

CHAPTER 116J

DEPARTMENT OF TRADE AND ECONOMIC
DEVELOPMENT

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116J.036 DEPARTMENT MAY NOT OPERATE AS TRAVEL AGENCY.

The department may not operate or provide a travel reservation system in competition with private sector travel agents, but may make referrals to private sector travel agents.

History: 1999 c 223 art 2 s 16

116J.037 CERTIFICATION OF ELECTRONIC-COMMERCE-READY CITIES AND COUNTIES.

A county or statutory or home rule charter city of Minnesota shall be designated an electronic-commerce-ready city or county by the department of trade and economic development and may be annually recertified as an electronic-commerce-ready city or county if it:

(1) has formed effective public-private partnerships with communication providers, the business community, banks, schools, health care, government, and nonprofit social and service organizations to become electronic commerce ready;

(2) makes available training and continuing education to develop an electronic-commerce-ready workforce;

(3) develops a plan for electronic commerce readiness that reflects resource integration across economic and government sectors, including current and future investments by business, government, education, and health care to achieve cooperative community and economic development benefits;

(4) uses local funding sources to catalyze and sustain information technology investments to adapt to new business priorities as electronic commerce grows; and

(5) maintains public access sites to ensure access to electronic commerce applications and community networking tools, such as electronic mail.

History: 1999 c 223 art 2 s 17

116J.415 CHALLENGE GRANT PROGRAM.

[For text of subs 1 to 4, see M.S.1998]

Subd. 5. **Loan criteria.** The following criteria apply to loans made under the challenge grant program:

(1) loans must be made to businesses that are not likely to undertake a project for which loans are sought without assistance from the challenge grant program;

(2) a loan must be used for a project designed principally to benefit low-income persons through the creation of job or business opportunities for them;

(3) the minimum loan is \$5,000 and the maximum is \$200,000;

(4) a loan may not exceed 50 percent of the total cost of an individual project;

(5) a loan may not be used for a retail development project; and

(6) a business applying for a loan, except a microenterprise loan under subdivision 6, must be sponsored by a resolution of the governing body of the local governmental unit within whose jurisdiction the project is located.

[For text of subs 6 to 11, see M.S.1998]

History: 1999 c 223 art 2 s 18

116J.421 RURAL POLICY AND DEVELOPMENT CENTER.

[For text of subd 1, see M.S.1998]

Subd. 2. **Governance.** The center is governed by a board of directors appointed to six-year terms by the governor comprised of:

- (1) a representative from each of the two largest statewide general farm organizations;
- (2) a representative from a regional initiative organization selected under section 116J.415, subdivision 3;
- (3) the president of Mankato State University;
- (4) a representative from the general public residing in a town of less than 5,000 located outside of the metropolitan area;
- (5) a member of the house of representatives appointed by the speaker of the house and a member of the senate appointed by the subcommittee on committees of the senate committee on rules and administration appointed for two-year terms;
- (6) three representatives from business, including one representing rural manufacturing and one rural retail and service business;
- (7) three representatives from private foundations with a demonstrated commitment to rural issues;
- (8) one representative from a rural county government; and
- (9) one representative from a rural regional government.

The board shall appoint one additional member to the board of directors who shall represent the general public.

Subd. 3. **Duties.** The center shall:

- (1) research and identify present and emerging social and economic issues for rural Minnesota, including health care, transportation, crime, housing, and job training;
- (2) forge alliances and partnerships with rural communities to find practical solutions to economic and social problems;
- (3) provide a resource center for rural communities on issues of importance to them;
- (4) encourage collaboration across higher education institutions to provide interdisciplinary team approaches to problem solving with rural communities; and
- (5) involve students in center projects.

[For text of subs 4 and 5, see M.S.1998]

Subd. 6. **Use of appropriation.** State appropriations to the board, whether from the general fund or the rural policy and development fund, may, at the discretion of the board, be expended for administration of the center and to carry out its duties under this section or under other law.

Subd. 7. **Board compensation.** Compensation and expense reimbursement of board members is as provided in section 15.0575, subdivision 3.

History: 1999 c 223 art 2 s 19–22

116J.423 MINNESOTA MINERALS 21ST CENTURY FUND.

