

## CHAPTER 116J

DEPARTMENT OF TRADE AND ECONOMIC  
DEVELOPMENT

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## 116J.01 DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT.

*[For text of subds 1 and 2, see M.S.2000]*

Subd. 4. **Appointment of deputy commissioner of the office of tourism.** The deputy commissioner of the office of tourism shall be appointed by the governor. The deputy commissioner is under the supervision of the commissioner and serves in the unclassified service.

Subd. 5. **Departmental organization.** (a) The commissioner shall organize the department as provided in section 15.06.

(b) The commissioner may establish divisions and offices within the department. The commissioner may employ four deputy commissioners in the unclassified service. One deputy must direct the Minnesota trade office and must be experienced and knowledgeable in matters of international trade. One must direct the office of tourism and be knowledgeable in matters of tourism.

(c) The commissioner shall:

(1) employ assistants and other officers, employees, and agents that the commissioner considers necessary to discharge the functions of the commissioner's office;

(2) define the duties of the officers, employees, and agents, and delegate to them any of the commissioner's powers, duties, and responsibilities, subject to the commissioner's control and under conditions prescribed by the commissioner.

(d) The commissioner shall ensure that there are at least three trade and economic development officers in state offices in nonmetropolitan areas of the state who will work with local units of government on developing local trade and economic development.

**History:** 2001 c 200 s 1,2

## 116J.421 RURAL POLICY AND DEVELOPMENT CENTER.

Subdivision 1. **Established.** (a) The rural policy and development center is established at Mankato State University. The center may be established by the board as a nonprofit corporation under section 501(c)(3) of the Internal Revenue Code or the board may organize and operate the center in a manner and form that the board determines best allows the center to carry out its duties.

(b) If the board organizes the center as a nonprofit corporation under section 501(c)(3) of the Internal Revenue Code, staff of the center may participate in state insurance plans that apply to state employees generally, and are subject to regulation by the state campaign finance and public disclosure board.

*[For text of subds 2 to 7, see M.S.2000]*

**History:** 2001 c 86 s 1

**116J.424 IRRRB CONTRIBUTION.**

The commissioner of the iron range resources and rehabilitation board with approval of the board shall provide an equal match for any loan or equity investment made for a facility located in the tax relief area defined in section 273.134, paragraph (b), by the Minnesota minerals 21st century fund created by section 116J.423. The match may be in the form of a loan or equity investment, notwithstanding whether the fund makes a loan or equity investment. The state shall not acquire an equity interest because of an equity investment or loan by the board and the board at its sole discretion shall decide what interest it acquires in a project. The commissioner of trade and economic development may require a commitment from the board to make the match prior to disbursing money from the fund.

**History:** *1Sp2001 c 5 art 6 s 1*

**116J.541** [Repealed, 2001 c 200 s 4]

**116J.542** [Repealed, 2001 c 200 s 4]

**116J.70 DEFINITIONS.**

*[For text of subds 1 and 2, see M.S.2000]*

Subd. 2a. **License; exceptions.** "Business license" or "license" does not include the following:

(1) any occupational license or registration issued by a licensing board listed in section 214.01 or any occupational registration issued by the commissioner of health pursuant to section 214.13;

(2) any license issued by a county, home rule charter city, statutory city, township, or other political subdivision;

(3) any license required to practice the following occupation regulated by the following sections:

- (i) abstracters regulated pursuant to chapter 386;
- (ii) accountants regulated pursuant to chapter 326A;
- (iii) adjusters regulated pursuant to chapter 72B;
- (iv) architects regulated pursuant to chapter 326;
- (v) assessors regulated pursuant to chapter 270;
- (vi) athletic trainers regulated pursuant to chapter 148;
- (vii) attorneys regulated pursuant to chapter 481;
- (viii) auctioneers regulated pursuant to chapter 330;
- (ix) barbers regulated pursuant to chapter 154;
- (x) beauticians regulated pursuant to chapter 155A;
- (xi) boiler operators regulated pursuant to chapter 183;
- (xii) chiropractors regulated pursuant to chapter 148;
- (xiii) collection agencies regulated pursuant to chapter 332;
- (xiv) cosmetologists regulated pursuant to chapter 155A;

