

Subject Economic development finance and policy bill

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Overview

This is the Economic Development Committee's major finance bill.

Article 1: Appropriations

This article modifies 2023 appropriations to the Department of Employment And Economic Development (DEED) and to Explore Minnesota Tourism and appropriates new money to both entities.

Section	Description – Article 1: Appropriations
1	Total appropriation. Modifies fiscal year 2025 appropriation amounts listed in the 2023 jobs act.
2	Business and community development. Modifies fiscal year 2025 appropriation amounts listed in the 2023 jobs act.
3	Explore Minnesota Tourism. Modifies fiscal year 2024 appropriation amounts listed in the 2023 jobs act.
4	Appropriations. Subd. 1. Department of Employment and Economic Development. Appropriates onetime funding in fiscal year 2025 to DEED. Subd. 2. Explore Minnesota Tourism. Appropriates funding in fiscal year 2025 to Explore Minnesota Tourism, including ongoing funding to fund operations of the Explore Minnesota Film office established in this bill.
5	Cancellations. Cancels a \$5,000,000 fiscal year 2024 appropriation.

Article 2: Economic Development Policy

This article modifies existing DEED programs, establishes the Explore Minnesota Film office within Explore Minnesota Tourism, increases maximum grant amounts for certain Public Facilities Authority grant programs, and provides special legislative authority to the city of Brooklyn Park.

Section Description – Article 2: Economic Development Policy

- 1 Grant program established.**
Modifies the innovative business development public infrastructure grant program so that its grants need not be competitive. Sets the maximum amount for a grant at 50 percent of the cost. Removes a provision allowing the commissioner of employment and economic development to waive eligibility requirements under certain circumstances.
- 2 Application.**
Modifies standards for applying to the innovative business development public infrastructure grant program and requires an applicant to submit a resolution finding it met the standards.
- 3 Membership.**
Adds to the Energy Transition Advisory Committee one representative of a school district facing revenue loss due to energy transition.
- 4 Definitions.**
Modifies the definition of “partner organization” for the purposes of the small business assistance partnerships program to include Tribal economic development entities.
- 5 Small business assistance partnerships grants.**
Allows up to 15 percent of the amount of a grant through the small business assistance partnerships program to be used on administrative costs.
- 6 Minnesota expanding opportunity fund program.**
Modifies the Minnesota expanding opportunity fund program to allow funding for Tribal economic development entities and community development financial institutions. Allows for fee-based loans. Sets the interest rates for loans under the program to ten percent. Allows lenders under the program to keep an amount equal to one percent of each loan for administrative costs.
- 7 Minnesota emerging entrepreneur program.**
Modifies the Minnesota emerging entrepreneur program to allow funding for Tribal economic development entities and community development financial institutions.

Section Description – Article 2: Economic Development Policy

- Requires opening the program to new applicants every two years. Exempts preferred partners from requirements to get approval from DEED to issue a loan and requires decisions on loans within 20 days for other participants seeking to issue a loan. Adds a minimum two-year period to receive ten percent loan forgiveness. Requires DEED to develop criteria for borrowers seeking the forgiveness. Modifies maximum microenterprise loan amounts. Allows lenders under the program to keep an amount equal to one percent of each loan for administrative costs.
- 8 Explore Minnesota Film.**
Establishes a new office within Explore Minnesota to facilitate development of the film and television industry.
- 9 Film production jobs program.**
Transfers responsibility for administering the film production jobs program from the Minnesota Film and TV Board to Explore Minnesota Film.
- 10 Definitions.**
Conforms the definitions of the film production credit to the changes establishing Explore Minnesota Film. Exempts commercials funded by the credit from a requirement to display a logo promoting Minnesota within its end credits.
- 11 Applications; allocations.**
Conforms the film production credit to the changes establishing Explore Minnesota Film.
- 12 Report required.**
Conforms the film production credit to the changes establishing Explore Minnesota Film.
- 13 Type and amount of assistance.**
Increases the maximum grant amount per project for the water infrastructure funding program from \$5,000,000 to \$10,000,000.
- 14 Program established.**
Increases the maximum grant amount for the point source implementation grant program from \$7,000,000 to \$12,000,000.
- 15 Administrative costs.**
Allows Northland Foundation to use up to five percent of an appropriation made in Laws 2023 for administrative costs.

Section Description – Article 2: Economic Development Policy

- 16 Loans to community businesses.**
Modifies the community wealth-building grant pilot program to allow forgiveness of loans to community businesses. Allows for fee-based loans.
- 17 Reports.**
Extends reporting deadlines for the community wealth-building grant pilot program.
- 18 Brooklyn Park biotech innovation district.**
Requires Brooklyn Park’s economic development authority (EDA) to prepare a development plan for a biotech innovation district, requiring notice to and approval by the city. In developing the plan, requires prioritization of projects that will pay a living wage. Allows the Brooklyn Park EDA to exercise the powers of a port authority. Requires the city to provide financial support to the EDA and allows it to appropriate money to the EDA. For development of the district, allows the city to take on debt that would be exempt both from net debt limits and from requirements for voter approval. Allows the city to select developers of parking facilities and other public improvements to implement the development plan without using competitive bidding. Requires an annual report to the legislature on the development plan and its implementation.
- 19 Repealer.**
Repeals a subdivision providing how to prioritize among applicants for the innovative business development public infrastructure grant program.



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