

43.25

**ARTICLE 3**

43.26

**DEED POLICY**

43.27 Section 1. Minnesota Statutes 2020, section 116J.035, is amended by adding a subdivision  
43.28 to read:

43.29 Subd. 7a. **Competitive grants.** The commissioner shall, when awarding competitive  
43.30 grants to organizations for the purpose of providing job training, give priority to programs  
43.31 or organizations that focus job training in high-wage, high-demand careers. For purposes  
43.32 of this subdivision, "high-wage, high-demand" has the meaning given in section 116L.99.

20.12

**ARTICLE 2**

20.13

**ECONOMIC DEVELOPMENT POLICY**20.14 Section 1. **[116J.015] REVIEW OF REPORT MANDATES.**

20.15 The commissioner of employment and economic development shall annually create a  
20.16 list of reports that were mandated by law at least three years prior to the date of the list and  
20.17 that no longer serve a useful purpose. This list, along with suggested legislation for  
20.18 eliminating the listed reports, shall be submitted no later than January 15 each year, beginning  
20.19 in 2023, to the legislative committees with jurisdiction over employment and economic  
20.20 development for the consideration of the legislature.

20.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.20.22 Sec. 2. **[116J.4231] OFFICE OF NEW AMERICANS.**

20.23 Subdivision 1. **Office established; purpose.** (a) The Office of New Americans is  
20.24 established within the Department of Employment and Economic Development. The governor  
20.25 must appoint an executive director who serves in the unclassified service. The executive  
20.26 director must hire a program manager and an office assistant, as well as any staff necessary  
20.27 to carry out the office's duties under subdivision 2.

20.28 (b) The purpose of the office is to serve immigrants and refugees in Minnesota by:

20.29 (1) addressing challenges that face immigrants and refugees in Minnesota, and creating  
20.30 access in economic development and workforce programs and services;

21.1 (2) providing interstate agency coordination, policy reviews, and guidance that assist in  
21.2 creating access to immigrants and refugees.

21.3 **Subd. 2. Duties.** (a) The office has the duty to:

21.4 (1) create and implement a statewide strategy to support immigrant and refugee integration  
21.5 into Minnesota communities;

21.6 (2) address the state's workforce needs by connecting employers and job seekers within  
21.7 the immigrant and refugee community;

- 21.8 (3) identify strategies to reduce employment barriers for immigrants and refugees;
- 21.9 (4) ensure equitable opportunities and access to services within state government for
- 21.10 immigrants and refugees;
- 21.11 (5) work with state agencies and community and foundation partners to undertake studies
- 21.12 and research and analyze economic and demographic trends to better understand and serve
- 21.13 the state's immigrant and refugee communities;
- 21.14 (6) coordinate and establish best practices for language access initiatives to all state
- 21.15 agencies;
- 21.16 (7) convene stakeholders and make policy recommendations to the governor on issues
- 21.17 impacting immigrants and refugees;
- 21.18 (8) promulgate rules necessary to implement and effectuate this section;
- 21.19 (9) provide an annual report, as required by subdivision 3;
- 21.20 (10) perform any other activities consistent with the office's purpose.
- 21.21 Subd. 3. **Reporting.** (a) Beginning January 15, 2024, and each year thereafter, the Office
- 21.22 of New Americans shall report to the legislative committees with jurisdiction over the
- 21.23 office's activities during the previous year.
- 21.24 (b) The report shall contain, at a minimum:
- 21.25 (1) a summary of the office's activities;
- 21.26 (2) suggested policies, incentives, and legislation designed to accelerate the achievement
- 21.27 of the duties under subdivision 2;
- 21.28 (3) any proposed legislative and policy initiatives;
- 21.29 (4) the amount and types of grants awarded under subdivision 6; and
- 22.1 (5) any other information deemed necessary and requested by the legislative committees
- 22.2 with jurisdiction over the office.
- 22.3 (c) The report may be submitted electronically and is subject to section 3.195, subdivision
- 22.4 1.
- 22.5 Subd. 4. **Interdepartmental Coordinating Council on Immigrant and Refugee**
- 22.6 **Affairs.** (a) An interdepartmental Coordinating Council on Immigrant and Refugee Affairs
- 22.7 is established to advise the Office of New Americans.
- 22.8 (b) The purpose of the council is to identify and establish ways in which state departments
- 22.9 and agencies can work together to deliver state programs and services effectively and
- 22.10 efficiently to Minnesota's immigrant and refugee populations. The council shall implement

- 22.11 policies, procedures, and programs requested by the governor through the state departments  
 22.12 and offices.
- 22.13 (c) The council shall be chaired by the executive director of the Office of New Americans  
 22.14 and shall be comprised of the commissioners, department directors, or designees, from the  
 22.15 following state departments and offices:
- 22.16 (1) the governor's office;  
 22.17 (2) the Department of Administration;  
 22.18 (3) the Department of Employment and Economic Development;  
 22.19 (4) the Department of Human Services;  
 22.20 (5) the Department of Human Services Resettlement Program Office;  
 22.21 (6) the Department of Labor and Industry;  
 22.22 (7) the Department of Health;  
 22.23 (8) the Department of Education;  
 22.24 (9) the Office of Higher Education;  
 22.25 (10) the Department of Public Safety;  
 22.26 (11) the Department of Corrections; and  
 22.27 (12) the Office of New Americans.
- 22.28 (d) Each department or office serving as a member of the council shall designate one  
 22.29 staff member as an immigrant and refugee services liaison. The liaisons' responsibilities  
 22.30 shall include:
- 23.1 (1) preparation and dissemination of information and services available to immigrants  
 23.2 and refugees;
- 23.3 (2) interfacing with the Office of New Americans on issues that impact immigrants and  
 23.4 refugees and their communities; and
- 23.5 (3) where applicable, serving as the point of contact for immigrants and refugees accessing  
 23.6 resources both within the department and with boards charged with oversight of a profession.
- 23.7 Subd. 5. **No right of action.** Nothing in this section shall be construed to create any  
 23.8 right or benefit, substantive or procedural, enforceable at law or in equity by any party  
 23.9 against the state; its departments, agencies, or entities; its officers, employees, or agents;  
 23.10 or any other person.

44.1 Sec. 2. Minnesota Statutes 2020, section 116J.55, subdivision 6, is amended to read:

44.2 Subd. 6. **Eligible expenditures.** (a) Money in the account established in subdivision 3  
44.3 must be used only to:

44.4 (1) award grants to eligible communities under this section; and

44.5 (2) reimburse the department's reasonable costs to administer this section, up to a  
44.6 maximum of five percent of the appropriation made to the commissioner under this section.  
44.7 The commissioner may transfer part of the allowable administrative portion of this  
44.8 appropriation to the Environmental Quality Board to assist communities with regulatory  
44.9 coordination, and dedicated technical assistance on conversion for these communities.

44.10 (b) An eligible community awarded a grant under this section may use the grant to plan  
44.11 for or address the economic and social impacts on the eligible community of the electric  
44.12 generating plant's cessation of operations, including but not limited to land use studies,  
44.13 economic planning, researching, planning, and implementing activities and impact studies  
44.14 and other planning activities enabling communities to become shovel-ready and support  
44.15 the transition from power plants to other economic activities to minimize the negative  
44.16 impacts of power plant closures on tax revenues and jobs designed to:

44.17 (1) assist workers at the plant find new employment, including worker retraining and  
44.18 developing small business start-up skills;

44.19 (2) increase the eligible community's property tax base; and

44.20 (3) develop alternative economic development strategies to attract new employers to the  
44.21 eligible community.

44.22 Sec. 3. Minnesota Statutes 2020, section 116J.552, subdivision 6, is amended to read:

44.23 Subd. 6. **Municipality.** "Municipality" means the statutory or home rule charter city,  
44.24 town, federally recognized Tribe, or, in the case of unorganized territory, the county in  
44.25 which the site is located.

