

CHAPTER 1160

GREATER MINNESOTA CORPORATION

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1160.01 CITATION.

Sections 1160.01 to 1160.10 may be cited as the "Greater Minnesota Corporation act."

History: 1987 c 386 art 2 s 1

1160.02 DEFINITIONS.

Subdivision 1. **Applicability.** The definitions in this section apply to sections 1160.01 to 1160.15.

Subd. 2. **Board.** "Board" means the board of directors of the Greater Minnesota Corporation.

Subd. 3. **Corporation.** "Corporation" means the Greater Minnesota Corporation.

Subd. 4. **Account.** "Account" means the greater Minnesota account.

Subd. 5. **Greater Minnesota.** "Greater Minnesota" means the area of Minnesota located outside of the metropolitan area as defined in section 473.121, subdivision 2.

Subd. 6. **Technology-related assistance.** "Technology-related assistance" means the transfer of technological information and technologies to assist in the development and production of new technology-related products or services or to increase the productivity or otherwise enhance the production or delivery of existing products or services.

History: 1987 c 386 art 2 s 2; 1989 c 335 art 1 s 168; art 4 s 106

1160.03 CORPORATION; BOARD OF DIRECTORS; POWERS.

Subdivision 1. **Establishment.** The Greater Minnesota Corporation is established as a public corporation of the state and is not subject to the laws governing a state agency except as provided in this chapter. The business of the corporation must be conducted under the name "Greater Minnesota Corporation."

Subd. 1a. **Purpose.** The purpose of the corporation is to foster long-term economic growth and job creation by stimulating innovation and the development of new products, services, and production processes through technology transfer, applied research, and financial assistance. The corporation's purpose is not to create new programs or services but to build on the existing educational, business, and economic development infrastructure. The primary focus of the corporation's activities must be to benefit new or existing small and medium-sized businesses in greater Minnesota.

Subd. 2. **Board of directors.** The corporation is governed by a board of 11 directors. The term of a director is six years. Vacancies on the board are filled by appointment of the board, subject to the advice and consent of the senate. Board members may receive reasonable compensation and be reimbursed for reasonable expenses, which must be reviewed each year by the commissioner of finance.

Subd. 2a. **Appointment of commissioner.** Notwithstanding subdivision 2, the commissioner of trade and economic development is a member of the Greater Minnesota Corporation's board of directors when the first vacancy on the board occurs.

Subd. 3. **Bylaws.** The board of directors shall adopt bylaws necessary for the conduct of the business of the corporation, consistent with this chapter. The corporation must publish the bylaws and amendments to the bylaws in the State Register.

Subd. 4. **Places of business.** The board shall locate and maintain the corporation's places of business within the state.

Subd. 5. **Meetings and actions of the board.** The board shall meet at least twice a year and may hold additional meetings upon giving notice in accordance with the bylaws of the corporation. Board meetings are subject to section 471.705, except when data described in subdivision 7 is discussed.

Subd. 6. **Closed meetings; recording.** The board of directors may by a majority vote in a public meeting decide to hold a closed meeting authorized under subdivision 5. The time and place of the closed meeting must be announced at the public meeting. A written roll of members present at the closed meeting must be made available to the public after the closed meeting. The proceedings of a closed meeting must be tape recorded at the expense of the board and must be preserved by the board for two years. The data on the tape is nonpublic data under section 13.02, subdivision 9.

Subd. 7. **Application and investigative data.** The following data is classified as private data with regard to data on individuals under section 13.02, subdivision 12, or as nonpublic data with regard to data not on individuals under section 13.02, subdivision 9, whichever is applicable:

(1) financial data, statistics, and information furnished in connection with assistance or proposed assistance under section 116O.06, including credit reports, financial statements, statements of net worth, income tax returns, either personal or corporate, and any other business and personal financial records; or

(2) security information, trade secret information, or labor relations information, as defined in section 13.37, subdivision 1, disclosed to members of the corporation board or employees of the corporation under section 116O.06.

Subd. 8. **Conflict of interest.** A director, employee, or officer of the corporation may not participate in or vote on a decision of the board relating to an organization in which the director has either a direct or indirect financial interest.

Subd. 9. **Contributions to public officials; disclosure.** Each director shall file a statement with the ethical practices board disclosing the nature, amount, date, and recipient of any contribution made to a public official, political committee, political fund, or political party, as defined in chapter 10A, that:

(1) was made within the four years preceding appointment to the Greater Minnesota board; and

(2) was subject to the reporting requirements of chapter 10A.