Subdivision 1. **Created.** The Minnesota minerals 21st century fund is created as a separate account in the treasury. Money in the account is appropriated to the commissioner of trade and economic development for the purposes of this section. All money earned by the account, loan repayments of principal and interest, and earnings on investments must be credited to the account. For the purpose of this section, “fund” means the Minnesota minerals 21st century fund. The commissioner shall operate the account as a revolving account.

Subd. 2. **Use of fund.** The commissioner shall use money in the fund to make loans or equity investments in mineral processing facilities including, but not limited to, taconite

processing, direct reduction processing, and steel production. The commissioner must, prior to making any loans or equity investments and after consultation with industry and public officials, develop a strategy for making loans and equity investments that assists the Minnesota mineral industry in becoming globally competitive. Money in the fund may also be used to pay for the costs of carrying out the commissioner's due diligence duties under this section.

Subd. 3. Requirements prior to committing funds. The commissioner, prior to making a commitment for a loan or equity investment must, at a minimum, conduct due diligence research regarding the proposed loan or equity investment, including contracting with professionals as needed to assist in the due diligence.

Subd. 4. Requirements for fund disbursements. The commissioner may make conditional commitments for loans or equity investments but disbursements of funds pursuant to a commitment may not be made until commitments for the remainder of a project's funding are made that are satisfactory to the commissioner and disbursements made from the other commitments sufficient to protect the interests of the state in its loan or investment.

Subd. 5. Company contribution. The commissioner may provide loans or equity investments that match, in a proportion determined by the commissioner, an investment made by the owner of a facility.

History: 1999 c 223 art 2 s 23

116J.424 IRRRB CONTRIBUTION.

The commissioner of the iron range resources and rehabilitation board with approval of the board shall provide an equal match for any loan or equity investment made for a facility located in the tax relief area defined in section 273.134 by the Minnesota minerals 21st century fund created by section 116J.423. The match may be in the form of a loan or equity investment, notwithstanding whether the fund makes a loan or equity investment. The state shall not acquire an equity interest because of an equity investment or loan by the board and the board at its sole discretion shall decide what interest it acquires in a project. The commissioner of trade and economic development may require a commitment from the board to make the match prior to disbursing money from the fund.

History: 1999 c 223 art 2 s 24

116J.553 GRANT APPLICATIONS.

[For text of subd 1, see M.S.1998]

Subd. 2. Required content. (a) The commissioner shall prescribe and provide the application form. The application must include at least the following information:

- (1) identification of the site;
- (2) an approved response action plan for the site, including the results of engineering and other tests showing the nature and extent of the release or threatened release of contaminants at the site;
- (3) a detailed estimate, along with necessary supporting evidence, of the total cleanup costs for the site;
- (4) an appraisal of the current market value of the property, separately taking into account the effect of the contaminants on the market value, prepared by a qualified independent appraiser using accepted appraisal methodology;
- (5) an assessment of the development potential or likely use of the site after completion of the response action plan, including any specific commitments from third parties to construct improvements on the site;
- (6) the manner in which the municipality will meet the local match requirement; and
- (7) any additional information or material that the commissioner prescribes.

(b) A response action plan is not required as a condition to receive a grant under section 116J.554, subdivision 1, paragraph (c).

History: 1999 c 203 s 4

116J.562 DEFINITIONS.

[For text of subd 1, see M.S.1998]

Subd. 2. **Redevelopment costs or costs.** "Redevelopment costs" or "costs" means the costs of land acquisition, stabilizing unstable soils when infill is required, demolition, infrastructure improvement, and ponding, or other environmental infrastructure.

[For text of subds 3 to 6, see M.S.1998]

History: 1999 c 203 s 5

116J.567 SALE OF LAND.

Bond proceeds funds in the account may only be used for redevelopment costs for publicly owned property. Nonbond proceeds funds in the account may be used for redevelopment costs as defined in section 116J.562, subdivision 2, provided that the land upon which the improvements are made will ultimately be sold to a private developer at the fair market value of the land, unless it can be determined by the commissioner that a sale for less than fair market value does not result in a subsidy to a private business or developer. Net sale proceeds, up to the amount of the grant, must be paid to the account by the development authority within two years of the sale. The sale and repayment provisions of this section do not apply to lands that will be acquired with nonbond proceeds funds and retained in public ownership for infrastructure improvement and ponding or other environmental infrastructure. For the purpose of this section, "net sales proceeds" means the purchase price of the land minus redevelopment costs related to the land including redevelopment costs paid with grants made under section 116J.564.

