Mahoney from the Jobs and Economic Development Finance Division to which was referred:

H. F. No. 1507, A bill for an act relating to economic development; modifying Minnesota investment fund grant limits; modifying job training grants program; appropriating money; amending Minnesota Statutes 2018, sections 116J.8731, subdivision 5; 116L.40, subdivision 7; 116L.41, subdivision 4, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2018, section 48.512, subdivision 2, is amended to read:

Subd. 2. Required information. Before opening or authorizing signatory power over a transaction account, a financial intermediary shall require one applicant to provide the following information on an application document signed by the applicant:

(a) full name;

(b) birth date;

(c) address of residence;

(d) address of current employment, if employed;

(e) telephone numbers of residence and place of employment, if any;

(f) Social Security number;

(g) driver's license or identification card number issued pursuant to section 171.07. If the applicant does not have a driver's license or identification card, the applicant may provide an identification document number issued for identification purposes by any state, federal, or foreign government if the document includes the applicant's photograph, full name, birth date, and signature. A valid Wisconsin driver's license without a photograph may be accepted in satisfaction of the requirement of this paragraph until January 1, 1985;"
(h) whether the applicant has had a transaction account at the same or another financial
intermediary within 12 months immediately preceding the application, and if so, the name
of the financial intermediary;

(i) whether the applicant has had a transaction account closed by a financial intermediary
without the applicant's consent within 12 months immediately preceding the application,
and if so, the reason the account was closed; and

(j) whether the applicant has been convicted of a criminal offense because of the use of
a check or other similar item within 24 months immediately preceding the application.

A financial intermediary may require an applicant to disclose additional information.

An applicant who makes a false material statement that the applicant does not believe
to be true in an application document with respect to information required to be provided
by this subdivision is guilty of perjury. The financial intermediary shall notify the applicant
of the provisions of this paragraph.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2018, section 48.512, subdivision 3, is amended to read:

Subd. 3. **Confirm no involuntary closing Confirmation.** Before opening or authorizing
signatory power over a transaction account, the financial intermediary shall attempt to verify
the information disclosed for subdivision 2, clause (i). Inquiries made to verify this
information through persons in the business of providing such information must include an
inquiry based on the applicant's identification number provided under subdivision 2, clause
(g). The financial intermediary may not open or authorize signatory power over a transaction
account if (i) the applicant had a transaction account closed by a financial intermediary
without consent because of issuance by the applicant of dishonored checks within 12 months
immediately preceding the application, or (ii) the applicant has been convicted of a criminal
offense because of the use of a check or other similar item within 24 months immediately
preceding the application.

If the transaction account is refused pursuant to this subdivision due to information
obtained in subdivision 2, clauses (i) and (j), the reasons for the refusal shall be given to
the applicant in writing and the applicant shall be allowed to provide additional information.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 2.
Sec. 3. REPAYMENT OF CONSUMER SMALL LOANS AND CONSUMER SHORT-TERM LOANS DURING PUBLIC HEALTH EMERGENCY.

Subdivision 1. Definitions. (a) For the purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Borrower" means an individual who obtains a consumer small loan or a consumer short-term loan and who resides in the jurisdiction covered by the public health emergency at the time the loan is originated.

c) "Consumer small loan lender" has the meaning given in Minnesota Statutes, section 47.60, subdivision 1, paragraph (b).

d) "Consumer small loan" has the meaning given in Minnesota Statutes, section 47.60, subdivision 1, paragraph (a).

e) "Consumer short-term lender" has the meaning given in Minnesota Statutes, section 47.601, subdivision 1, paragraph (e).

f) "Consumer short-term loan" has the meaning given in Minnesota Statutes, section 47.601, subdivision 1, paragraph (d).

g) "Public health emergency" means a peacetime emergency declared under Minnesota Statutes, section 12.31, subdivision 2, by the governor in an executive order that relates to the infectious disease COVID-19.

Subd. 2. Repayment terms during public health emergency. (a) Notwithstanding any other law to the contrary, a consumer small loan or consumer short-term loan made by a consumer small loan lender or consumer short-term lender to a borrower executed while this section is in effect must extend the repayment period for the loan, including applicable interest, fees, penalties, and charges to allow the borrower to repay the loan in equal installments over a period of 12 months.

(b) The total dollar amount of interest, fees, penalties, and charges for a loan covered by this section cannot exceed the total dollar amount of interest, fees, penalties, and charges that would be owed if the loan had been made pursuant to Minnesota Statutes, section 47.60 or 47.601, and outside of a public health emergency.