(xv) dentists, registered dental assistants, and dental hygienists regulated pursuant to chapter 150A;

- (xvi) detectives regulated pursuant to chapter 326;
- (xvii) electricians regulated pursuant to chapter 326;
- (xviii) mortuary science practitioners regulated pursuant to chapter 149A;
- (xix) engineers regulated pursuant to chapter 326;
- (xx) insurance brokers and salespersons regulated pursuant to chapter 60A;
- (xxi) certified interior designers regulated pursuant to chapter 326;
- (xxii) midwives regulated pursuant to chapter 147D;
- (xxiii) nursing home administrators regulated pursuant to chapter 144A;

- (xxiv) optometrists regulated pursuant to chapter 148;
- (xxv) osteopathic physicians regulated pursuant to chapter 147;
- (xxvi) pharmacists regulated pursuant to chapter 151;
- (xxvii) physical therapists regulated pursuant to chapter 148;
- (xxviii) physician assistants regulated pursuant to chapter 147A;
- (xxix) physicians and surgeons regulated pursuant to chapter 147;
- (xxx) plumbers regulated pursuant to chapter 326;
- (xxxi) podiatrists regulated pursuant to chapter 153;
- (xxxii) practical nurses regulated pursuant to chapter 148;
- (xxxiii) professional fund raisers regulated pursuant to chapter 309;
- (xxxiv) psychologists regulated pursuant to chapter 148;
- (xxxv) real estate brokers, salespersons, and others regulated pursuant to chapters 82 and 83;
- (xxvi) registered nurses regulated pursuant to chapter 148;
- (xxvii) securities brokers, dealers, agents, and investment advisers regulated pursuant to chapter 80A;
- (xxviii) steamfitters regulated pursuant to chapter 326;
- (xxix) teachers and supervisory and support personnel regulated pursuant to chapter 125;
- (xl) veterinarians regulated pursuant to chapter 156;
- (xli) water conditioning contractors and installers regulated pursuant to chapter 326;
- (xlii) water well contractors regulated pursuant to chapter 103I;
- (xliii) water and waste treatment operators regulated pursuant to chapter 115;
- (xliv) motor carriers regulated pursuant to chapter 221;
- (xlv) professional firms regulated under chapter 319B;
- (xlvi) real estate appraisers regulated pursuant to chapter 82B;
- (xlvii) residential building contractors, residential remodelers, residential roofers, manufactured home installers, and specialty contractors regulated pursuant to chapter 326;
- (4) any driver's license required pursuant to chapter 171;
- (5) any aircraft license required pursuant to chapter 360;
- (6) any watercraft license required pursuant to chapter 86B;
- (7) any license, permit, registration, certification, or other approval pertaining to a regulatory or management program related to the protection, conservation, or use of or interference with the resources of land, air, or water, which is required to be obtained from a state agency or instrumentality; and
- (8) any pollution control rule or standard established by the pollution control agency or any health rule or standard established by the commissioner of health or any licensing rule or standard established by the commissioner of human services.

**History:** 2001 c 109 art 2 s 2

**NOTE:** The amendment to subdivision 2a by Laws 2001, chapter 109, article 2, section 2, is effective January 1, 2003. Laws 2001, chapter 109, article 2, section 10.

**116J.75** [Repealed, 2001 c 200 s 4]

**116J.8731 MINNESOTA INVESTMENT FUND.**

Subdivision 1. **Purpose.** The Minnesota investment fund is created to provide financial assistance, through partnership with communities, for the creation of new employment or to maintain existing employment, and for business start-up, expansions, and retention. It shall accomplish these goals by the following means:

(1) creation or retention of permanent private-sector jobs in order to create above-average economic growth consistent with environmental protection, which includes investments in technology and equipment that increase productivity and provide for a higher wage;

(2) stimulation or leverage of private investment to ensure economic renewal and competitiveness;

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

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

(5) stimulation of productivity growth through improved manufacturing or new technologies, including cold weather testing.