History: 1999 c 203 s 6

116J.63 SALE OF PAMPHLETS AND PUBLICATIONS; FEES; ADVERTISING.

[For text of subds 1 to 3, see M.S.1998]

Subd. 4. The office of tourism may market tourism-related publications, trade, and media promotion and advertising programs and information distribution to businesses and organizations. The proceeds from the marketing must be placed in special revenue accounts and are appropriated to the commissioner to implement the programs for which the revenue is collected.

History: 1999 c 223 art 2 s 25

116J.70 DEFINITIONS.

[For text of subds 1 and 2, see M.S.1998]

Subd. 2a. **License; exceptions.** "Business license" or "license" does not include the following:

(1) any occupational license or registration issued by a licensing board listed in section 214.01 or any occupational registration issued by the commissioner of health pursuant to section 214.13;

(2) any license issued by a county, home rule charter city, statutory city, township, or other political subdivision;

(3) any license required to practice the following occupation regulated by the following sections:

- (i) abstracters regulated pursuant to chapter 386;
- (ii) accountants regulated pursuant to chapter 326;
- (iii) adjusters regulated pursuant to chapter 72B;
- (iv) architects regulated pursuant to chapter 326;
- (v) assessors regulated pursuant to chapter 270;
- (vi) athletic trainers regulated pursuant to chapter 148;

- (vii) attorneys regulated pursuant to chapter 481;
- (viii) auctioneers regulated pursuant to chapter 330;
- (ix) barbers regulated pursuant to chapter 154;
- (x) beauticians regulated pursuant to chapter 155A;
- (xi) boiler operators regulated pursuant to chapter 183;
- (xii) chiropractors regulated pursuant to chapter 148;
- (xiii) collection agencies regulated pursuant to chapter 332;
- (xiv) cosmetologists regulated pursuant to chapter 155A;
- (xv) dentists, registered dental assistants, and dental hygienists regulated pursuant to chapter 150A;
- (xvi) detectives regulated pursuant to chapter 326;
- (xvii) electricians regulated pursuant to chapter 326;
- (xviii) mortuary science practitioners regulated pursuant to chapter 149A;
- (xix) engineers regulated pursuant to chapter 326;
- (xx) insurance brokers and salespersons regulated pursuant to chapter 60A;
- (xxi) certified interior designers regulated pursuant to chapter 326;
- (xxii) midwives regulated pursuant to chapter 148;
- (xxiii) nursing home administrators regulated pursuant to chapter 144A;
- (xxiv) optometrists regulated pursuant to chapter 148;
- (xxv) osteopathic physicians regulated pursuant to chapter 147;
- (xxvi) pharmacists regulated pursuant to chapter 151;
- (xxvii) physical therapists regulated pursuant to chapter 148;
- (xxviii) physician assistants regulated pursuant to chapter 147A;
- (xxix) physicians and surgeons regulated pursuant to chapter 147;
- (xxx) plumbers regulated pursuant to chapter 326;
- (xxxi) podiatrists regulated pursuant to chapter 153;
- (xxxii) practical nurses regulated pursuant to chapter 148;
- (xxxiii) professional fund raisers regulated pursuant to chapter 309;
- (xxxiv) psychologists regulated pursuant to chapter 148;
- (xxxv) real estate brokers, salespersons, and others regulated pursuant to chapters 82 and 83;
- (xxxvi) registered nurses regulated pursuant to chapter 148;
- (xxxvii) securities brokers, dealers, agents, and investment advisers regulated pursuant to chapter 80A;
- (xxxviii) steamfitters regulated pursuant to chapter 326;
- (xxxix) teachers and supervisory and support personnel regulated pursuant to chapter 125;
- (xl) veterinarians regulated pursuant to chapter 156;
- (xli) water conditioning contractors and installers regulated pursuant to chapter 326;
- (xlii) water well contractors regulated pursuant to chapter 103I;
- (xliii) water and waste treatment operators regulated pursuant to chapter 115;
- (xliv) motor carriers regulated pursuant to chapter 221;
- (xlv) professional firms regulated under chapter 319B;
- (xlvi) real estate appraisers regulated pursuant to chapter 82B;
- (xlvii) residential building contractors, residential remodelers, residential roofers, manufactured home installers, and specialty contractors regulated pursuant to chapter 326;
- (4) any driver's license required pursuant to chapter 171;
- (5) any aircraft license required pursuant to chapter 360;
- (6) any watercraft license required pursuant to chapter 86B;
- (7) any license, permit, registration, certification, or other approval pertaining to a regulatory or management program related to the protection, conservation, or use of or inter-

ence with the resources of land, air, or water, which is required to be obtained from a state agency or instrumentality; and

(8) any pollution control rule or standard established by the pollution control agency or any health rule or standard established by the commissioner of health or any licensing rule or standard established by the commissioner of human services.