(c) A violation of this section is a violation of Minnesota Statutes, section 325F.69, and enforceable by the attorney general under Minnesota Statutes, section 8.31. In addition, the commissioner of commerce has all the authority provided under Minnesota Statutes, section 45.027, to ensure compliance with this section.
4.1 (d) A consumer small loan or consumer short-term loan that violates this section is void and unenforceable against the borrower.

4.2 (e) A consumer small loan lender or consumer short-term lender who violates this subdivision is liable to the borrower for all money collected or received in connection with the loan, a civil penalty of $500, and reasonable attorney fees and court costs.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to loans executed between that date and February 15, 2021.

### Sec. 4. SMALL BUSINESS EMERGENCY LOAN PROGRAM; TRANSFER.

$5,000,000 in fiscal year 2020 is transferred from the loan guarantee trust fund account in the special revenue fund under Minnesota Statutes, section 116J.881, subdivision 4, to the commissioner of employment and economic development for deposit in the small business emergency loan account in the special revenue fund under Minnesota Statutes, section 116M.18, subdivision 9, to make loans as set forth in governor's Executive Order 20-15, Providing Immediate Relief to Small Businesses During the COVID-19 Peacetime Emergency.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

### Sec. 5. SMALL BUSINESS EMERGENCY LOAN PROGRAM; APPROPRIATIONS.

(a) $50,000,000 in fiscal year 2020 is appropriated from the federal funds received by the state of Minnesota under the Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136, Title V, to the commissioner of employment and economic development for loans under paragraph (c). The appropriation in this paragraph is reduced by any amount appropriated in paragraph (b). Funds are available until December 31, 2020.

(b) If the appropriation in paragraph (a) is unable to be made before May 15, 2020, then $50,000,000 in fiscal year 2020 is appropriated from the general fund to the commissioner of employment and economic development for loans under paragraph (c). Funds are available until December 31, 2020.

(c) Money appropriated under paragraph (a) or (b) shall be used to make loans as set forth in governor's Executive Order 20-15, Providing Immediate Relief to Small Businesses During the COVID-19 Peacetime Emergency. Of the $50,000,000 appropriated:

1. $11,000,000 is for making loans as specified in paragraph (d);

2. $8,000,000 is for making loans as specified in paragraph (e); and
5.1 (3) $10,000,000 is for making loans as specified in paragraph (f).

5.2 (d) Loans under this paragraph are available only to businesses employing no more than the equivalent of six full-time persons in Minnesota. The terms of these loans must be the same as those under Executive Order 20-15, except that:

5.3 (1) the maximum loan amount is $15,000;

5.4 (2) payments on loans are deferred for 12 months instead of six; and

5.5 (3) up to 100 percent of the loan may be forgiven if the commissioner approves and the business continues operating in the community at substantially the same levels for two years following loan disbursement.

5.6 (e) Loans under this paragraph are available only to businesses employing the equivalent of at least seven but not more than 20 full-time persons in Minnesota. The terms of these loans must be the same as those under Executive Order 20-15, except that:

5.7 (1) the maximum loan amount is $20,000;

5.8 (2) payments on loans are deferred for 12 months instead of six; and

5.9 (3) up to an additional 25 percent of the loan may be forgiven if the commissioner approves and the business continues operating in the community at substantially the same levels for a third year following loan disbursement.

5.10 (f) Loans under this paragraph are available only to:

5.11 (1) minority business enterprises, as defined in Minnesota Statutes, section 116M.14, subdivision 5; or

5.12 (2) operators of permanent indoor retail space that has a strong ethnic cultural orientation and is leased primarily to very small businesses. The terms of these loans must be the same as those under Executive Order 20-15, except that for loans under clause (2):

5.13 (i) there is no maximum loan amount;

5.14 (ii) payments on loans are deferred for 12 months instead of six;

5.15 (iii) up to an additional 25 percent of the loan may be forgiven if the commissioner approves and the business continues operating in the community at substantially the same levels for a third year following loan disbursement, however, no part of the loan may be forgiven unless the loan recipient has offered forgiveness of at least 50 percent of rent due from existing vendors during the COVID-19 peacetime emergency; and
(iv) loan funds must be used primarily for maintaining existing vendors as tenants, such as through full or partial forgiveness of rent during the COVID-19 peacetime emergency.

**EFFECTIVE DATE.** This section is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to economic development; modifying certain financial intermediary regulations; extending repayment terms of certain loans during public health emergency; appropriating money for small business emergency loans; amending Minnesota Statutes 2018, section 48.512, subdivisions 2, 3."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

This Division action taken April 24, 2020

........................................................., Chair