23.11 Subd. 6. **Grants.** Within the limits of available appropriations, the office may apply for  
23.12 grants for interested state agencies, community partners, and stakeholders under this section  
23.13 to carry out the duties under subdivision 2.

23.14 Sec. 3. Minnesota Statutes 2020, section 116J.552, subdivision 6, is amended to read:

23.15 Subd. 6. **Municipality.** "Municipality" means the statutory or home rule charter city,  
23.16 town, federally recognized Tribe, or, in the case of unorganized territory, the county in  
23.17 which the site is located.

23.18 Sec. 4. Minnesota Statutes 2020, section 116J.8747, is amended to read:

23.19 **116J.8747 JOB TRAINING PROGRAM GRANT.**

23.20 Subdivision 1. **Grant allowed.** The commissioner may provide a grant to a qualified  
23.21 job training program from money appropriated for the purposes of this section as follows:

23.22 ~~(1) an \$11,000 placement grant paid to a job training program upon placement in~~  
23.23 ~~employment of a qualified graduate of the program; and~~

44.26 Sec. 4. Minnesota Statutes 2020, section 116J.8747, subdivision 2, is amended to read:

44.27 Subd. 2. **Qualified job training program.** To qualify for grants under this section, a  
44.28 job training program must satisfy the following requirements:

44.29 (1) the program must be operated by a nonprofit corporation that qualifies under section  
44.30 501(c)(3) of the Internal Revenue Code;

44.31 (2) the program may spend up to \$5,500 in total training per participant;

45.1 (3) the program must provide education and training in:

45.2 (i) basic skills, such as reading, writing, financial literacy, digital literacy, mathematics,  
45.3 and communications;

45.4 (ii) long-term plans for success including participant coaching for two years after  
45.5 placement;

23.24 ~~(2) an \$11,000 retention grant paid to a job training program upon retention in~~  
23.25 ~~employment of a qualified graduate of the program for at least one year.~~

23.26 (1) up to ten percent of the appropriation may be allocated for administrative expenses  
23.27 by the program;

23.28 (2) up to 20 percent of the appropriation may be allocated for direct service expenses  
23.29 by the program;

24.1 (3) a placement grant paid to a job training program upon placement in employment of  
24.2 a qualified graduate of the job training program as follows:

24.3 (i) \$2,500 for placement in part-time employment (20 hours a week or more) of at least  
24.4 150 percent of the state minimum wage hourly;

24.5 (ii) \$2,500 for placement in full-time employment (32 hours a week or more) at the state  
24.6 minimum wage but below 150 percent of the state minimum wage hourly; and

24.7 (iii) \$5,000 for placement in full-time employment (32 hours a week or more) of at least  
24.8 150 percent of the state minimum wage hourly; and

24.9 (4) a retention grant paid to a job training program upon retention in employment of a  
24.10 qualified graduate of the job training program for at least one year as follows:

24.11 (i) \$5,000 for one year of retained part-time employment (20 hours a week or more) of  
24.12 at least 150 percent of the state minimum wage;

24.13 (ii) \$5,000 for one year of retained full-time employment (32 hours a week or more) at  
24.14 the state minimum wage but below 150 percent of the state minimum wage; and

24.15 (iii) \$10,000 for one year of retained full-time employment (32 hours a week or more)  
24.16 of at least 150 percent of the state minimum wage hourly.

24.17 Subd. 2. **Qualified job training program.** To qualify for grants under this section, a  
24.18 job training program must satisfy the following requirements:

24.19 (1) the program must be operated by a nonprofit corporation that qualifies under section  
24.20 501(c)(3) of the Internal Revenue Code;

24.21 (2) the program may spend up to \$5,500 in total training per participant;

24.22 (3) the program must provide education and training in:

24.23 (i) basic skills, such as reading, writing, financial literacy, digital literacy, mathematics,  
24.24 and communications;

24.25 (ii) long-term plans for success including participant coaching for two years after  
24.26 placement;

- 45.6 (iii) soft skills, including skills critical to success on the job; and
- 45.7 (iv) access to internships, technology training, personal and emotional intelligence skill  
45.8 development, and other support services;
- 45.9 (4) the program may provide ~~income supplements not to exceed \$2,000 per participant~~  
45.10 support services, when needed, to participants for housing, counseling, tuition, and other  
45.11 basic needs;
- 45.12 (5) individuals served by the program must be 18 years of age or older as of the date of  
45.13 enrollment, and have household income in the six months immediately before entering the  
45.14 program that is 200 percent or less of the federal poverty guideline for Minnesota, based  
45.15 on family size; and
- 45.16 (6) the program must be certified by the commissioner of employment and economic  
45.17 development as meeting the requirements of this subdivision.
- 45.18 Sec. 5. Minnesota Statutes 2020, section 116J.8747, subdivision 3, is amended to read:
- 45.19 Subd. 3. **Graduation and retention grant requirements.** (a) For purposes of a placement  
45.20 grant under this section, a qualified graduate is a graduate of a job training program qualifying  
45.21 under subdivision 2 who is placed in a job in Minnesota that pays at least the current state  
45.22 minimum wage. To qualify for a retention grant under this section for a retention fee, a job  
45.23 in which the graduate is retained must pay at least the current state minimum wage.
- 45.24 (b) Programs are limited to one placement and one retention payment for a qualified  
45.25 graduate in a performance program.
- 45.26 Sec. 6. Minnesota Statutes 2020, section 116J.8747, subdivision 4, is amended to read:
- 45.27 Subd. 4. **Duties of program.** (a) A program certified by the commissioner under  
45.28 subdivision 2 must comply with the requirements of this subdivision.
- 45.29 (b) A program must maintain and provide upon request records for each qualified  
45.30 graduate. The records must include information sufficient to verify the graduate's eligibility  
46.1 under this section, identify the employer, and describe the job including its compensation  
46.2 rate ~~and~~, benefits, and average hours per week.
- 46.3 (c) A program is subject to the reporting requirements under section 116L.98.

- 24.27 (iii) soft skills, including skills critical to success on the job; and
- 24.28 (iv) access to internships, technology training, personal and emotional intelligence skill  
24.29 development, and other support services;
- 25.1 (4) the program may provide ~~income supplements not to exceed \$2,000 per participant~~  
25.2 support services, when needed, to participants for housing, counseling, tuition, and other  
25.3 basic needs;
- 25.4 (5) individuals served by the program must be 18 years of age or older as of the date of  
25.5 enrollment, and have household income in the six months immediately before entering the  
25.6 program that is 200 percent or less of the federal poverty guideline for Minnesota, based  
25.7 on family size; and
- 25.8 (6) the program must be certified by the commissioner of employment and economic  
25.9 development, or the commissioner's designee, as meeting the requirements of this subdivision.
- 25.10 Subd. 3. ~~Graduation and retention grant~~ **Employment requirements.** ~~For purposes~~  
25.11 ~~of a placement grant under this section, a qualified graduate is a graduate of a job training~~  
25.12 ~~program qualifying under subdivision 2 who is placed in a job in Minnesota that pays at~~  
25.13 ~~least the current state minimum wage. To qualify for a retention grant under this section for~~  
25.14 ~~a retention fee, a job in which the graduate is retained must pay at least the current state~~  
25.15 ~~minimum wage.~~ (a) For employment to qualify under subdivision 1, the employment must  
25.16 be permanent, unsubsidized, private or public sector employment, eligible for unemployment  
25.17 insurance under section 268.035, or otherwise eligible for unemployment insurance under  
25.18 section 268.035 if hours were above 32 per week.
- 25.19 (b) Programs are limited to one placement and one retention payment for a qualified  
25.20 graduate in a performance program within the two years following a placement or retention  
25.21 payment made under this section.
- 25.22 Subd. 4. **Duties of program.** (a) A program certified by the commissioner under  
25.23 subdivision 2 must comply with the requirements of this subdivision.
- 25.24 (b) A program must maintain and provide upon request records for each qualified graduate  
25.25 in compliance with state record retention requirements. The records must include information  
25.26 sufficient to verify the graduate's eligibility under this section, identify the employer, and  
25.27 describe the job including its compensation rate ~~and~~, benefits, and average hours per week.
- 25.28 (c) A program is subject to the reporting requirements under section 116L.98.

