

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 575

(SENATE AUTHORS: NEWTON, Hoffman and Abeler)

DATE
02/04/2021

D-PG
236

Introduction and first reading
Referred to Jobs and Economic Growth Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act
 1.2 relating to economic development; modifying Minnesota investment fund grant
 1.3 limits; modifying job training grants program; appropriating money; amending
 1.4 Minnesota Statutes 2020, sections 116J.8731, subdivision 5; 116L.40, subdivision
 1.5 7; 116L.41, subdivision 4, by adding a subdivision.

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

1.7 Section 1. Minnesota Statutes 2020, section 116J.8731, subdivision 5, is amended to read:

1.8 Subd. 5. **Grant limits.** A Minnesota investment fund grant ~~may~~ must not be approved
 1.9 for an amount in excess of ~~\$1,000,000~~ \$2,000,000. A grant of up to \$2,000,000 is allowable
 1.10 for projects that have at least \$25,000,000 in capital investment and 150 new employees.

1.11 This limit covers all money paid to complete the same project, whether paid to one or more
 1.12 grant recipients and whether paid in one or more fiscal years. A local community or
 1.13 recognized Indian tribal government may retain 40 percent, but not more than \$100,000, of
 1.14 a Minnesota investment fund grant when it is repaid to the local community or recognized
 1.15 Indian tribal government by the person or entity to which it was loaned by the local
 1.16 community or Indian tribal government. Money repaid to the state must be credited to a
 1.17 Minnesota investment revolving loan account in the state treasury. Funds in the account are
 1.18 appropriated to the commissioner and must be used in the same manner as are funds
 1.19 appropriated to the Minnesota investment fund. Funds repaid to the state through existing
 1.20 Minnesota investment fund agreements must be credited to the Minnesota investment
 1.21 revolving loan account effective July 1, 2005. A grant or loan may not be made to a person
 1.22 or entity for the operation or expansion of a casino or a store which is used solely or
 1.23 principally for retail sales. Persons or entities receiving grants or loans must pay each

2.1 employee total compensation, including benefits not mandated by law, that on an annualized
2.2 basis is equal to at least 110 percent of the federal poverty level for a family of four.

2.3 Sec. 2. Minnesota Statutes 2020, section 116L.40, subdivision 7, is amended to read:

2.4 Subd. 7. **New job.** "New job" means a job:

2.5 (1) that is provided by a new or expanding business at a location in Minnesota ~~outside~~
2.6 ~~of the metropolitan area, as defined in section 473.121, subdivision 2;~~

2.7 (2) that is with a manufacturing or technology employer;

2.8 (3) that provides at least 32 hours of work per week for a minimum of nine months per
2.9 year and is permanent with no planned termination date;

2.10 ~~(3)~~ (4) that is certified by the commissioner as qualifying under the program before the
2.11 first employee is hired to fill the job; and

2.12 ~~(4)~~ (5) for which an employee hired was not (i) formerly employed by the employer in
2.13 the state, or (ii) a replacement worker, including a worker newly hired as a result of a labor
2.14 dispute.

2.15 Sec. 3. Minnesota Statutes 2020, section 116L.41, is amended by adding a subdivision to
2.16 read:

2.17 Subd. 3a. **Grant limits.** The maximum grant amount for a project is \$400,000.

2.18 Sec. 4. Minnesota Statutes 2020, section 116L.41, subdivision 4, is amended to read:

2.19 Subd. 4. **Allocation.** (a) Fifty percent of the money appropriated for job training grants
2.20 under section 116L.42 must be allocated for projects located outside of the metropolitan
2.21 area, as defined in section 473.121, subdivision 2. After March 31, any portion of the 50
2.22 percent allocated for projects located outside of the metropolitan area that has not been
2.23 awarded is available for other projects eligible for grants.

2.24 (b) Subject to the limitations in paragraph (a), the commissioner shall allocate grant
2.25 funds under section 116L.42 to project applications based on a first-come, first-served basis,
2.26 determined on the basis of the commissioner's receipt of a complete application for the
2.27 project, including the provision of all of the required information. The agreement must
2.28 specify the amount of grant funds available to the employer for each year covered by the
2.29 agreement.

3.1 Sec. 5. **JOB TRAINING GRANT PROGRAM; APPROPRIATIONS.**

3.2 \$3,000,000 in fiscal year 2022 and \$3,000,000 in fiscal year 2023 are appropriated from
3.3 the workforce development fund to the commissioner of employment and economic
3.4 development for job training grants under Minnesota Statutes, section 116L.42.