History: 1999 c 86 art 1 s 25

116J.8745 MICROENTERPRISE ENTREPRENEURIAL ASSISTANCE.

Subdivision 1. **Technical assistance.** The commissioner of trade and economic development shall make grants to nonprofit organizations to provide technical assistance to individuals to support the startup and growth of self-employment and microbusinesses. Eligible businesses are microenterprises employing under five people plus the owner and requiring under \$25,000 or no capital to start or expand the business.

Subd. 2. **Grant eligibility and allocation.** Nonprofit organizations must apply for grants under this section following procedures established by the commissioner. To be eligible for a grant, an organization must demonstrate to the commissioner that it has the appropriate expertise. The commissioner shall give preference for grants to organizations that target nontraditional entrepreneurs such as women, members of a minority, low-income individuals, or persons seeking work who are currently on or recently removed from welfare assistance.

An application must include:

- (1) the local need for microenterprise support;
- (2) proposed criteria for business eligibility;
- (3) proposals for identifying and serving eligible businesses;
- (4) a description of technical assistance to be provided to eligible businesses;
- (5) proposals to coordinate technical assistance with financial assistance;
- (6) a demonstration of ability to collaborate with other agencies including educational and financial institutions; and
- (7) project goals identifying the number of eligible businesses to be assisted with the state funds awarded under the grant.

[For text of subd 3, see M.S.1998]

History: 1999 c 223 art 2 s 26,27

116J.9665 WORLD TRADE CENTER.

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meanings given them:

(1) "Conference and service center" means the approximately 20,000 square feet of space on the third and fourth floors of the Minnesota world trade center that the state of Minnesota has the right to possess, occupy, and use subject to the terms and conditions of the development agreement.

(2) "Development agreement" means the agreement entered into by and between the world trade center board, as agent of the state of Minnesota, and Oxford Development Minnesota, Inc. dated July 27, 1984, and the amendments to that agreement, for development and construction of a world trade center at a designated site in Minnesota.

(3) "Minnesota world trade center" means the facility constructed in accordance with the development agreement or other facilities meeting the membership requirements of the World Trade Centers Association.

Subd. 2. **Generally.** The commissioner shall facilitate and support Minnesota world trade center programs and services and promote the Minnesota world trade center. These activities are not subject to chapters 14, 16A, 16B, and 16C.

Subd. 3. **Powers.** In furtherance of the goals set forth in subdivision 2, and in addition to the powers granted by sections 116J.035 and 116J.966, the commissioner may:

- (1) define, formulate, administer, and deliver programs and services through the world trade center;

- (2) set and collect fees for services and programs;
- (3) adopt membership requirements for an association of members of the Minnesota world trade center;
- (4) participate jointly with private persons, firms, corporations, or organizations or with public entities in appropriate programs or projects and enter into contracts to spend money to carry out those programs or projects;
- (5) enter into contracts or agreements with a federal or state agency, individual, business entity, or other organization;
- (6) acquire and dispose of real property or an interest in real property; and
- (7) hold and maintain membership for the Minnesota world trade center in the World Trade Centers Association.

Subd. 4. Duties. The commissioner shall:

- (1) promote and market the Minnesota world trade center and membership in the World Trade Centers Association;
- (2) sponsor conferences or other promotional events in the conference and service center;
- (3) sponsor, develop, and conduct educational programs related to international trade;
- (4) establish and maintain an office in the Minnesota world trade center; and
- (5) not duplicate programs or services provided by the commissioner of agriculture.

Subd. 5. Promotional expenses. The commissioner may expend money to carry out this section. Promotional expenses include, but are not limited to, expenses for the food, lodging, and travel of consultants and speakers, and publications and other forms of advertising.

