A bill for an act

relating to employment and economic development; establishing the small business growth acceleration program; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116O.

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

Section 1. **[116O.115] SMALL BUSINESS GROWTH ACCELERATION PROGRAM.**

Subdivision 1. **Establishment; purpose.** The small business growth acceleration program is established. The purpose of the program is to (1) help qualified companies implement technology and business improvements; and (2) bridge the gap between standard market pricing for technology and business improvements and what qualified companies can afford to pay.

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

Subd. 3. **Applications for assistance.** A company seeking assistance under the growth acceleration program must file an application according to the requirements of the corporation. A company's application for growth acceleration program assistance must include documentation of the company's overall plan for technology and business improvement and prioritize the components of the overall plan. The application must also document the company's need for growth acceleration program funds in order to carry forward the highest priority components of the plan.

Subd. 4. **Fund awards; use of funds.** (a) The corporation shall establish procedures for determining which applicants for assistance under the 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 growth acceleration program for a particular project must not exceed 50 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 growth acceleration program funds in excess of $50,000 per year.

(c) Any funds awarded to a qualified company under the 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 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.

Subd. 5. **Service agreements.** The corporation shall enter a written service agreement with each company awarded funds under the growth acceleration program. Each service agreement shall clearly articulate the company's need for service, state the cost of the service, identify who will provide the service, and define the scope of the service that will be provided. The service agreement must also include an estimate of the financial impact of the service on the company and require the company to report the actual financial impact of the service to the corporation 24 months after the service is provided.

Subd. 6. **Reporting.** The corporation shall report annually to the legislative committees with fiscal jurisdiction over the corporation:

(1) the funds awarded under the growth acceleration program during the past 12 months;

(2) the estimated financial impact of the funds awarded to each company receiving service under the program; and

(3) the actual financial impact of funds awarded during the past 24 months.

Sec. 2. **APPROPRIATION.**

$1,000,000 in fiscal year 2008 and $1,000,000 in fiscal year 2009 are appropriated from the general fund to Minnesota Technology, Inc. for the small business growth acceleration program established under Minnesota Statutes, section 116O.115.