The statement must be updated annually during the director's term to reflect contributions made to public officials during the appointed director's tenure.

Subd. 10. **Tort claims.** The corporation is a state agency for purposes of section 3.736.

Subd. 11. **Statements of economic interest.** Directors and officers of the corporation are public officials for the purpose of section 10A.09, and must file statements of economic interest with the ethical practices board.

History: 1987 c 386 art 2 s 3; 1988 c 686 art 1 s 66; 1988 c 708 s 2; 1989 c 335 art 1 s 169,170,177; art 4 s 55,56; 1990 c 423 s 5

116O.04 CORPORATE PERSONNEL.

Subdivision 1. **Generally.** The board shall appoint and set the compensation for a president, who serves as chief executive officer of the corporation, and who may appoint subordinate officers. The president's salary may not exceed 95 percent of the governor's salary. The board may designate the president as its general agent. Subject to the control of the board, the president shall employ employees, consultants, and agents the president considers necessary. The staff of the corporation must include indi-

viduals knowledgeable in commercial and industrial financing, research and development, economic development, and general fiscal affairs. The board shall define the duties and designate the titles of the employees and agents.

Subd. 2. Status of employees. Employees, officers, and directors of the corporation are not state employees, but are covered by section 3.736 and, at the option of the board, may participate in the state retirement plan and the state deferred compensation plan for employees in the unclassified service and an insurance plan administered by the commissioner of employee relations.

Subd. 3. Contributions to public officials; disclosure. The president shall file a statement with the ethical practices board disclosing the nature, amount, date, and recipient of any contribution made to a public official which:

(1) was made within the four years preceding employment with the Greater Minnesota board; and

(2) was subject to the reporting requirements of chapter 10A.

The statement must be updated annually during the president's employment to reflect contributions made to public officials during the president's tenure.

Subd. 4. Personnel policies. (a) The corporation must adopt and periodically revise, if necessary, an affirmative action plan similar to the affirmative action plan under section 43A.19, subdivision 1. The corporation is subject to the audit and reporting requirements under section 43A.191, subdivision 3.

(b) Employees of the corporation are subject to the prohibition of political activities and required leave of absences under section 43A.32.

(c) Employees of the corporation are subject to the code of ethics requirements under section 43A.38.

History: 1987 c 386 art 2 s 4; 1988 c 686 art 1 s 67; 1988 c 708 s 3; 1989 c 335 art 4 s 57

1160.05 POWERS OF THE CORPORATION.

Subdivision 1. General corporate powers. (a) The corporation has the powers granted to a business corporation by section 302A.161, subdivisions 3; 4; 5; 7; 8; 9; 11; 12; 13, except that the corporation may not act as a general partner in any partnership; 14; 15; 16; 17; 18; and 22.

(b) The state is not liable for the obligations of the corporation.

(c) Section 302A.041 applies to this chapter and the corporation in the same manner that it applies to business corporations established under chapter 302A.

(d) The corporation is a state agency for the purposes of the following accounting and budgeting requirements:

(1) financial reports and other requirements under section 16A.06;

(2) the state budget system under sections 16A.095, 16A.10, and 16A.11;

(3) the state allotment and encumbrance, and accounting systems under sections 16A.14, subdivisions 2, 3, 4, and 5; and 16A.15, subdivisions 2 and 3; and

(4) indirect costs under section 16A.127.

Subd. 2. Duties. The corporation shall:

(1) establish programs, activities, and policies that provide technology transfer and applied research and development assistance to individuals, sole proprietorships, partnerships, corporations, other business entities, and nonprofit organizations in the state that are primarily new and existing small and medium-sized businesses in greater Minnesota;

(2) provide or provide for technology-related assistance to individuals, sole proprietorships, partnerships, corporations, other business entities, and nonprofit organizations;

(3) provide financial assistance under section 116O.06 to assist the development of new products, services, or production processes or to assist in bringing new products or services to the marketplace;

(4) provide or provide for research services including on-site research and testing of production techniques and product quality;

(5) establish and operate regional research institutes as provided for in section 1160.08;

(6) make matching research grants for applied research and development to public and private post-secondary education institutes as provided for in section 1160.11;

(7) enter into contracts for establishing formal relationships with public or private research institutes or facilities;

(8) establish the agricultural utilization research institute under section 1160.09; and

(9) not duplicate existing services or activities provided by other public and private organizations but shall build on the existing educational, business, and economic development infrastructure.

