

Subject Minnesota investment fund modification

Authors Mahoney

Analyst Anna Scholin

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Overview

Provides a onetime opportunity to local governments holding uncommitted money in local revolving loan funds seeded by Minnesota investment fund (MIF) loan repayments to send 20 percent of the balance of the local fund back to the state in exchange for being able to use the remaining 80 percent without the usual restrictions. Requires any local government that makes use of the onetime exception to submit an accounting to the legislature that explains the use and distribution of the funds.

Normally, local revolving loan funds seeded by MIF repayments must meet the same requirements as the MIF program, limiting the types of projects these funds can be used for (for example, no loans to retail businesses, casinos, or sports facilities are allowed). Under this bill, if a local government made the 20 percent repayment to the state, it could then use the remaining 80 percent of the fund for any purpose not forbidden by laws other than the MIF statute. Because this is a onetime exception, any new repayments entering the local revolving loan fund after the date of the transfer to the state would be subject to the normal restrictions.