

Sec. 3. Minnesota Statutes 1990, section 115C.10, subdivision 1, is amended to read:

Subdivision 1. **PAYMENT FROM THE ACCOUNT.** (a) If the cost of authorized actions under section 115C.03 exceeds the amount appropriated to the agency for the actions and amounts awarded to the agency from the federal government, the agency may apply to the board for money to pay for the actions from the account. The board shall pay the agency the cost of the proposed actions under section 115C.03 if the board finds that the conditions for the agency to be paid from the account have been met, and that an adequate amount exists in the account to pay for the corrective action. If the board pays the agency for the cost of authorized actions for which a responsible person has petroleum tank leakage or spill insurance coverage, the board is subrogated to the agency's rights with respect to the responsible person and the responsible person's insurer, to the extent of the board's payment of costs for which the responsible person has insurance coverage, subject to the limitations on an agency cost recovery action set forth in section 115C.04, subdivision 3. The board may request the attorney general to bring an action in district court against the responsible person or that person's insurer to enforce the board's subrogation rights. Acceptance of a payment from the board by the agency constitutes an assignment to the board of the subrogation rights specified in this subdivision.

(b) Money in the account is appropriated to the board for the purpose of this subdivision.

Sec. 4. EFFECTIVE DATE.

Sections 1, 2, and 3 are effective the day following final enactment and apply to applications pending on or filed after that date.

Presented to the governor May 29, 1991

Signed by the governor June 1, 1991, 4:08 p.m.

CHAPTER 295—H.F.No. 1088

An act relating to economic development; establishing the regional seed capital program; authorizing economic development authorities to provide seed capital to small businesses; amending Minnesota Statutes 1990, section 469.101, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 1160.

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

Section 1. [1160.122] SEED CAPITAL FUND.

Subdivision 1. ESTABLISHMENT. The corporation shall, in consultation with private venture and seed capital companies and other public and private organizations as appropriate, implement a centrally managed seed capital fund to invest in early stage companies and small companies in Minnesota through

New language is indicated by underline, deletions by ~~strikeout~~.

equity or equity-type investments. The seed capital fund may receive contributions from the corporation, as well as from local, state, or federal government, private foundations, or other sources. Total investments by the seed capital fund in seven-county metropolitan area based companies must not exceed 20 percent of the total amount invested. Investments which contribute to the 20 percent metropolitan area limitation are those which will primarily enhance the operations of a metropolitan based facility. Investments that benefit a Greater Minnesota facility of a metropolitan based company are not subject to the limitation. Investments by the seed capital fund must be matched by other sources of capital at a ratio to be determined by the corporation. The seed capital fund shall identify sources of technical, management, and marketing assistance for companies funded by the seed capital program and make appropriate referrals. The seed capital fund shall establish a procedure for liquidating private investments.

Subd. 2. REGIONAL SEED CAPITAL REPORT. By February 15, the board shall submit to the legislature and governor an annual report on the activities of the seed capital program.

Sec. 2. Minnesota Statutes 1990, section 469.101, is amended by adding a subdivision to read:

Subd. 23. SUPPLYING SMALL BUSINESS CAPITAL. Notwithstanding any contrary law, the authority may participate with public or private corporations or other entities, whose purpose is to provide seed or venture capital to small businesses that have facilities located or to be located in the district. For that purpose the authority may use not more than percent of available annual net income or \$.... annually, whichever is less, to invest in equities or acquire equity-type investments. These investments can be made directly in eligible corporations or entities or acquired through participation in a public or private seed or venture capital fund. The participation by the authority may not exceed in any year 25 percent of the total amount of funds provided for venture or seed capital purposes by all of the participants. The corporation, entity, or fund shall report in writing each six months to the commissioner of the authority all investments and other action taken by it since the last report. Funds contributed to the corporation or entity must be invested pro rata with each contributor of capital taking proportional risks on each investment. As used in this subdivision, the term "small business" has the meaning given it in section 645.445, subdivision 2.

Presented to the governor May 30, 1991

Signed by the governor June 3, 1991, 4:25 p.m.

New language is indicated by underline, deletions by ~~strikeout~~.