Subd. 3. Rules. The corporation is not subject to chapter 14, but must publish in the State Register any guidelines, policies, rules, or eligibility criteria prepared or adopted by the corporation for any of its financial or technology transfer programs.

History: 1987 c 386 art 2 s 5; 1989 c 335 art 1 s 171; art 4 s 58

1160.06 FINANCIAL ASSISTANCE.

Subdivision 1. Financial assistance; types. The corporation may provide financial assistance to individuals, sole proprietorships, partnerships, corporations, other business entities, or nonprofit organizations that have (1) received research assistance from a corporation research facility or as a result of a research grant under section 1160.09, subdivision 4, or 1160.11; or (2) received favorable review through a peer review process established under guidelines developed under section 1160.10, subdivision 2. Financial assistance includes, but is not limited to, loan guarantees or insurance, direct loans, and interest subsidy payments. The corporation may participate in loans by purchasing from a lender up to 50 percent of each loan. Financial assistance under this section is for assisting in the financing of a business's debt financing, product development financing, or working capital needs.

Subd. 2. Equity investments. The corporation may acquire an interest in a product or a private business entity, except that the corporation may not acquire an interest in a business entity engaged in a trade or industry whose profits are directly regulated by the commissioner of commerce or the department of public service. The corporation may enter into joint venture agreements with other private corporations to promote economic development and job creation.

Subd. 3. Greater Minnesota finance authority. The board may designate the Greater Minnesota finance authority to provide financial assistance. The authority, if established, consists of seven members, five of whom are members of the general public appointed by the board with experience in business development, finance, banking, or venture capital. The president of the corporation and one board member must be members of the authority. Members of the authority shall serve without compensation but shall receive necessary and actual expenses while engaged in the business of the corporation.

Subd. 4. Standards. The board may establish minimum interest rates, security requirements, restrictions on the amount of the corporation's financial participation in a project, and other financial standards the board determines necessary to establish in providing financial assistance.

Subd. 5. Preference. In providing financial assistance, the corporation must give preference to individuals, sole proprietorships, partnerships, corporations, other business entities, or organizations that are starting or expanding their operations in greater Minnesota.

History: 1987 c 386 art 2 s 6; 1988 c 686 art 1 s 68; 1989 c 335 art 1 s 172,173; 1990 c 426 art 2 s 1

1160.07 ON-SITE RESEARCH.

The corporation may construct, acquire, lease, own, or operate one or more on-site research facilities in Minnesota.

History: 1987 c 386 art 2 s 7

1160.08 REGIONAL RESEARCH INSTITUTES.

Subdivision 1. Establishment. The board may establish up to four regional research institutes in greater Minnesota. Each institute shall be located at or near a post-secondary education institution whose primary focus is comparable to the mission of the institute.

Subd. 2. Purpose. The purpose of the institutes is to provide applied research and development services to individuals, businesses, or organizations for the purposes of developing the region's economy through the utilization of the region's resources and the development of technology. Research and development services may include on-site research, product development grants, testing of production techniques and product quality and feasibility studies.

Subd. 3. Institute administration; staff. The board shall appoint a director to manage the operation of the institute. The director may employ employees and enter into contracts with post-secondary education governing boards for research services of post-secondary institution staff, facilities, or equipment.

Subd. 4. Research contracts. The director of each institute may enter into contracts with individuals, businesses, or organizations to provide research and development assistance at institute facilities or at other sites the director determines appropriate. The board shall establish the overall contract guidelines.

Subd. 5. Product development grants. The director of each institute may provide product development grants to those individuals, businesses, or for-profit or nonprofit organizations that, without financial assistance, would not be able to undertake the development of a product or technology-related service. The board shall establish eligibility criteria and the terms of the product development grants.

Subd. 6. Institute advisory board. A regional research institute advisory board may be appointed by the board. The advisory board may consist of representatives of public post-secondary institutions in the area surrounding the institute, business owners, and members of the general public. Terms and removal of members must be set by the board and the members of each advisory board shall serve without compensation but shall receive their necessary and actual expenses. The purpose of the advisory board is to provide the institute director assistance in operating the institute, review contract proposals and provide recommendations relating to product development grants.

Subd. 7. Designated research institute. The agricultural utilization research institute established in section 1160.09 is designated as one of the regional research institutes authorized under this section.

