTER 116N

RURAL DEVELOPMENT BOARD

116N.02 Rural development board.

116N.08 Challenge grant program.

116N.02 RURAL DEVELOPMENT BOARD.*[For text of subds 1 to 5, see M.S.1988]*

Subd. 6. Account allocation. The commissioner shall allocate \$6,000,000 from the rural rehabilitation account to be used for the challenge grant program.

History: 1989 c 335 art 4 s 52**116N.08 CHALLENGE GRANT PROGRAM.***[For text of subds 1 to 3, see M.S.1988]*

Subd. 4. Revolving loan fund. A regional organization shall establish a board certified revolving loan fund to provide loans to new and expanding businesses in rural Minnesota to promote economic development. Eligible business enterprises include technologically innovative industries, value-added manufacturing, agriprocessing, information industries, and agricultural marketing. Loan applications given preliminary approval by the organization must be forwarded to the commissioner for final approval. The amount of state money allocated for each loan is appropriated from the rural rehabilitation account established in section 116J.955 to the organization's regional revolving loan fund when the commissioner gives final approval for each loan. The amount of money appropriated from the rural rehabilitation account may not exceed 50 percent for each loan. The amount of nonpublic money must equal at least 50 percent for each loan.

[For text of subds 5 to 7, see M.S.1988]

Subd. 8. Local governmental unit loans. A local governmental unit may receive a loan under this section if the local governmental unit has established a local revolving loan fund and can provide at least an equal match to the loan received from a regional organization. For the purpose of providing the match to establish the local revolving loan fund, the local governmental unit may use any unencumbered money in the general fund of the unit. Revenues from tax increments derived from a district located within the boundaries of the local governmental unit may be used to fund a second local revolving loan fund only if (1) those revenues are loaned in a manner authorized in the district's tax increment financing plan to a business located within the tax increment district, and (2) the revenues are deposited in a loan fund that is separate from the loan fund in which general fund money is established. The local governmental unit may deposit up to \$50,000 of local public money in each of the local revolving funds that may be established under this subdivision. The maximum loan available to a local governmental unit under this section is \$50,000. The money loaned to a local governmental unit by a regional organization must be matched by the local revolving loan fund and used to provide loans to businesses to promote local economic development. One-half of the money loaned to a local governmental unit under this section by a regional organization must be repaid to the rural rehabilitation account. One-half of the money may be retained by the local governmental unit's revolving loan fund for further distribution by the local governmental unit.

*[For text of subds 9 and 10, see M.S.1988]***History:** 1989 c 335 art 4 s 53,54

CHAPTER 1160

GREATER MINNESOTA CORPORATION

1160.02	Definitions.	1160.09	Agricultural utilization research institute.
1160.03	Corporation; board of directors; powers.	1160.12	Greater Minnesota account.
1160.04	Corporate personnel.	1160.13	Agricultural project utilization account.
1160.05	Powers of the corporation.	1160.14	Audits.
1160.06	Financial assistance.	1160.15	Annual report.
1160.08	Regional research institutes.		

1160.02 DEFINITIONS.

[For text of subds 1 to 5, see M.S.1988]

Subd. 6. **Technology-related assistance.** "Technology-related assistance" means the transfer of technological information and technologies to assist in the development and production of new technology-related products or services or to increase the productivity or otherwise enhance the production or delivery of existing products or services.

History: 1989 c 335 art 1 s 168

1160.03 CORPORATION; BOARD OF DIRECTORS; POWERS.

Subdivision 1. **Establishment.** The Greater Minnesota Corporation is established as a public corporation of the state and is not subject to the laws governing a state agency except as provided in this chapter. The business of the corporation must be conducted under the name "Greater Minnesota Corporation."

Subd. 1a. **Purpose.** The purpose of the corporation is to foster long-term economic growth and job creation by stimulating innovation and the development of new products, services, and production processes through technology transfer, applied research, and financial assistance. The corporation's purpose is not to create new programs or services but to build on the existing educational, business, and economic development infrastructure. The primary focus of the corporation's activities must be to benefit new or existing small and medium-sized businesses in greater Minnesota.

[For text of subd 2, see M.S.1988]

Subd. 2a. Notwithstanding subdivision 2, the commissioner of trade and economic development is a member of the Greater Minnesota Corporation's board of directors when the first vacancy on the board occurs.

Subd. 3. **Bylaws.** The board of directors shall adopt bylaws necessary for the conduct of the business of the corporation, consistent with this chapter. The corporation must publish the bylaws and amendments to the bylaws in the State Register.

[For text of subds 4 to 10, see M.S.1988]

Subd. 11. **Statements of economic interest.** Directors, officers, and employees of the corporation are public officials for the purpose of section 10A.09, and must file statements of economic interest with the ethical practices board.