Subd. 2. **Administration.** The commissioner shall administer the fund as part of the Small Cities Development Block Grant Program. Funds shall be made available to local communities and recognized Indian tribal governments in accordance with the rules adopted for economic development grants in the small cities community development block grant program, except that all units of general purpose local government are eligible applicants for Minnesota investment funds. A home rule charter or statutory city, county, or town may loan or grant money received from repayment of funds awarded under this section to a regional development commission, other regional entity, or statewide community capital fund as determined by the commissioner, to capitalize or to provide the local match required for capitalization of a regional or statewide revolving loan fund.

*[For text of subs 3 to 7, see M.S.2000]*

**History:** 2001 c 102 s 1; 1Sp2001 c 4 art 2 s 2

**116J.8755** [Repealed, 2001 c 200 s 4]

#### **116J.876 DEFINITIONS.**

*[For text of subs 1 to 6, see M.S.2000]*

Subd. 6a. **Community development venture capital fund.** "Community development venture capital fund" means a regional or local venture capital fund that makes equity investments in small or emerging companies and has a financial as well as a social mission.

*[For text of subs 7 to 13, see M.S.2000]*

**History:** 2001 c 153 s 1

#### **116J.8761 CAPITAL ACCESS PROGRAM; CREATION; ADMINISTRATION.**

A capital access program is created in the department of trade and economic development. The purpose of the capital access program is to provide capital to businesses, particularly small and medium-sized businesses, to foster economic development. Capital may be provided in the form of equity investments for community development venture capital funds or loans for all other assistance under the program. Loans made under this program are to be slightly riskier than conventional loans, but still offer a high degree of soundness in connection with the capital access program.

The commissioner has the power to administer the program, enter into contracts, and take action reasonably necessary to ensure compliance with the program. The lender shall provide the commissioner with information regarding its participation in the program as the commissioner may reasonably require. Upon notice to the lender, the commissioner may inspect the files of the lender relating to any loans enrolled under the program during normal business hours of the lender.

A lender is eligible to participate in the program upon entering into an agreement with the commissioner governing the duties of the commissioner and the lender under the program.

**History:** 2001 c 153 s 2

#### **116J.8762 COMMISSIONER; DUTIES.**

Subdivision 1. **Duties.** The commissioner must:

(1) with respect to loans:

(i) market the capital access program to businesses and other persons in the state in cooperation with financial institutions and statewide associations representing financial institutions;

(ii) establish a reservation or allocation system so that lenders may reserve an allocation of funds in the account before or after the lender enters into a loan agreement or contract with a borrower; and

(iii) develop the program, in cooperation with financial institutions and statewide associations representing financial institutions, so that the degree of flexibility for the commissioner and the participating lenders is maximized and the state oversight of individual loans is minimized, and the fiscal integrity of the program is maintained; and

(2) with respect to equity investments:

(i) market the program to businesses and community development venture capital funds; and

(ii) enter into appropriate contracts and agreements with community development venture capital funds.

*[For text of subd 2, see M.S.2000]*

**History:** 2001 c 153 s 3

#### **116J.8770 EQUITY INVESTMENTS.**

The commissioner may invest funds from the capital access account to make equity investments in community development venture capital funds for the purpose of providing capital for small and emerging businesses. The community development venture capital fund must have experience in equity investments with small businesses and the ability to raise private capital.

**History:** 2001 c 153 s 4

#### **116J.8771 WAIVER.**

The capital access program is exempt from section 16C.05, subdivision 2, paragraph (a), clause (5).

**History:** 2001 c 153 s 5

#### **116J.885 BIOMEDICAL INNOVATION AND COMMERCIALIZATION INITIATIVE.**

Subdivision 1. **Established.** The commissioner of trade and economic development shall establish the biomedical innovation and commercialization initiative (BICI) as a collaborative economic development initiative between the University of Minnesota, Minnesota's medical technology industry, and investors. BICI is not a state agency.

The board established in subdivision 2 shall organize and operate BICI as a for-profit entity and in a manner and form that the board determines best allows BICI to carry out its objectives. Any distribution from BICI must be returned to all investors, including the state, in the same proportion as funds were contributed.

Subd. 2. **Board.** BICI is governed by a board of directors, appointed to six-year terms, comprised of:

(1) a representative chosen by the governor;

(2) a representative chosen by the University of Minnesota; and

(3) five representatives from the state's medical technology industry, chosen by private sector investors.