History: 1987 c 386 art 2 s 8; 1989 c 335 art 1 s 174

1160.09 AGRICULTURAL UTILIZATION RESEARCH INSTITUTE.

Subdivision 1. Establishment. The agricultural utilization research institute is established as a nonprofit corporation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The agricultural utilization research institute shall promote the establishment of new products and product uses and the expansion of existing markets for the state's agricultural commodities and products. The institute must be located near an existing agricultural research facility in the agricultural region of the state.

Subd. 1a. Board of directors. The board of directors of the agricultural utilization research institute is comprised of:

(1) the chairs of the senate agriculture and rural development committee and the house of representatives agriculture committee;

(2) two representatives of statewide farm organizations;

(3) two representatives of agribusiness, one of whom is a member of the Greater Minnesota Corporation board representing agribusiness; and

(4) three representatives of the commodity promotion councils.

A member of the board of directors under clauses (1) to (4) may designate a permanent or temporary replacement member representing the same constituency.

Subd. 2. Duties. (a) In addition to the duties and powers assigned to the institutes in section 1160.08, the agricultural utilization research institute shall:

(1) identify the various market segments characterized by Minnesota's agricultural industry, address each segment's individual needs, and identify development opportunities in each segment;

(2) develop and implement a utilization program for each segment that addresses its development needs and identifies techniques to meet those needs;

(3) coordinate research among the public and private organizations and individuals specifically addressing procedures to transfer new technology to businesses, farmers, and individuals; and

(4) provide research grants to public and private educational institutions and other organizations that are undertaking basic and applied research that would promote the development of the various agricultural industries.

(b) The agricultural utilization research institute board of directors, with the concurrence of the advisory board, shall have the sole approval authority for establishing agricultural utilization research priorities, requests for proposals to meet those priorities, awarding of grants, hiring and direction of personnel, and other expenditures of funds consistent with the adopted and approved mission and goals of the agricultural utilization research institute. The actions and expenditures of the agricultural utilization research institute are subject to audit and regular annual report to the legislature in general and specifically the house of representatives agriculture committee, the senate agriculture and rural development committee, the house of representatives appropriations committee, and the senate finance committee.

Subd. 3. Staff. The corporation shall provide staff to the agricultural utilization research institute and assist in carrying out the duties of the agricultural utilization research institute.

Subd. 4. Agricultural research grants. The institute may make matching grants for agricultural product utilization research to the University of Minnesota, a state university, a community college, a Minnesota private college or university, a technical college, a private corporation, or a person. Grants may be matched from private sources, including farm commodity groups and farm organizations.

Subd. 5. Advisory board. A 26-member advisory board is established to identify priorities for the agricultural utilization research institute. Members of the advisory board are appointed by the board. The advisory board consists of: the chair of the Minnesota house of representatives agricultural committee; the chair of the Minnesota senate agricultural committee; a representative from each of the ten largest agricultural-related businesses in the state as determined by the corporation; a member from each of the appropriate trade organizations representing producers of beef cattle, dairy, corn, soybeans, pork, wheat, turkey, barley, wild rice, edible beans, eggs, and potatoes; a member of the Farmers's Union; and a member of the Farm Bureau. Terms and removal of members must be set by the board and members of the advisory board serve without compensation but shall receive their necessary and actual expenses.

The advisory board shall annually provide a list of priorities and suggested research and marketing studies that should be performed by the agricultural utilization research institute.

History: 1987 c 258 s 12; 1987 c 386 art 2 s 9; 1989 c 246 s 2; 1989 c 350 art 7 s 1-3

116O.10 RESEARCH ADVISORY BOARD.

Subdivision 1. **Establishment.** The board shall establish a research advisory board to provide advisory assistance to the board and the research institutes. The research advisory board consists of seven members appointed by the board. Terms and removal of members must be set by the board and research advisory board members shall serve without compensation but shall receive their necessary and actual expenses while engaged in the business of the corporation. The membership of the advisory board must have representatives that are experienced or have expertise in technology, applied research, agriculture, business, labor, or productivity.

Subd. 2. **Duties.** The research advisory board has the following duties and responsibilities:

(a) Identify specific areas where research and development will contribute to the productivity of the state's businesses and farms.

(b) Determine specific areas where financial assistance for research and development could assist the development of businesses and create new employment opportunities.

(c) Advise the board in the development and establishment of the regional research institutes and the research grants to public and private post-secondary education institutions.

(d) Advise public and private post-secondary education institutions on the research and development needs of businesses in Minnesota.