- 25.29 Sec. 5. Minnesota Statutes 2021 Supplement, section 116J.8749, is amended to read:
- 25.30 **116J.8749 MAIN STREET ECONOMIC REVITALIZATION PROGRAM.**
- 25.31 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
- 25.32 the meanings given.
- 26.1 (b) "Borrower" means an eligible recipient receiving a loan guaranteed or capitalized
- 26.2 under this section.
- 26.3 (c) "Capitalized loan" means a loan for which the state provides up to 20 percent of the
- 26.4 loan funding with the state funds payment subordinate in the event of default.
- 26.5 ~~(d)~~ (d) "Commissioner" means the commissioner of employment and economic
- 26.6 development.
- 26.7 ~~(e)~~ (e) "Eligible project" means the development, redevelopment, demolition, site
- 26.8 preparation, predesign, design, engineering, repair, or renovation of real property or capital
- 26.9 improvements. Eligible projects must be designed to address the greatest economic
- 26.10 development and redevelopment needs that have arisen in the community surrounding that
- 26.11 real property since March 15, 2020. Eligible project includes but is not limited to the
- 26.12 construction of buildings, infrastructure, and related site amenities, landscaping, or
- 26.13 street-scaping. Eligible project does not include the purchase of real estate or business
- 26.14 operations or business operating expenses, such as inventory, wages, or working capital.
- 26.15 ~~(f)~~ (f) "Eligible recipient" means a:
- 26.16 (1) business;
- 26.17 (2) nonprofit organization; or
- 26.18 (3) developer
- 26.19 that is seeking funding to complete an eligible project. Eligible recipient does not include
- 26.20 a partner organization or a local unit of government.
- 26.21 ~~(g)~~ (g) "Guaranteed loan" means a loan guaranteed by the state for 80 percent of the loan
- 26.22 amount for a maximum period of 15 years from the origination of the loan.
- 26.23 ~~(h)~~ (h) "Leveraged grant" means a grant that is matched by the eligible recipient's
- 26.24 commitment to the eligible project of nonstate funds at a level of 200 percent of the grant
- 26.25 amount. The nonstate match may include but is not limited to funds contributed by a partner
- 26.26 organization and insurance proceeds.
- 26.27 ~~(i)~~ (i) "Loan guarantee trust fund" means a dedicated account established under this
- 26.28 section for the purpose of compensation for defaulted loan guarantees.

- 26.29 (j) "Low-income area" means a census tract that has a poverty rate of at least 20 percent  
 26.30 as reported in the most recently completed decennial census published by the United States  
 26.31 Bureau of the Census.
- 26.32 ~~(j)~~ (k) "Partner organizations" or "partners" means:
- 27.1 (1) foundations engaged in economic development;
- 27.2 (2) community development financial institutions; and
- 27.3 (3) community development corporations.
- 27.4 ~~(j)~~ (l) "Program" means the Main Street Economic Revitalization Program under this  
 27.5 section.
- 27.6 ~~(k)~~ (m) "Subordinated loan" means a loan secured by a lien that is lower in priority than  
 27.7 one or more specified other liens.
- 27.8 Subd. 2. **Establishment.** The commissioner shall establish the Main Street Economic  
 27.9 Revitalization Program to make grants to partner organizations to fund leveraged grants,  
 27.10 capitalized loans, and guaranteed loans to specific named eligible recipients for eligible  
 27.11 projects that are designed to address the greatest economic development and redevelopment  
 27.12 needs that have arisen in the surrounding community since March 15, 2020.
- 27.13 Subd. 3. **Grants to partner organizations.** (a) The commissioner shall make grants to  
 27.14 partner organizations to provide leveraged grants, capitalized loans, and guaranteed loans  
 27.15 to eligible recipients using criteria, forms, applications, and reporting requirements developed  
 27.16 by the commissioner.
- 27.17 (b) To be eligible for a grant, a partner organization must:
- 27.18 (1) outline a plan to provide leveraged grants, capitalized loans, and guaranteed loans  
 27.19 to eligible recipients for specific eligible projects that represent the greatest economic  
 27.20 development and redevelopment needs in the surrounding community. This plan must  
 27.21 include an analysis of the economic impact of the eligible projects the partner organization  
 27.22 proposes to make these investments in;
- 27.23 (2) establish a process of ensuring there are no conflicts of interest in determining awards  
 27.24 under the program; and
- 27.25 (3) demonstrate that the partner organization has raised funds for the specific purposes  
 27.26 of this program to commit to the proposed eligible projects or will do so within the 15-month  
 27.27 period following the encumbrance of funds. Existing assets and state or federal funds may  
 27.28 not be used to meet this requirement.
- 27.29 (c) Grants shall be made in up to three rounds:
- 27.30 (1) a first round with an application date before September 1, 2021, during which no  
 27.31 more than 50 percent of available funds will be granted;

- 28.1 (2) a second round with an application date after September 1, 2021, but before March  
28.2 1, 2022; and
- 28.3 (3) a third round with an application date after June 30, 2023, if any funds remain after  
28.4 the first two rounds.
- 28.5 A partner may apply in multiple rounds for projects that were not funded in earlier rounds  
28.6 or for new projects.
- 28.7 (d) Up to four percent of a grant under this subdivision may be used by the partner  
28.8 organization for administration and monitoring of the program.
- 28.9 Subd. 4. **Award criteria.** In awarding grants under this section, the commissioner shall  
28.10 give funding preference to applications that:
- 28.11 (1) have the greatest regional economic impact under subdivision 3, paragraph (b), clause  
28.12 (1), particularly with regard to increasing the local tax base; and
- 28.13 (2) have the greatest portion of the estimated cost of the eligible projects met through  
28.14 nonstate funds.
- 28.15 Subd. 5. **Leveraged grants to eligible recipients.** (a) A leveraged grant to an eligible  
28.16 recipient shall be for no more than \$750,000.
- 28.17 (b) A leveraged grant may be used to finance no more than 30 percent of an eligible  
28.18 project.
- 28.19 (c) An eligible project must have secured commitments for all required matching funds  
28.20 and all required development approvals before a leveraged grant may be distributed.
- 28.21 (d) The commissioner may waive the matching fund requirement for projects located  
28.22 in low-income areas.
- 28.23 Subd. 6. **Capitalized and guaranteed loans to eligible recipients.** (a) A capitalized or  
28.24 guaranteed loan to an eligible recipient must:
- 28.25 (1) be for no more than \$2,000,000; and
- 28.26 (2) be for a term of no more than 15 years; ~~and.~~
- 28.27 ~~(b)~~ (b) All capitalized loans shall comply with the terms under subdivision 6a and all  
28.28 guaranteed loans shall comply with the terms under subdivision 7.
- 28.29 ~~(c)~~ (c) An eligible project must have all required development approvals before a  
28.30 capitalized or guaranteed loan may be distributed.
- 28.31 (d) Upon origination of a capitalized loan, the commissioner shall authorize disbursement  
28.32 of up to 20 percent of the loan amount to the partner organization.
- 28.33 ~~(e)~~ (e) Upon origination of a guaranteed loan, the commissioner must reserve ten percent  
28.34 of the loan amount into the loan guarantee trust fund created under subdivision 8.