History: 1989 c 335 art 1 s 169,170,177; art 4 s 55,56

1160.04 CORPORATE PERSONNEL.

[For text of subds 1 to 3, see M.S.1988]

Subd. 4. **Personnel policies.** (a) The corporation must adopt and periodically revise, if necessary, an affirmative action plan similar to the affirmative action plan under section 43A.19, subdivision 1. The corporation is subject to the audit and reporting requirements under section 43A.191, subdivision 3.

(b) Employees of the corporation are subject to the prohibition of political activities and required leave of absences under section 43A.32.

(c) Employees of the corporation are subject to the code of ethics requirements under section 43A.38.

History: 1989 c 335 art 4 s 57

116O.05 POWERS OF THE CORPORATION.

Subdivision 1. **General corporate powers.** (a) The corporation has the powers granted to a business corporation by section 302A.161, subdivisions 3; 4; 5; 7; 8; 9; 11; 12; 13, except that the corporation may not act as a general partner in any partnership; 14; 15; 16; 17; 18; and 22.

(b) The state is not liable for the obligations of the corporation.

(c) Section 302A.041 applies to this chapter and the corporation in the same manner that it applies to business corporations established under chapter 302A.

(d) The corporation is a state agency for the purposes of the following accounting and budgeting requirements:

(1) financial reports and other requirements under section 16A.06;

(2) the state budget system under sections 16A.095, 16A.10, and 16A.11;

(3) the state allotment and encumbrance, and accounting systems under sections 16A.14, subdivisions 2, 3, 4, and 5; and 16A.15, subdivisions 2 and 3; and

(4) indirect costs under section 16A.127.

Subd. 2. **Duties.** The corporation shall:

(1) establish programs, activities, and policies that provide technology transfer and applied research and development assistance to individuals, sole proprietorships, partnerships, corporations, other business entities, and nonprofit organizations in the state that are primarily new and existing small and medium-sized businesses in greater Minnesota;

(2) provide or provide for technology-related assistance to individuals, sole proprietorships, partnerships, corporations, other business entities, and nonprofit organizations;

(3) provide financial assistance under section 116O.06 to assist the development of new products, services, or production processes or to assist in bringing new products or services to the marketplace;

(4) provide or provide for research services including on-site research and testing of production techniques and product quality;

(5) establish and operate regional research institutes as provided for in section 116O.08;

(6) make matching research grants for applied research and development to public and private post-secondary education institutes as provided for in section 116O.11;

(7) enter into contracts for establishing formal relationships with public or private research institutes or facilities;

(8) establish the agricultural utilization research institute under section 116O.09; and

(9) not duplicate existing services or activities provided by other public and private organizations but shall build on the existing educational, business, and economic development infrastructure.

Subd. 3. **Rules.** The corporation is not subject to chapter 14, but must publish in the State Register any guidelines, policies, rules, or eligibility criteria prepared or adopted by the corporation for any of its financial or technology transfer programs.

History: 1989 c 335 art 1 s 171; art 4 s 58

116O.06 FINANCIAL ASSISTANCE.

Subdivision 1. Financial assistance; types. The corporation may provide financial assistance to individuals, sole proprietorships, partnerships, corporations, other business entities, or nonprofit organizations that have (1) received research assistance from a corporation research facility or as a result of a research grant under section 116O.09, subdivision 4, or 116O.011; or (2) received favorable review through a peer review process established under guidelines developed under section 116O.10, subdivision 2. Financial assistance includes, but is not limited to, loan guarantees or insurance, direct loans, and interest subsidy payments. The corporation may participate in loans by purchasing from a lender up to 50 percent of each loan. Financial assistance under this section is for assisting in the financing of a business's debt financing, product development financing, or working capital needs.

[For text of subs 2 to 4, see M.S.1988]

Subd. 5. Preference. In providing financial assistance, the corporation must give preference to individuals, sole proprietorships, partnerships, corporations, other business entities, or organizations that are starting or expanding their operations in greater Minnesota.

History: 1989 c 335 art 1 s 172,173

116O.08 REGIONAL RESEARCH INSTITUTES.

[For text of subd 1, see M.S.1988]

Subd. 2. Purpose. The purpose of the institutes is to provide applied research and development services to individuals, businesses, or organizations for the purposes of developing the region's economy through the utilization of the region's resources and the development of technology. Research and development services may include on-site research, product development grants, testing of production techniques and product quality and feasibility studies.

[For text of subs 3 to 7, see M.S.1988]

History: 1989 c 335 art 1 s 174

116O.09 AGRICULTURAL UTILIZATION RESEARCH INSTITUTE.

Subdivision 1. Establishment. The agricultural utilization research institute is established as a nonprofit corporation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The agricultural utilization research institute shall promote the establishment of new products and product uses and the expansion of existing markets for the state's agricultural commodities and products. The institute must be located near an existing agricultural research facility in the agricultural region of the state.