Subd. 6. World trade center account. The world trade center account is in the special revenue fund. All money received from the use of the conference and service center or appropriated under this section must be deposited in the account. Money in the account including interest earned is appropriated to the commissioner and must be used exclusively for the purposes of this section.

Subd. 7. Service information; classification of data. (a) Service information, including databases, purchased by the commissioner or developed by the commissioner for sale pursuant to this section is not subject to chapter 13.

(b) For purposes of this subdivision, "business transaction" means a transaction between parties other than the commissioner. The following data received or developed by the commissioner is private with respect to data on individuals and nonpublic with respect to data not on individuals:

- (1) data relating to the financial condition of individuals or businesses receiving or performing services by or on behalf of the commissioner in furtherance of this section;
- (2) at the request of either party to the transaction, data on business transactions; and
- (3) at the request of the person or business seeking the information, the identities of persons or businesses requesting business or trade information from the commissioner, and the nature of the trade information.

History: 1999 c 223 art 2 s 28

116J.991 [Repealed, 1999 c 243 art 12 s 4]

116J.993 DEFINITIONS.

Subdivision 1. Scope. For the purposes of sections 116J.993 to 116J.995, the terms defined in this section have the meanings given them.

Subd. 2. Benefit date. "Benefit date" means the date that the recipient receives the business subsidy. If the business subsidy involves the purchase, lease, or donation of physical equipment, then the benefit date begins when the recipient puts the equipment into service. If the business subsidy is for improvements to property, then the benefit date refers to the earliest date of either:

- (1) when the improvements are finished for the entire project; or

(2) when a business occupies the property. If a business occupies the property and the subsidy grantor expects that other businesses will also occupy the same property, the grantor may assign a separate benefit date for each business when it first occupies the property.

Subd. 3. **Business subsidy.** "Business subsidy" or "subsidy" means a state or local government agency grant, contribution of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient, any reduction or deferral of any tax or any fee, any guarantee of any payment under any loan, lease, or other obligation, or any preferential use of government facilities given to a business.

The following forms of financial assistance are not a business subsidy:

- (1) a business subsidy of less than \$25,000;
- (2) assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location, or similar general criteria;
- (3) public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
- (4) redevelopment property polluted by contaminants as defined in section 116J.552, subdivision 3;
- (5) assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code, provided that the assistance is equal to or less than 50 percent of the total cost;
- (6) assistance provided to organizations whose primary mission is to provide job readiness and training services if the sole purpose of the assistance is to provide those services;
- (7) assistance for housing;
- (8) assistance for pollution control or abatement;
- (9) assistance for energy conservation;
- (10) tax reductions resulting from conformity with federal tax law;
- (11) workers' compensation and unemployment compensation;
- (12) benefits derived from regulation;
- (13) indirect benefits derived from assistance to educational institutions;
- (14) funds from bonds allocated under chapter 474A;
- (15) assistance for a collaboration between a Minnesota higher education institution and a business;
- (16) assistance for a tax increment financing soils condition district as defined under section 469.174, subdivision 19;
- (17) redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value; and
- (18) general changes in tax increment financing law and other general tax law changes of a principally technical nature.

Subd. 4. **Grantor.** "Grantor" means any state or local government agency with the authority to grant a business subsidy.

Subd. 5. **Local government agency.** "Local government agency" includes a statutory or home rule charter city, housing and redevelopment authority, town, county, port authority, economic development authority, community development agency, nonprofit entity created by a local government agency, or any other entity created by or authorized by a local government with authority to provide business subsidies.

Subd. 6. **Recipient.** "Recipient" means any for-profit or nonprofit business entity that receives a business subsidy. Only nonprofit entities with at least 100 full-time equivalent positions and with a ratio of highest to lowest paid employee, that exceeds ten to one, determined on the basis of full-time equivalent positions, are included in this definition.

Subd. 7. **State government agency.** "State government agency" means any state agency that has the authority to award business subsidies.

History: 1999 c 243 art 12 s 1

116J.994 REGULATING LOCAL AND STATE BUSINESS SUBSIDIES.

Subdivision 1. **Public purpose.** A business subsidy must meet a public purpose other than increasing the tax base. Job retention may only be used as a public purpose in cases where job loss is imminent and demonstrable.