- 29.5 ~~(f)~~ (f) No capitalized or guaranteed loan may be made to an eligible recipient after  
 29.6 December 31, 2024.
- 29.7 **Subd. 6a. Required terms for capitalized loans.** For a capitalized loan under the  
 29.8 program:
- 29.9 (1) principal and interest payments made by the borrower under the terms of the loan  
 29.10 shall be allocated first to the nonstate portion of the loan and second to the state portion of  
 29.11 the loan;
- 29.12 (2) the partner organization shall not accelerate repayment of the loan or exercise other  
 29.13 remedies if the borrower defaults, unless:
- 29.14 (i) the borrower fails to make a required payment of principal or interest within 60 days  
 29.15 of the due date; or
- 29.16 (ii) the commissioner consents in writing;
- 29.17 (3) the partner organization must timely prepare and deliver to the commissioner, annually  
 29.18 by the date specified in the loan agreement, an audited or reviewed financial statement for  
 29.19 the loan, prepared by a certified public accountant according to generally accepted accounting  
 29.20 principles, if available, and documentation that the borrower used the loan proceeds solely  
 29.21 for an eligible project;
- 29.22 (4) the commissioner shall have access to loan documents at any time subsequent to the  
 29.23 loan documents being submitted to the partner organization;
- 29.24 (5) the partner organization must maintain adequate records and documents concerning  
 29.25 the loan so that the commissioner may determine the borrower's financial condition and  
 29.26 compliance with program requirements;
- 29.27 (6) the state portion of the loan may be subordinate to other loans made by lenders in  
 29.28 the overall financing package; and
- 29.29 (7) repayments of the state portion of the loan may be retained by the partner organization  
 29.30 for capitalizing additional redevelopment projects.
- 29.31 **Subd. 7. Required terms for guaranteed loans.** For a guaranteed loan under the  
 29.32 program:
- 30.1 (1) principal and interest payments made by the borrower under the terms of the loan  
 30.2 are to reduce the guaranteed and nonguaranteed portion of the loan on a proportionate basis.  
 30.3 The nonguaranteed portion shall not receive preferential treatment over the guaranteed  
 30.4 portion;
- 30.5 (2) the partner organization shall not accelerate repayment of the loan or exercise other  
 30.6 remedies if the borrower defaults, unless:

- 30.7 (i) the borrower fails to make a required payment of principal or interest within 60 days  
30.8 of the due date; or
- 30.9 (ii) the commissioner consents in writing;
- 30.10 (3) in the event of a default, the partner organization may not make a demand for payment  
30.11 pursuant to the guarantee unless the commissioner agrees in writing that the default has  
30.12 materially affected the rights or security of the parties;
- 30.13 (4) the partner organization must timely prepare and deliver to the commissioner, annually  
30.14 by the date specified in the loan guarantee, an audited or reviewed financial statement for  
30.15 the loan, prepared by a certified public accountant according to generally accepted accounting  
30.16 principles, if available, and documentation that the borrower used the loan proceeds solely  
30.17 for an eligible project;
- 30.18 (5) the commissioner shall have access to loan documents at any time subsequent to the  
30.19 loan documents being submitted to the partner organization;
- 30.20 (6) the partner organization must maintain adequate records and documents concerning  
30.21 the loan so that the commissioner may determine the borrower's financial condition and  
30.22 compliance with program requirements;
- 30.23 (7) orderly liquidation of collateral securing the loan must be provided for in the event  
30.24 of default, pursuant to the loan guarantee; and
- 30.25 (8) the guaranteed portion of the loan may be subordinate to other loans made by lenders  
30.26 in the overall financing package.
- 30.27 Subd. 8. **Loan guarantee trust fund established.** A loan guarantee trust fund account  
30.28 in the special revenue fund is created in the state treasury to pay for defaulted loan guarantees.  
30.29 The commissioner shall administer this account. The day that this section expires, all  
30.30 remaining funds in the account are canceled to the general fund.
- 30.31 Subd. 9. **Statewide program.** In proportion to eligible demand, leveraged grants,  
30.32 capitalized loans, and guaranteed loans under this section shall be made so that an  
31.1 approximately equal dollar amount of leveraged grants, capitalized loans, and guaranteed  
31.2 loans are made to businesses in the metropolitan area as in the nonmetropolitan area, not  
31.3 to exceed 65 percent in any one area. After June 30, 2023, the department may allow  
31.4 leveraged grants, capitalized loans, and guaranteed loans to be made anywhere in the state  
31.5 without regard to geographic area.
- 31.6 Subd. 10. **Exemptions.** All grants and grant-making processes under this section are  
31.7 exempt from Minnesota Statutes, sections 16A.15, subdivision 3; 16B.97; and 16B.98,  
31.8 subdivisions 5, 7, and 8. The commissioner must audit the use of funds under this section  
31.9 in accordance with standard accounting practices. The exemptions under this subdivision  
31.10 expire on December 31, 2023.

- 31.11 Subd. 11. **Reports.** (a) By January 31, 2022, and annually until December 31, 2026,  
 31.12 after which biennial reporting will be permitted after the commissioner consults with the  
 31.13 legislature, partner organizations participating in the program must provide a report to the  
 31.14 commissioner that includes descriptions of the eligible projects supported by the program,  
 31.15 the type and amount of support provided, any economic development gains attributable to  
 31.16 the support, and an explanation of administrative expenses.
- 31.17 (b) By February 15, 2022, and annually until December 31, 2026, after which biennial  
 31.18 reporting will be permitted after the commissioner consults with the legislature, the  
 31.19 commissioner must report to the legislative committees in the house of representatives and  
 31.20 senate with jurisdiction over economic development about funding provided under this  
 31.21 program based on the information received under paragraph (a) and about the performance  
 31.22 of the loan guarantee trust fund.
- 31.23 Subd. 12. **Expiration.** This section expires December 31, 2036.
- 31.24 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2021.
- 31.25 Sec. 6. **[116J.8751] SPARK SMALL BUSINESS LOAN PROGRAM.**
- 31.26 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have  
 31.27 the meanings given.
- 31.28 (b) "Account" means the spark small business loan program account created under  
 31.29 subdivision 5.
- 31.30 (c) "Commissioner" means the commissioner of employment and economic development.
- 31.31 (d) "Community business" means a cooperative, an employee-owned business, or a  
 31.32 commercial land trust that is at least 51 percent owned by individuals from targeted groups.
- 32.1 (e) "Immigrant" means a lawful permanent resident who has been in the United States  
 32.2 for a maximum of seven years at the time of application.
- 32.3 (f) "Partner organization" means a community development financial institution or  
 32.4 nonprofit corporation.
- 32.5 (g) "Program" means the spark small business loan program established under this  
 32.6 section.
- 32.7 (h) "Targeted groups" means people who are Black, Indigenous, People of Color,  
 32.8 immigrants, low income, women, veterans, or people with disabilities.
- 32.9 Subd. 2. **Establishment.** The spark small business loan program is established to award  
 32.10 grants to partner organizations to fund loans statewide to businesses that employ the  
 32.11 equivalent of 50 full-time workers or less, to encourage private investment, provide jobs,  
 32.12 create and strengthen business enterprises, and promote economic development.

- 32.13 Subd. 3. Grants to partner organizations. (a) The commissioner shall award grants to  
32.14 partner organizations through a competitive grant process where applicants apply using a  
32.15 form designed by the commissioner. In evaluating applications, the commissioner must  
32.16 consider, among other things, whether the applicant:
- 32.17 (1) has a board of directors that includes citizens experienced in business and community  
32.18 development and creating jobs;
- 32.19 (2) has the technical skills to analyze projects;
- 32.20 (3) is familiar with other available public and private funding sources and economic  
32.21 development programs;
- 32.22 (4) can initiate and implement economic development projects;
- 32.23 (5) can establish and administer a revolving loan account or has operated a revolving  
32.24 loan account; and
- 32.25 (6) can work with job referral networks.
- 32.26 (b) The commissioner shall ensure that, to the extent there is sufficient eligible demand,  
32.27 loans are made to businesses inside and outside the metropolitan area, as defined in section  
32.28 473.121, subdivision 2, in a manner approximating each region's proportion of the state  
32.29 population. After March 31 of each fiscal year, the commissioner may allow loans to be  
32.30 made anywhere in the state without regard to geographic area.
- 32.31 (c) Partner organizations that receive grants under this subdivision may use up to ten  
32.32 percent of the award for administrative expenses, including providing specialized technical  
33.1 and legal assistance, either directly or through partnership with nonprofit organizations, to  
33.2 businesses eligible to apply for loans under this program.
- 33.3 (d) The commissioner shall review existing agreements with partner organizations every  
33.4 five years and may renew or terminate the agreement based on that review. In making the  
33.5 review, the commissioner shall consider, among other criteria, the criteria in paragraph (a).
- 33.6 Subd. 4. Loans to businesses. (a) A partner organization that receives a grant under  
33.7 subdivision 3 shall establish a plan for making loans to businesses. The plan requires approval  
33.8 by the commissioner.
- 33.9 (b) Under the plan:
- 33.10 (1) the partner organization shall establish a commissioner-certified revolving loan fund  
33.11 for the purpose of making loans to businesses;
- 33.12 (2) loans shall be for projects that are unlikely to be undertaken unless a loan is received  
33.13 under the program;

