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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 2995

03/20/2023

Authored by Kraft

The bill was read for the first time and referred to the Committee on Climate and Energy Finance and Policy

1.1 A bill for an act

1.2 relating to business financing; establishing a nonprofit corporation to provide

1.3 financing and leverage private investment in the energy, agriculture, building, and

1.4 transportation sectors to support commercialization of products and services with

1.5 clean energy solutions; requiring a report; appropriating money.

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

1.7 Section 1. NEW MINNESOTA FUND.

1.8 Subdivision 1. Establishment; purpose. (a) The New Minnesota Fund is established.

1.9 The board of directors appointed under subdivision 4 shall register with the secretary of

1.10 state as a nonprofit corporation under Minnesota Statutes, chapter 317A, and seek designation

1.11 as a charitable tax-exempt organization under section 501(c)(3) of the Internal Revenue

1.12 Code of 1986, as amended.

1.13 (b) The purpose of the New Minnesota Fund is to accelerate the growth of energy,

1.14 agriculture, building, and transportation sector businesses to support clean energy solutions.

1.15 The fund shall leverage other public and private sources of capital through the strategic

1.16 deployment of equity, loans, and other financing mechanisms to support the

1.17 commercialization of products and services and create an ecosystem of sustainable businesses

1.18 throughout Minnesota.

1.19 Subd. 2. Duties. The New Minnesota Fund shall:

1.20 (1) strategically leverage other public and private investment in qualified businesses,

1.21 achieving a high ratio of private to public funds invested through funding mechanisms that

1.22 support, enhance, and complement private investment;

2.1 (2) coordinate with existing programs to ensure that financing terms and conditions  
 2.2 offered are well suited to qualified businesses and ensure that the fund's activities add to  
 2.3 and complement the efforts of these partners;

2.4 (3) provide technical assistance;

2.5 (4) serve as a clearinghouse for information about federal, state, and local financial  
 2.6 assistance for qualifying projects;

2.7 (5) develop a workplan to accomplish all the activities required of the fund and update  
 2.8 the workplan on an annual basis; and

2.9 (6) establish and maintain a comprehensive website providing access to the fund's  
 2.10 programs and financial products.

2.11 Subd. 3. **Additional authorized activities.** The New Minnesota Fund is authorized to:

2.12 (1) engage in any activities of a Minnesota nonprofit corporation; and

2.13 (2) develop and employ the following financing methods to support qualified projects:

2.14 (i) credit enhancements through debt, equity, and additional mechanisms with other  
 2.15 financing sources; and

2.16 (ii) serve as an aggregator of geographically dispersed qualified projects.

2.17 Subd. 4. **Board members.** (a) The board of directors of the New Minnesota Fund is  
 2.18 comprised of:

2.19 (1) one member appointed by the governor;

2.20 (2) one member appointed by the speaker of the house of representatives;

2.21 (3) one member appointed by the senate majority leader;

2.22 (4) one member appointed by a participating foundation;

2.23 (5) one member appointed by a participating corporation; and

2.24 (6) one member appointed by a participating pension program.

2.25 Subd. 5. **Reporting.** Annually by January 15 until the appropriation for this purpose is  
 2.26 expended, the New Minnesota Fund must submit a comprehensive annual report on the  
 2.27 fund's activities to the governor and to the chairs and ranking minority members of the  
 2.28 legislative committees with primary jurisdiction over economic development and energy.  
 2.29 The report must contain, at a minimum, information on:

2.30 (1) the amount of capital invested, by project type;

- 3.1 (2) the amount of private capital leveraged, by project type;
- 3.2 (3) the number of qualified projects supported, by project type and location within
- 3.3 Minnesota;
- 3.4 (4) the estimated number of jobs created and tax revenue generated as a result of the
- 3.5 fund's activities; and
- 3.6 (5) the fund's financial statements.
- 3.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.8 Sec. 2. **APPROPRIATION.**

- 3.9 \$50,000,000 in fiscal year 2024 is appropriated from the general fund to the commissioner
- 3.10 of employment and economic development for a grant to the New Minnesota Fund for the
- 3.11 purposes provided under Minnesota Statutes, section 116X.01. This is a onetime appropriation
- 3.12 and is available until expended.