Subd. 1a. Board of directors. The board of directors of the agricultural utilization research institute is comprised of:

- (1) the chairs of the senate agriculture and rural development committee and the house of representatives agriculture committee;
- (2) two representatives of statewide farm organizations;
- (3) two representatives of agribusiness, one of whom is a member of the Greater Minnesota Corporation board representing agribusiness; and
- (4) three representatives of the commodity promotion councils.

A member of the board of directors under clauses (1) to (4) may designate a permanent or temporary replacement member representing the same constituency.

Subd. 2. Duties. (a) In addition to the duties and powers assigned to the institutes in section 116O.08, the agricultural utilization research institute shall:

- (1) identify the various market segments characterized by Minnesota's agricultur-

al industry, address each segment's individual needs, and identify development opportunities in each segment;

(2) develop and implement a utilization program for each segment that addresses its development needs and identifies techniques to meet those needs;

(3) coordinate research among the public and private organizations and individuals specifically addressing procedures to transfer new technology to businesses, farmers, and individuals; and

(4) provide research grants to public and private educational institutions and other organizations that are undertaking basic and applied research that would promote the development of the various agricultural industries.

(b) The agricultural utilization research institute board of directors, with the concurrence of the advisory board, shall have the sole approval authority for establishing agricultural utilization research priorities, requests for proposals to meet those priorities, awarding of grants, hiring and direction of personnel, and other expenditures of funds consistent with the adopted and approved mission and goals of the agricultural utilization research institute. The actions and expenditures of the agricultural utilization research institute are subject to audit and regular annual report to the legislature in general and specifically the house of representatives agriculture committee, the senate agriculture and rural development committee, the house of representatives appropriations committee, and the senate finance committee.

[For text of subds 3 to 5, see M.S.1988]

History: 1989 c 350 art 7 s 1-3

1160.12 GREATER MINNESOTA ACCOUNT.

(a) The Greater Minnesota account is in the special revenue fund. Money in the account not needed for the immediate purposes of the corporation may be invested by the state board of investment in any way authorized by section 11A.24. Money in the account is appropriated to the corporation to be used as provided in this chapter.

(b) The account consists of:

(1) money appropriated and transferred from other state funds;

(2) fees and charges collected by the corporation;

(3) income from investments and purchases;

(4) revenue from loans, rentals, royalties, dividends, and other proceeds collected in connection with lawful corporate purposes;

(5) gifts, donations, and bequests made to the corporation; and

(6) through the first five full fiscal years, during which proceeds from the lottery are received, one-half of the net proceeds of the state-operated lottery must be credited to the Greater Minnesota Corporation account. Thereafter, up to one-half, as determined by law each biennium, of the net proceeds from the state-operated lottery must be credited to the Greater Minnesota Corporation account.

History: 1989 c 335 art 4 s 59

1160.13 AGRICULTURAL PROJECT UTILIZATION ACCOUNT.

The agricultural project utilization account is an account in the special revenue fund. Money in the account is appropriated to the agricultural utilization research institute to be used for agricultural research grants as provided in section 1160.09, subdivision 4, and for the agricultural utilization research institute.

History: 1989 c 335 art 4 s 60

1160.14 AUDITS.

The corporation board shall contract with a certified public accounting firm to do a financial and compliance audit of the corporation and any subsidiary annually in accordance with generally accepted accounting standards. A copy of this audit must

be submitted to the chairs of the senate finance and economic development and housing committees, and the house appropriations and economic development committees.

The corporation is subject to the auditing requirements under sections 3.971 and 3.972.

History: 1989 c 335 art 1 s 175

1160.15 ANNUAL REPORT.

The board shall submit a report to the chairs of the senate economic development and housing and the house economic development committees of the legislature and the governor on the activities of the corporation by February 1 of each year. The report must include at least the following:

(1) a description of each of the programs that the corporation has provided or undertaken at some time during the previous year. The description of each program must describe (i) the statement of purpose for the program, (ii) the administration of the program including the activities the corporation was responsible for and the responsibilities that other organizations had in administering the program, (iii) the results of the program including how the results were measured, (iv) the expenses of the program paid by the corporation, and (v) the source of corporate and noncorporate funding for the program;

(2) an identification of the sources of funding in the previous year for the corporation and its programs including federal, state and local government, foundations, gifts, donations, fees, and all other sources;

(3) a description of the distribution of all money spent by the corporation in the previous year including an identification of the total expenditures, other than corporate administrative expenditures, by sector of the economy;

(4) a description of the administrative expenses of the corporation during the previous year;

(5) a listing of the assets and liabilities of the corporation at the end of the previous fiscal year;

(6) a list and description of each grant awarded by the corporation during the previous year;

(7) a description of any changes made to the operational plan during the previous year; and

(8) a description of any newly adopted or significant changes to bylaws, programmatic or administrative guidelines, policies, rules, or eligibility criteria for programs created or administered by the corporation during the previous year.

Reports must be made to the legislature as required by section 3.195.

History: 1989 c 335 art 1 s 176