- 33.14 (3) a partner organization may not make a loan to a project in which it has an ownership  
 33.15 interest;
- 33.16 (4) the state contribution to each loan shall be no less than \$5,000 and no more than:  
 33.17 (i) \$35,000 if the loan is for a retail development project;  
 33.18 (ii) \$600,000 if the loan is for a community business; and  
 33.19 (iii) \$150,000 for all other loans;
- 33.20 (5) the interest rate on a loan shall not be higher than the Wall Street Journal prime rate  
 33.21 and may be zero;
- 33.22 (6) loans shall be for a maximum term of seven years;
- 33.23 (7) the partner organization may charge a loan origination fee of no more than one  
 33.24 percent of the loan value and may retain that origination fee;
- 33.25 (8) a loan application given preliminary approval by the partner organization must be  
 33.26 forwarded to the commissioner for final approval;
- 33.27 (9) repayments may be deferred for up to one year if justified by the project proposed  
 33.28 and approved by the commissioner;
- 33.29 (10) all repayments of interest on loans shall be deposited in the partner organization's  
 33.30 revolving loan fund for use in making further loans consistent with this section;
- 34.1 (11) all repayments of loan principal must be paid to the commissioner for deposit in  
 34.2 the spark small business loan program account; and
- 34.3 (12) up to ten percent of a loan's principal amount may be forgiven if the commissioner  
 34.4 approves and the borrower has met lender criteria, including being current with all payments.
- 34.5 Subd. 5. **Creation of account.** A spark small business loan program account is created  
 34.6 in the special revenue fund in the state treasury. Money in the account is appropriated to  
 34.7 the commissioner for the grants under this section. Annually, the commissioner may use  
 34.8 an amount equal to no more than four percent of the value of grants made in the previous  
 34.9 year for the administrative costs of the program. In fiscal year 2023, the commissioner may  
 34.10 use \$500,000 for administration. Notwithstanding section 16A.28, money deposited in the  
 34.11 account from any source is available until expended.
- 34.12 Subd. 6. **Reporting requirements.** (a) A partner organization that receives a grant shall:  
 34.13 (1) submit an annual report to the commissioner by February 15 of each year, beginning  
 34.14 in 2024, that includes a description of businesses supported by the program, an account of  
 34.15 loans made during the calendar year, the program's impact on business enterprises and job  
 34.16 creation, the source and amount of money collected and distributed by the program, the  
 34.17 program's assets and liabilities, and an explanation of administrative expenses; and

34.18 (2) provide for an independent annual audit to be performed in accordance with generally  
 34.19 accepted accounting practices and auditing standards and submit a copy of each annual  
 34.20 audit report to the commissioner.

34.21 (b) By March 1 of each year, beginning in 2024, the commissioner shall submit a report  
 34.22 to the chairs and ranking minority members of the legislative committees with jurisdiction  
 34.23 over economic development on program outcomes, including copies of all reports and audits  
 34.24 received under paragraph (a).

34.25 Sec. 7. Minnesota Statutes 2020, section 116J.8770, is amended to read:

34.26 **116J.8770 EQUITY INVESTMENTS.**

34.27 The commissioner may invest funds from the capital access account to make equity  
 34.28 investments in ~~community development~~ early stage and venture capital funds for the purpose  
 34.29 of providing capital for small and emerging businesses. The ~~community development~~ early  
 34.30 stage and venture capital fund must have experience in equity investments with small  
 34.31 businesses and the ability to raise private capital.

35.1 Sec. 8. Minnesota Statutes 2021 Supplement, section 116J.9924, subdivision 4, is amended  
 35.2 to read:

35.3 Subd. 4. **Grant amount; project phasing.** (a) The commissioner shall award grants in  
 35.4 an amount not to exceed ~~\$1,500,000~~ \$3,000,000 per grant.

35.5 (b) A grant awarded under this section must be no less than the amount required to  
 35.6 complete one or more phases of the project, less any nonstate funds already committed for  
 35.7 such activities.

35.8 Sec. 9. **116J.9926 EMERGING DEVELOPER FUND PROGRAM.**

35.9 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have  
 35.10 the meanings given.

35.11 (b) "Commissioner" means the commissioner of employment and economic development.

35.12 (c) "Disadvantaged community" means a community where the median household  
 35.13 income is less than 80 percent of the area median income.

35.14 (d) "Eligible project" means a project that is based in Minnesota and meets one or more  
 35.15 of the following criteria:

35.16 (1) it will stimulate community stabilization or revitalization;

35.17 (2) it will be located within a census tract identified as a disadvantaged community or  
 35.18 low-income community;

35.19 (3) it will directly benefit residents of a low-income household;

- 35.20 (4) it will increase the supply and improve the condition of affordable housing and  
 35.21 homeownership;
- 35.22 (5) it will support the growth needs of new and existing community-based enterprises  
 35.23 that promote economic stability or improve the supply or quality of job opportunities; or
- 35.24 (6) it will promote wealth creation, including by being a project in a neighborhood  
 35.25 traditionally not served by real estate developers.
- 35.26 (e) "Emerging developer" means a developer who:
- 35.27 (1) has limited access to loans from traditional financial institutions; or
- 35.28 (2) is a new or smaller developer who has engaged in educational training in real estate  
 35.29 development; and
- 35.30 (3) is either a:
- 36.1 (i) minority as defined in section 116M.14, subdivision 6;
- 36.2 (ii) woman;
- 36.3 (iii) person with a disability, as defined in section 116M.14, subdivision 9; or
- 36.4 (iv) low-income person.
- 36.5 (f) "Low-income person" means a person who:
- 36.6 (1) has a household income at or below 200 percent of the federal poverty level; or
- 36.7 (2) has a family income that does not exceed 60 percent of the area median income as  
 36.8 determined by the United States Department of Housing and Urban Development.
- 36.9 (g) "Partner organization" means a community development financial institution or a  
 36.10 similarly qualified nonprofit corporation, as determined by the commissioner.
- 36.11 (h) "Program" means the emerging developer fund program created under this section.
- 36.12 Subd. 2. **Establishment.** The commissioner shall establish an emerging developer fund  
 36.13 program to make grants to partner organizations to make loans to emerging developers for  
 36.14 eligible projects to transform neighborhoods statewide and promote economic development  
 36.15 and the creation and retention of jobs in Minnesota. The program must also reduce racial  
 36.16 and socioeconomic disparities by growing the financial capacity of emerging developers.
- 36.17 Subd. 3. **Grants to partner organizations.** (a) The commissioner shall design a  
 36.18 competitive process to award grants to partner organizations to make loans to emerging  
 36.19 developers under subdivision 4.
- 36.20 (b) A partner organization may use up to ten percent of grant funds for the administrative  
 36.21 costs of the program.

