

HOUSE RESEARCH

Bill Summary

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Overview

This bill provides \$12 million of new money to be loaned to regional organizations in Greater Minnesota eligible for the challenge grant program administered by the Department of Employment and Economic Development. The revolving loans must be used for business investment.

Section

- 1 Greater Minnesota Business Development Investment Fund.** Establishes a new revolving investment fund for regional organizations in Greater Minnesota eligible for the existing challenge grant program. Money in the fund can be used by the regional organizations to provide debt or equity capital for new and expanding businesses.

Establishes criteria for loaning up to \$2 million to a regional organization, including: a ten-year term, at one percent interest; repayment through annual interest only payments for ten years followed by a total repayment of the principal; a formal loan agreement; timelines for making business investments subject to the requirements in the law; and submission of an annual report.

- 2 Appropriation.** Appropriates \$12 million from the general fund to the commissioner of employment and economic development for loans to regional organizations to invest in businesses. The money is available until spent.