Subd. 2. **Developing a set of criteria.** A business subsidy may not be granted until the grantor has adopted criteria after a public hearing for awarding business subsidies that comply with this section. The criteria must include a policy regarding the wages to be paid for the jobs created. The commissioner of trade and economic development may assist local government agencies in developing criteria.

Subd. 3. **Subsidy agreement.** (a) A recipient must enter into a subsidy agreement with the grantor of the subsidy that includes:

- (1) a description of the subsidy, including the amount and type of subsidy, and type of district if the subsidy is tax increment financing;
- (2) a statement of the public purposes for the subsidy;
- (3) goals for the subsidy;
- (4) a description of the financial obligation of the recipient if the goals are not met;
- (5) a statement of why the subsidy is needed;
- (6) a commitment to continue operations at the site where the subsidy is used for at least five years after the benefit date;

(7) the name and address of the parent corporation of the recipient, if any; and

(8) a list of all financial assistance by all grantors for the project.

(b) Business subsidies in the form of grants must be structured as forgivable loans. If a business subsidy is not structured as a forgivable loan, the agreement must state the fair market value of the subsidy to the recipient, including the value of conveying property at less than a fair market price, or other in-kind benefits to the recipient.

(c) If a business subsidy benefits more than one recipient, the grantor must assign a proportion of the business subsidy to each recipient that signs a subsidy agreement. The proportion assessed to each recipient must reflect a reasonable estimate of the recipient's share of the total benefits of the project.

(d) The state or local government agency and the recipient must both sign the subsidy agreement and, if the grantor is a local government agency, the agreement must be approved by the local elected governing body, except for the St. Paul Port Authority and a seaway port authority.

Subd. 4. **Wage and job goals.** The subsidy agreement, in addition to any other goals, must include: (1) goals for the number of jobs created, which may include separate goals for the number of part-time or full-time jobs, or, in cases where job loss is imminent and demonstrable, goals for the number of jobs retained; and (2) wage goals for the jobs created or retained.

In addition to other specific goal time frames, the wage and job goals must contain specific goals to be attained within two years of the benefit date.

Subd. 5. **Public notice and hearing.** (a) Before granting a business subsidy that exceeds \$500,000 for a state government grantor and \$100,000 for a local government grantor, the grantor must provide public notice and a hearing on the subsidy. A public hearing and notice under this subdivision is not required if a hearing and notice on the subsidy is otherwise required by law.

(b) Public notice of a proposed business subsidy under this subdivision by a state government grantor must be published in the State Register. Public notice of a proposed business subsidy under this subdivision by a local government grantor must be published in a local newspaper of general circulation. The public notice must identify the location at which information about the business subsidy, including a copy of the subsidy agreement, is available. Published notice should be sufficiently conspicuous in size and placement to distinguish the notice from the surrounding text. The grantor must make the information available in printed paper copies and, if possible, on the Internet. The government agency must provide at least a ten-day notice for the public hearing.

(c) The public notice must include the date, time, and place of the hearing.

(d) The public hearing by a state government grantor must be held in St. Paul.

Subd. 6. Failure to meet goals. The subsidy agreement must specify the recipient's obligation if the recipient does not fulfill the agreement. At a minimum, the agreement must require a recipient failing to meet subsidy agreement goals to pay back the assistance plus interest to the grantor provided that repayment may be prorated to reflect partial fulfillment of goals. The interest rate must be set at the implicit price deflator defined under section 275.70, subdivision 2. The grantor, after a public hearing, may extend for up to one year the period for meeting the goals provided in a subsidy agreement.

A recipient that fails to meet the terms of a subsidy agreement may not receive a business subsidy from any grantor for a period of five years from the date of failure or until a recipient satisfies its repayment obligation under this subdivision, whichever occurs first.

Before a grantor signs a business subsidy agreement, the grantor must check with the compilation and summary report required by this section to determine if the recipient is eligible to receive a business subsidy.

Subd. 7. Reports by recipients to grantors. (a) A business subsidy grantor must monitor the progress by the recipient in achieving agreement goals.