- 36.22 Subd. 4. **Loans to emerging developers.** (a) Through the program, partner organizations  
36.23 shall offer emerging developers predevelopment, construction, and bridge loans for eligible  
36.24 projects according to a plan submitted to and approved by the commissioner.
- 36.25 (b) Predevelopment loans must be for no more than \$50,000. All other types of loans  
36.26 must be for no more than \$500,000.
- 36.27 (c) Loans must be for a term set by the partner organization and approved by the  
36.28 commissioner of no less than six months and no more than five years, depending on the use  
36.29 of loan proceeds.
- 37.1 (d) Loans must be for zero interest or an interest rate of no more than the Wall Street  
37.2 Journal prime rate, as determined by the partner organization and approved by the  
37.3 commissioner based on the individual project risk and type of loan sought.
- 37.4 (e) Loans must have flexible collateral requirements compared to traditional loans, but  
37.5 may require a personal guaranty from the emerging developer and may be largely unsecured  
37.6 when the appraised value of the real estate is low.
- 37.7 (f) Loans must have no prepayment penalties and are expected to be repaid from  
37.8 permanent financing or a conventional loan, once that is secured.
- 37.9 (g) Loans must have the ability to bridge many types of receivables, such as tax credits,  
37.10 grants, developer fees, and other forms of long-term financing.
- 37.11 (h) At the partner organization's request and the commissioner's discretion, an emerging  
37.12 developer may be required to work with an experienced developer or professional services  
37.13 consultant who can offer expertise and advice throughout the development of the project.
- 37.14 (i) All loan repayments must be paid into the emerging developer fund account created  
37.15 in this section to fund additional loans.
- 37.16 Subd. 5. **Eligible expenses.** (a) The following are eligible expenses for a predevelopment  
37.17 loan under the program:
- 37.18 (1) earnest money or purchase deposit;
- 37.19 (2) building inspection fees and environmental reviews;
- 37.20 (3) appraisal and surveying;
- 37.21 (4) design and tax credit application fees;
- 37.22 (5) title and recording fees;
- 37.23 (6) site preparation, demolition, and stabilization;
- 37.24 (7) interim maintenance and project overhead;
- 37.25 (8) property taxes and insurance;

37.26 (9) construction bonds or letters of credit;

37.27 (10) market and feasibility studies; and

37.28 (11) professional fees.

37.29 (b) The following are eligible expenses for a construction or bridge loan under the  
37.30 program:

38.1 (1) land or building acquisition;

38.2 (2) construction-related expenses;

38.3 (3) developer and contractor fees;

38.4 (4) site preparation and demolition;

38.5 (5) financing fees, including title and recording;

38.6 (6) professional fees;

38.7 (7) carrying costs;

38.8 (8) construction period interest;

38.9 (9) project reserves; and

38.10 (10) leasehold improvements and equipment purchase.

38.11 Subd. 6. **Emerging developer fund account.** An emerging developer fund account is  
38.12 created in the special revenue fund in the state treasury. Money in the account is appropriated  
38.13 to the commissioner for grants to partner organizations to make loans under this section.

38.14 Subd. 7. **Reports to the legislature.** (a) By January 15 of each year, beginning in 2024,  
38.15 each partner organization shall submit a report to the commissioner on the use of program  
38.16 funds and program outcomes.

38.17 (b) By February 15 of each year, beginning in 2024, the commissioner shall submit a  
38.18 report to the chairs of the house of representatives and senate committees with jurisdiction  
38.19 over economic development on the use of program funds and program outcomes.

38.20 Sec. 10. Minnesota Statutes 2020, section 116J.993, subdivision 3, is amended to read:

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

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

46.4 Sec. 7. Minnesota Statutes 2020, section 116J.993, subdivision 3, is amended to read:

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

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

- |  |  |
|--|--|
| <p>46.12 (1) a business subsidy of less than \$150,000;</p> <p>46.13 (2) assistance that is generally available to all businesses or to a general class of similar</p> <p>46.14 businesses, such as a line of business, size, location, or similar general criteria;</p> <p>46.15 (3) public improvements to buildings or lands owned by the state or local government</p> <p>46.16 that serve a public purpose and do not principally benefit a single business or defined group</p> <p>46.17 of businesses at the time the improvements are made;</p> <p>46.18 (4) redevelopment property polluted by contaminants as defined in section 116J.552,</p> <p>46.19 subdivision 3;</p> <p>46.20 (5) assistance provided for the sole purpose of renovating old or decaying building stock</p> <p>46.21 or bringing it up to code and assistance provided for designated historic preservation districts,</p> <p>46.22 provided that the assistance is equal to or less than 50 percent of the total cost;</p> <p>46.23 (6) assistance to provide job readiness and training services if the sole purpose of the</p> <p>46.24 assistance is to provide those services;</p> <p>46.25 (7) assistance for housing;</p> <p>46.26 (8) assistance for pollution control or abatement, including assistance for a tax increment</p> <p>46.27 financing hazardous substance subdistrict as defined under section 469.174, subdivision</p> <p>46.28 23;</p> <p>46.29 (9) assistance for energy conservation;</p> <p>46.30 (10) tax reductions resulting from conformity with federal tax law;</p> <p>46.31 (11) workers' compensation and unemployment insurance;</p> <p>47.1 (12) benefits derived from regulation;</p> <p>47.2 (13) indirect benefits derived from assistance to educational institutions;</p> <p>47.3 (14) funds from bonds allocated under chapter 474A, bonds issued to refund outstanding</p> <p>47.4 bonds, and bonds issued for the benefit of an organization described in section 501(c)(3)</p> <p>47.5 of the Internal Revenue Code of 1986, as amended through December 31, 1999;</p> <p>47.6 (15) assistance for a collaboration between a Minnesota higher education institution and</p> <p>47.7 a business;</p> <p>47.8 (16) assistance for a tax increment financing soils condition district as defined under</p> <p>47.9 section 469.174, subdivision 19;</p> <p>47.10 (17) redevelopment when the recipient's investment in the purchase of the site and in</p> <p>47.11 site preparation is 70 percent or more of the assessor's current year's estimated market value;</p> <p>47.12 (18) general changes in tax increment financing law and other general tax law changes</p> <p>47.13 of a principally technical nature;</p> | <p>38.28 (1) a business subsidy of less than \$150,000;</p> <p>38.29 (2) assistance that is generally available to all businesses or to a general class of similar</p> <p>38.30 businesses, such as a line of business, size, location, or similar general criteria;</p> <p>39.1 (3) public improvements to buildings or lands owned by the state or local government</p> <p>39.2 that serve a public purpose and do not principally benefit a single business or defined group</p> <p>39.3 of businesses at the time the improvements are made;</p> <p>39.4 (4) redevelopment property polluted by contaminants as defined in section 116J.552,</p> <p>39.5 subdivision 3;</p> <p>39.6 (5) assistance provided for the sole purpose of renovating old or decaying building stock</p> <p>39.7 or bringing it up to code and assistance provided for designated historic preservation districts,</p> <p>39.8 provided that the assistance is equal to or less than 50 percent of the total cost;</p> <p>39.9 (6) assistance to provide job readiness and training services if the sole purpose of the</p> <p>39.10 assistance is to provide those services;</p> <p>39.11 (7) assistance for housing;</p> <p>39.12 (8) assistance for pollution control or abatement, including assistance for a tax increment</p> <p>39.13 financing hazardous substance subdistrict as defined under section 469.174, subdivision</p> <p>39.14 23;</p> <p>39.15 (9) assistance for energy conservation;</p> <p>39.16 (10) tax reductions resulting from conformity with federal tax law;</p> <p>39.17 (11) workers' compensation and unemployment insurance;</p> <p>39.18 (12) benefits derived from regulation;</p> <p>39.19 (13) indirect benefits derived from assistance to educational institutions;</p> <p>39.20 (14) funds from bonds allocated under chapter 474A, bonds issued to refund outstanding</p> <p>39.21 bonds, and bonds issued for the benefit of an organization described in section 501(c)(3)</p> <p>39.22 of the Internal Revenue Code of 1986, as amended through December 31, 1999;</p> <p>39.23 (15) assistance for a collaboration between a Minnesota higher education institution and</p> <p>39.24 a business;</p> <p>39.25 (16) assistance for a tax increment financing soils condition district as defined under</p> <p>39.26 section 469.174, subdivision 19;</p> <p>39.27 (17) redevelopment when the recipient's investment in the purchase of the site and in</p> <p>39.28 site preparation is 70 percent or more of the assessor's current year's estimated market value;</p> <p>39.29 (18) general changes in tax increment financing law and other general tax law changes</p> <p>39.30 of a principally technical nature;</p> |
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47.14 (19) federal assistance until the assistance has been repaid to, and reinvested by, the  
47.15 state or local government agency;

47.16 (20) funds from dock and wharf bonds issued by a seaway port authority;

47.17 (21) business loans and loan guarantees of \$150,000 or less;

47.18 (22) federal loan funds provided through the United States Department of Commerce,  
47.19 Economic Development Administration, Department of the Treasury; and

47.20 (23) property tax abatements granted under section 469.1813 to property that is subject  
47.21 to valuation under Minnesota Rules, chapter 8100.