The board may use up to five percent of its total capitalization to establish a management and administrative budget, including the hiring of staff and for professional management expenses. Members of the staff are not state employees.

**Subd. 3. Duties of BICL** BICI shall:

(1) add business and financial expertise to technologies that are being developed by University of Minnesota faculty and staff to enhance commercial value;

(2) promote the depth, breadth, and value of technologies being developed by the biomedical academic community;

(3) catalyze the development of functional, mutually advantageous relationships between industry, faculty, staff, the university, and extended research community;

(4) provide a financial return on commercialization efforts to the stakeholders in BICI; and

(5) directly commercialize technologies through the startup of new Minnesota companies or enhance the marketing of technologies to existing companies creating expanded economic development opportunities.

**Subd. 4. Statewide focus.** BICI may contract and collaborate with higher education and other research institutions located throughout the state.

**Subd. 5. Powers of board.** The board has the power to do all things reasonable and necessary to carry out the duties of BICI including, without limitation, the power to:

(1) enter into contracts for goods and services with individuals and private and public entities;

(2) sue and be sued;

(3) acquire, hold, lease, and transfer any interest in real and personal property;

(4) accept appropriations, gifts, grants, and bequests;

(5) hire employees for BICI; and

(6) delegate any of its powers.

**Subd. 6. Board compensation.** Compensation and expense reimbursement of board members is as provided in section 15.0575, subdivision 1.

**History:** *1Sp2001 c 5 art 19 s 1*

**116J.9671** [Repealed, 2001 c 200 s 4]

## **116J.980 COMMUNITY DEVELOPMENT.**

*[For text of subs 1 to 3, see M.S.2000]*

**Subd. 4.** [Repealed, 2001 c 200 s 4]

**116J.992** [Repealed, 2001 c 200 s 4]

## **116J.994 REGULATING LOCAL AND STATE BUSINESS SUBSIDIES.**

*[For text of subs 1 to 5, see M.S.2000]*

**Subd. 6. Failure to meet goals.** The subsidy agreement must specify the recipient's obligation if the recipient does not fulfill the agreement. At a minimum, the agreement must require a recipient failing to meet subsidy agreement goals to pay back the assistance plus interest to the grantor or, at the grantor's option, to the account created under section 116J.551 provided that repayment may be prorated to reflect partial fulfillment of goals. The interest rate must be set at no less than the implicit price deflator for government consumption expenditures and gross investment for state and local governments prepared by the bureau of economic analysis of the United States Department of Commerce for the 12-month period ending March 31 of the previous year. The grantor, after a public hearing, may extend for up to one year the period for meeting the wage and job goals under subdivision 4 provided in a subsidy agreement. A grantor may extend the period for meeting other goals under subdivision 3, paragraph

(a), clause (3), by documenting in writing the reason for the extension and attaching a copy of the document to its next annual report to the department.

A recipient that fails to meet the terms of a subsidy agreement may not receive a business subsidy from any grantor for a period of five years from the date of failure or until a recipient satisfies its repayment obligation under this subdivision, whichever occurs first.

Before a grantor signs a business subsidy agreement, the grantor must check with the compilation and summary report required by this section to determine if the recipient is eligible to receive a business subsidy.

*[For text of subds 7 to 10, see M.S.2000]*

**History:** 2001 c 7 s 28

#### **116J.995 ECONOMIC GRANTS.**

An appropriation rider in an appropriation to the department of trade and economic development that specifies that the appropriation be granted to a particular business or class of businesses must contain a statement of the expected benefits associated with the grant. At a minimum, the statement must include goals for the number of jobs created, wages paid, and the tax revenue increases due to the grant. The wage and job goals must contain specific goals to be attained within two years of the benefit date. The statement must specify the recipient's obligation if the recipient does not attain the goals. At a minimum, the statement must require a recipient failing to meet the job and wage goals to pay back the assistance plus interest to the department of trade and economic development provided that repayment may be prorated to reflect partial fulfillment of goals. The interest rate must be set at no less than the implicit price deflator as defined under section 116J.994, subdivision 6. The legislature, after a public hearing, may extend for up to one year the period for meeting the goals provided in the statement.

**History:** 2001 c 7 s 29