(e) Review the applications and make recommendations to the board for research grants to public and private post-secondary education institutions.

(f) Develop guidelines for an effective peer review process for evaluating scientifically- or technologically-related financial assistance.

History: 1987 c 386 art 2 s 10

116O.11 RESEARCH GRANTS TO EDUCATION UNITS.

The board may make matching grants to public and private post-secondary education institutions or units within those institutions, including the natural resource research institute, for applied research and development. Grants are to be made for projects which will likely result in assisting economic and employment development in greater Minnesota. The corporation board shall not give final approval to a research grant until it has received an evaluation and recommendation from the research advisory board established in section 116O.10.

History: 1987 c 384 art 3 s 20; 1987 c 386 art 2 s 11

116O.12 GREATER MINNESOTA ACCOUNT.

(a) The Greater Minnesota account is in the special revenue fund. Money in the account not needed for the immediate purposes of the corporation may be invested by the state board of investment in any way authorized by section 11A.24. Money in the account is appropriated to the corporation to be used as provided in this chapter.

(b) The account consists of:

(1) money appropriated and transferred from other state funds;

(2) fees and charges collected by the corporation;

(3) income from investments and purchases;

(4) revenue from loans, rentals, royalties, dividends, and other proceeds collected in connection with lawful corporate purposes;

(5) gifts, donations, and bequests made to the corporation; and

(6) other income credited to the account by law.

History: 1987 c 386 art 2 s 12; 1988 c 690 art 2 s 3; 1989 c 335 art 4 s 59; 1990 c 610 art 1 s 43

1160.13 AGRICULTURAL PROJECT UTILIZATION ACCOUNT.

The agricultural project utilization account is an account in the special revenue fund. Money in the account is appropriated to the agricultural utilization research institute to be used for agricultural research grants as provided in section 1160.09, subdivision 4, and for the agricultural utilization research institute.

History: 1987 c 386 art 2 s 13; 1989 c 335 art 4 s 60

1160.14 AUDITS.

The corporation board shall contract with a certified public accounting firm to do a financial and compliance audit of the corporation and any subsidiary annually in accordance with generally accepted accounting standards. A copy of this audit must be submitted to the chairs of the senate finance and economic development and housing committees, and the house appropriations and economic development committees.

The corporation is subject to the auditing requirements under sections 3.971 and 3.972.

History: 1987 c 386 art 2 s 14; 1989 c 335 art 1 s 175

1160.15 ANNUAL REPORT.

The board shall submit a report to the chairs of the senate economic development and housing and the house economic development committees of the legislature and the governor on the activities of the corporation by February 1 of each year. The report must include at least the following:

(1) a description of each of the programs that the corporation has provided or undertaken at some time during the previous year. The description of each program must describe (i) the statement of purpose for the program, (ii) the administration of the program including the activities the corporation was responsible for and the responsibilities that other organizations had in administering the program, (iii) the results of the program including how the results were measured, (iv) the expenses of the program paid by the corporation, and (v) the source of corporate and noncorporate funding for the program;

(2) an identification of the sources of funding in the previous year for the corporation and its programs including federal, state and local government, foundations, gifts, donations, fees, and all other sources;

(3) a description of the distribution of all money spent by the corporation in the previous year including an identification of the total expenditures, other than corporate administrative expenditures, by sector of the economy;

(4) a description of the administrative expenses of the corporation during the previous year;

(5) a listing of the assets and liabilities of the corporation at the end of the previous fiscal year;

(6) a list and description of each grant awarded by the corporation during the previous year;

(7) a description of any changes made to the operational plan during the previous year; and

(8) a description of any newly adopted or significant changes to bylaws, programmatic or administrative guidelines, policies, rules, or eligibility criteria for programs created or administered by the corporation during the previous year.

Reports must be made to the legislature as required by section 3.195.

History: 1987 c 386 art 2 s 15; 1989 c 335 art 1 s 176

1160.20 DISSOLUTION.

In the event of dissolution of the Greater Minnesota Corporation for any reason, the state of Minnesota, upon action by the governor, and after consultation with the

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legislative advisory commission, may require the liquidation of all holdings and investments and the return of the proceeds of that liquidation and any wholly-owned assets of the corporation to the state, in exchange for the assumption of all outstanding obligations of the corporation.

If the corporation is dissolved, or certain of its functions transferred to another entity, the assets and liabilities and property associated with the dissolved or transferred functions must return to the state or to the entity designated by laws.

History: 1987 c 386 art 2 s 20