47.22 Sec. 8. Minnesota Statutes 2020, section 116L.04, subdivision 1a, is amended to read:

47.23 Subd. 1a. **Pathways program.** The pathways program may provide grants-in-aid for  
47.24 developing programs which assist in the transition of persons from welfare to work and  
47.25 assist individuals at or below 200 percent of the federal poverty guidelines. The program  
47.26 is to be operated by the board. The board shall consult and coordinate with program  
47.27 administrators at the Department of Employment and Economic Development to design  
47.28 and provide services for temporary assistance for needy families recipients.

47.29 Pathways grants-in-aid may be awarded to educational or other nonprofit training  
47.30 institutions or to workforce development intermediaries for education and training programs  
47.31 and services supporting education and training programs that serve eligible recipients.

48.1 Preference shall be given to projects that:

48.2 (1) provide employment with benefits paid to employees;

48.3 (2) provide employment where there are defined career paths for trainees;

48.4 (3) pilot the development of an educational pathway that can be used on a continuing  
48.5 basis for transitioning persons from welfare to work; and

48.6 (4) demonstrate the active participation of Department of Employment and Economic  
48.7 Development workforce centers, Minnesota State College and University institutions and  
48.8 other educational institutions, and local welfare agencies.

48.9 Pathways projects must demonstrate the active involvement and financial commitment  
48.10 of participating private business businesses, Tribal-owned businesses, and municipal and  
48.11 county hospitals. Pathways projects must be matched with cash or in-kind contributions on  
48.12 at least a one-half-to-one ratio by participating private ~~business~~ businesses, Tribal-owned  
48.13 businesses, and municipal or county hospitals.

48.14 A single grant to any one institution shall not exceed \$400,000. A portion of a grant may  
48.15 be used for preemployment training.

40.1 (19) federal assistance until the assistance has been repaid to, and reinvested by, the  
40.2 state or local government agency;

40.3 (20) funds from dock and wharf bonds issued by a seaway port authority;

40.4 (21) business loans and loan guarantees of \$150,000 or less;

40.5 (22) federal loan funds provided through the United States Department of Commerce,  
40.6 Economic Development Administration, Department of the Treasury; and

40.7 (23) property tax abatements granted under section 469.1813 to property that is subject  
40.8 to valuation under Minnesota Rules, chapter 8100.

40.9 Sec. 11. Minnesota Statutes 2020, section 116L.04, subdivision 1a, is amended to read:

40.10 Subd. 1a. **Pathways program.** The pathways program may provide grants-in-aid for  
40.11 developing programs which assist in the transition of persons from welfare to work and  
40.12 assist individuals at or below 200 percent of the federal poverty guidelines. The program  
40.13 is to be operated by the board. The board shall consult and coordinate with program  
40.14 administrators at the Department of Employment and Economic Development to design  
40.15 and provide services for temporary assistance for needy families recipients.

40.16 Pathways grants-in-aid may be awarded to educational or other nonprofit training  
40.17 institutions or to workforce development intermediaries for education and training programs  
40.18 and services supporting education and training programs that serve eligible recipients.

40.19 Preference shall be given to projects that:

40.20 (1) provide employment with benefits paid to employees;

40.21 (2) provide employment where there are defined career paths for trainees;

40.22 (3) pilot the development of an educational pathway that can be used on a continuing  
40.23 basis for transitioning persons from welfare to work; and

40.24 (4) demonstrate the active participation of Department of Employment and Economic  
40.25 Development workforce centers, Minnesota State College and University institutions and  
40.26 other educational institutions, and local welfare agencies.

40.27 Pathways projects must demonstrate the active involvement and financial commitment  
40.28 of private participating business. Pathways projects must be matched with cash or in-kind  
40.29 contributions on at least a one-half-to-one ratio by participating ~~private~~ business.

40.30 A single grant to any one institution shall not exceed \$400,000. A portion of a grant may  
40.31 be used for preemployment training.

48.16 Sec. 9. Minnesota Statutes 2020, section 116L.17, subdivision 1, is amended to read:

48.17 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have  
48.18 the meanings given them in this subdivision.

48.19 (b) "Commissioner" means the commissioner of employment and economic development.

48.20 (c) "Dislocated worker" means an individual who is a resident of Minnesota at the time  
48.21 employment ceased or was working in the state at the time employment ceased and:

48.22 (1) has been permanently separated or has received a notice of permanent separation  
48.23 from public or private sector employment and is eligible for or has exhausted entitlement  
48.24 to unemployment benefits, and is unlikely to return to the previous industry or occupation;

48.25 (2) has been long-term unemployed and has limited opportunities for employment or  
48.26 reemployment in the same or a similar occupation in the area in which the individual resides,  
48.27 including older individuals who may have substantial barriers to employment by reason of  
48.28 age;

48.29 (3) has been terminated or has received a notice of termination of employment as a result  
48.30 of a plant closing or a substantial layoff at a plant, facility, or enterprise;

49.1 (4) has been self-employed, including farmers and ranchers, and is unemployed as a  
49.2 result of general economic conditions in the community in which the individual resides or  
49.3 because of natural disasters;

49.4 (5) is a veteran as defined by section 197.447, has been discharged or released from  
49.5 active duty under honorable conditions within the last 36 months, and (i) is unemployed or  
49.6 (ii) is employed in a job verified to be below the skill level and earning capacity of the  
49.7 veteran;

49.8 (6) is an individual determined by the United States Department of Labor to be covered  
49.9 by trade adjustment assistance under United States Code, title 19, sections 2271 to 2331,  
49.10 as amended; or

49.11 (7) is a displaced homemaker. A "displaced homemaker" is an individual who has spent  
49.12 a substantial number of years in the home providing homemaking service and (i) has been  
49.13 dependent upon the financial support of another; and ~~now~~ due to divorce, separation, death,  
49.14 or disability of that person, must now find employment to self support; or (ii) derived the  
49.15 substantial share of support from public assistance on account of dependents in the home  
49.16 and no longer receives such support. To be eligible under this clause, the support must have  
49.17 ceased while the worker resided in Minnesota.

49.18 For the purposes of this section, "dislocated worker" does not include an individual who  
49.19 was an employee, at the time employment ceased, of a political committee, political fund,  
49.20 principal campaign committee, or party unit, as those terms are used in chapter 10A, or an  
49.21 organization required to file with the federal elections commission.

41.1 Sec. 12. Minnesota Statutes 2020, section 116L.17, subdivision 1, is amended to read:

41.2 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have  
41.3 the meanings given them in this subdivision.

41.4 (b) "Commissioner" means the commissioner of employment and economic development.