(b) A recipient must provide information regarding goals and results for two years after the benefit date or until the goals are met, whichever is later. If the goals are not met, the recipient must continue to provide information on the subsidy until the subsidy is repaid. The information must be filed on forms developed by the commissioner in cooperation with representatives of local government. Copies of the completed forms must be sent to the commissioner and the local government agency that provided the business subsidy. The report must include:

(1) the type, public purpose, and amount of subsidies and type of district, if the subsidy is tax increment financing;

(2) the hourly wage of each job created with separate bands of wages;

(3) the sum of the hourly wages and cost of health insurance provided by the employer with separate bands of wages;

(4) the date the job and wage goals will be reached;

(5) a statement of goals identified in the subsidy agreement and an update on achievement of those goals;

(6) the location of the recipient prior to receiving the business subsidy;

(7) why the recipient did not complete the project outlined in the subsidy agreement at their previous location, if the recipient was previously located at another site in Minnesota;

(8) the name and address of the parent corporation of the recipient, if any;

(9) a list of all financial assistance by all grantors for the project; and

(10) other information the commissioner may request.

A report must be filed no later than March 1 of each year for the previous year and within 30 days after the deadline for meeting the job and wage goals.

(c) Financial assistance that is excluded from the definition of "business subsidy" by section 116J.993, subdivision 3, clauses (4), (5), (8), and (16) is subject to the reporting requirements of this subdivision, except that the report of the recipient must include:

(1) the type, public purpose, and amount of the financial assistance, and type of district if the subsidy is tax increment financing;

(2) progress towards meeting goals stated in the subsidy agreement and the public purpose of the assistance;

(3) the hourly wage of each job created with separate bands of wages;

(4) the sum of the hourly wages and cost of health insurance provided by the employer with separate bands of wages;

(5) the location of the recipient prior to receiving the assistance; and

(6) other information the grantor requests.

(d) If the recipient does not submit its report, the local government agency must mail the recipient a warning within one week of the required filing date. If, after 14 days of the post-

marked date of the warning, the recipient fails to provide a report, the recipient must pay to the grantor a penalty of \$100 for each subsequent day until the report is filed. The maximum penalty shall not exceed \$1,000.

Subd. 8. Reports by grantors. (a) Local government agencies of a local government with a population of more than 2,500 and state government agencies, regardless of whether or not they have awarded any business subsidies, must file a report by April 1 of each year with the commissioner. Local government agencies of a local government with a population of 2,500 or less are exempt from filing this report if they have not awarded a business subsidy in the past five years. The local government agency must include a list of recipients that did not complete the report and of recipients that have not met their job and wage goals within two years and the steps being taken to bring them into compliance or to recoup the subsidy.

If the commissioner has not received the report by April 1 from an entity required to report, the commissioner shall issue a warning to the government agency. If the commissioner has still not received the report by June 1 of that same year from an entity required to report, then that government agency may not award any business subsidies until the report has been filed.

(b) The commissioner of trade and economic development must provide information on reporting requirements to state and local government agencies.

Subd. 9. Compilation and summary report. The department of trade and economic development must publish a compilation and summary of the results of the reports for the previous calendar year by July 1 of each year. The reports of the government agencies to the department and the compilation and summary report of the department must be made available to the public.

The commissioner must coordinate the production of reports so that useful comparisons across time periods and across grantors can be made. The commissioner may add other information to the report as the commissioner deems necessary to evaluate business subsidies. Among the information in the summary and compilation report, the commissioner must include:

- (1) total amount of subsidies awarded in each development region of the state;
- (2) distribution of business subsidy amounts by size of the business subsidy;
- (3) distribution of business subsidy amounts by time category, such as monthly or quarterly;
- (4) distribution of subsidies by type and by public purpose;
- (5) percent of all business subsidies that reached their goals;
- (6) percent of business subsidies that did not reach their goals by two years from the benefit date;
- (7) total dollar amount of business subsidies that did not meet their goals after two years from the benefit date;
- (8) percent of subsidies that did not meet their goals and that did not receive repayment;
- (9) list of recipients that have failed to meet the terms of a subsidy agreement in the past five years and have not satisfied their repayment obligations;
- (10) number of part-time and full-time jobs within separate bands of wages; and
- (11) benefits paid within separate bands of wages.

History: 1999 c 243 art 12 s 2

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An appropriation rider in an appropriation to the department of trade and economic development that specifies that the appropriation be granted to a particular business or class of businesses must contain a statement of the expected benefits associated with the grant. At a minimum, the statement must include goals for the number of jobs created, wages paid, and the tax revenue increases due to the grant.

History: 1999 c 243 art 12 s 3