A bill for an act

relating to economic development; expanding eligibility for the small business growth acceleration program; requiring matching funds; appropriating money; amending Minnesota Statutes 2008, section 116O.115, subdivisions 2, 4.

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

Section 1. Minnesota Statutes 2008, section 116O.115, subdivision 2, is amended to read:

Subd. 2. **Qualified company.** A company is qualified to receive assistance under the small business growth acceleration program if ~~it~~ the company is a manufacturing company or a manufacturing-related service company that employs ~~100~~ 250 or fewer full-time equivalent employees.

Sec. 2. Minnesota Statutes 2008, section 116O.115, subdivision 4, is amended to read:

Subd. 4. **Fund awards; use of funds.** (a) The corporation shall establish procedures for determining which applicants for assistance under the small business growth acceleration program will receive program funding. Funding shall be awarded only to accelerate a qualified company's adoption of needed technology or business improvements when the corporation concludes that it is unlikely the improvements could be accomplished in any other way.

(b) The maximum amount of funds awarded to a qualified company under the small business growth acceleration program for a particular project must not exceed ~~50~~ 75 percent of the total cost of a project and must not under any circumstances exceed $25,000 during a calendar year. The corporation shall not award to a qualified company small business growth acceleration program funds in excess of $50,000 per year.

(c) Any funds awarded to a qualified company under the small business growth acceleration program must be used for business services and products that will enhance the operation of the company. These business services and products must come either directly from the corporation or from a network of expert providers identified and approved by the corporation. No company receiving small business growth acceleration program funds may use the funds for refinancing, overhead costs, new construction, renovation, equipment, or computer hardware.

(d) Any funds awarded must be disbursed to the qualified company as reimbursement documented according to requirements of the corporation.

(e) Receipt of funds from an award under this section is contingent upon a contribution of funds by the qualified company to the project, as follows:

(1) a company with under 50 employees must contribute one dollar for every three dollars of program assistance awarded;

(2) a company with 50 to 100 employees must contribute one dollar for every one dollar of program assistance awarded; and

(3) a company with 101 to 250 employees must contribute three dollars for every one dollar of program assistance awarded.

Sec. 3. **APPROPRIATION.**

$3,000,000 is appropriated for the 2010-2011 biennium from the general fund to the commissioner of employment and economic development for a grant to Enterprise Minnesota, Inc. for the small business growth acceleration program under Minnesota Statutes, section 116O.115. This amount adds to the agency's budget base.