41.5 (c) "Dislocated worker" means an individual who is a resident of Minnesota at the time  
41.6 employment ceased or was working in the state at the time employment ceased and:

41.7 (1) has been permanently separated or has received a notice of permanent separation  
41.8 from public or private sector employment and is eligible for or has exhausted entitlement  
41.9 to unemployment benefits, and is unlikely to return to the previous industry or occupation;

41.10 (2) has been long-term unemployed and has limited opportunities for employment or  
41.11 reemployment in the same or a similar occupation in the area in which the individual resides,  
41.12 including older individuals who may have substantial barriers to employment by reason of  
41.13 age;

41.14 (3) has been terminated or has received a notice of termination of employment as a result  
41.15 of a plant closing or a substantial layoff at a plant, facility, or enterprise;

41.16 (4) has been self-employed, including farmers and ranchers, and is unemployed as a  
41.17 result of general economic conditions in the community in which the individual resides or  
41.18 because of natural disasters;

41.19 (5) is a veteran as defined by section 197.447, has been discharged or released from  
41.20 active duty under honorable conditions within the last 36 months, and (i) is unemployed or  
41.21 (ii) is employed in a job verified to be below the skill level and earning capacity of the  
41.22 veteran;

41.23 (6) is an individual determined by the United States Department of Labor to be covered  
41.24 by trade adjustment assistance under United States Code, title 19, sections 2271 to 2331,  
41.25 as amended; or

41.26 (7) is a displaced homemaker. A "displaced homemaker" is an individual who has spent  
41.27 a substantial number of years in the home providing homemaking service and (i) has been  
41.28 dependent upon the financial support of another; and ~~now~~ due to divorce, separation, death,  
41.29 or disability of that person, must now find employment to self support; or (ii) derived the  
41.30 substantial share of support from public assistance on account of dependents in the home  
41.31 and no longer receives such support. To be eligible under this clause, the support must have  
41.32 ceased while the worker resided in Minnesota.

42.1 For the purposes of this section, "dislocated worker" does not include an individual who  
42.2 was an employee, at the time employment ceased, of a political committee, political fund,  
42.3 principal campaign committee, or party unit, as those terms are used in chapter 10A, or an  
42.4 organization required to file with the federal elections commission.

49.22 (d) "Eligible organization" means a state or local government unit, nonprofit organization,  
49.23 community action agency, business organization or association, or labor organization.

49.24 (e) "Plant closing" means the announced or actual permanent shutdown of a single site  
49.25 of employment, or one or more facilities or operating units within a single site of  
49.26 employment.

49.27 (f) "Substantial layoff" means a permanent reduction in the workforce, which is not a  
49.28 result of a plant closing, and which results in an employment loss at a single site of  
49.29 employment during any 30-day period for at least 50 employees excluding those employees  
49.30 that work less than 20 hours per week.

50.1 Sec. 10. **[116L.36] REQUIREMENTS FOR GRANTS TO NONPROFIT**  
50.2 **ORGANIZATIONS.**

50.3 Subdivision 1. **Purpose.** In order to ensure that grants are awarded to mission-centered  
50.4 and fiscally responsible grantees, a nonprofit organization that is a recipient of a future or  
50.5 past grant or direct appropriation made by or through the department must provide  
50.6 information to the commissioner as specified in this section.

50.7 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this  
50.8 subdivision have the meanings given them.

50.9 (b) "Compensation" means salary, bonuses, the present value of stock options, the value  
50.10 of employee benefits, employer contributions to retirement or deferred compensation plans  
50.11 on behalf of the officer or employee, and any other compensation or benefit of value.

50.12 (c) "Highly compensated employee" means an employee of a nonprofit organization  
50.13 with estimated annual wages that:

50.14 (1) are greater than 80 percent of the governor's annual salary; and

50.15 (2) are equal to, or greater than, 80 percent of the estimated annual wages of the second  
50.16 highest paid employee of the nonprofit organization.

50.17 (d) "Nonprofit organization" means an organization described in United States Code,  
50.18 title 26, section 501(c)(3), and is exempt from income tax under United States Code, title  
50.19 26, section 501(a).

50.20 Subd. 3. **Requirements.** (a) By September 1 of each year, a nonprofit organization that  
50.21 is recipient of a future or past grant or direct appropriation made by or through the department  
50.22 must provide the following to the commissioner:

50.23 (1) number of and compensation for any highly compensated employees of the nonprofit  
50.24 organization;

50.25 (2) administrative expenses of the nonprofit organization for the previous three years as  
50.26 evidenced by the nonprofit's Internal Revenue Service Form 990;

42.5 (d) "Eligible organization" means a state or local government unit, nonprofit organization,  
42.6 community action agency, business organization or association, or labor organization.

42.7 (e) "Plant closing" means the announced or actual permanent shutdown of a single site  
42.8 of employment, or one or more facilities or operating units within a single site of  
42.9 employment.

42.10 (f) "Substantial layoff" means a permanent reduction in the workforce, which is not a  
42.11 result of a plant closing, and which results in an employment loss at a single site of  
42.12 employment during any 30-day period for at least 50 employees excluding those employees  
42.13 that work less than 20 hours per week.

50.27 (3) total functional expenses, including the nonprofit's program expenses, administrative  
 50.28 expenses, and fundraising expenses, for the previous three years; and

50.29 (4) revenue for the previous three years.

50.30 (b) A nonprofit organization that has been in operation for fewer than three years shall  
 50.31 submit the data required under paragraph (a), clauses (2) to (4), for the time period since  
 50.32 the inception of the nonprofit organization.

51.1 Subd. 4. **Reporting to legislature.** Beginning February 15, 2023, and each year thereafter,  
 51.2 the commissioner must submit a combined report containing the information provided by  
 51.3 the grant recipients to the chairs and ranking minority members of the legislative committees  
 51.4 and budget divisions with jurisdiction over economic development. The commissioner shall  
 51.5 also include in the report a calculation of each nonprofit's percentage of expenses and a  
 51.6 revenue and expenses trend comparison over the previous three years.

51.7 Sec. 11. Minnesota Statutes 2020, section 116L.98, subdivision 2, is amended to read:

51.8 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this  
 51.9 subdivision have the meanings given.

51.10 (b) "Credential" means postsecondary degrees, diplomas, licenses, and certificates  
 51.11 awarded in recognition of an individual's attainment of measurable technical or occupational  
 51.12 skills necessary to obtain employment or advance with an occupation. This definition does  
 51.13 not include ~~certificates awarded by workforce investment boards or work-readiness~~  
 51.14 ~~certificates.~~

51.15 (c) "Exit" means to have not received service under a workforce program for 90  
 51.16 consecutive calendar days. The exit date is the last date of service.

51.17 (d) "Net impact" means the use of matched control groups and regression analysis to  
 51.18 estimate the impacts attributable to program participation net of other factors, including  
 51.19 observable personal characteristics and economic conditions.

51.20 (e) "Pre-enrollment" means the period of time before an individual was enrolled in a  
 51.21 workforce program.

51.22 Sec. 12. Minnesota Statutes 2020, section 116L.98, subdivision 3, is amended to read:

51.23 Subd. 3. **Uniform outcome report card; reporting by commissioner.** (a) By December  
 51.24 31 of each even-numbered year, the commissioner must report to the chairs and ranking  
 51.25 minority members of the committees of the house of representatives and the senate having  
 51.26 jurisdiction over economic development and workforce policy and finance the following  
 51.27 information separately for each of the previous two fiscal or calendar years, for each program  
 51.28 subject to the requirements of subdivision 1:

51.29 (1) the total number of participants enrolled;

42.14 Sec. 13. Minnesota Statutes 2020, section 116L.98, subdivision 2, is amended to read:

42.15 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this  
 42.16 subdivision have the meanings given.

42.17 (b) "Credential" means ~~postsecondary~~ degrees, diplomas, licenses, and certificates  
 42.18 awarded in recognition of an individual's attainment of measurable technical or occupational  
 42.19 skills necessary to obtain employment or advance with an occupation. This definition does  
 42.20 not include ~~certificates awarded by workforce investment boards or work-readiness~~  
 42.21 ~~certificates.~~

42.22 (c) "Exit" means to have not received service under a workforce program for 90  
 42.23 consecutive calendar days. The exit date is the last date of service.

42.24 (d) "Net impact" means the use of matched control groups and regression analysis to  
 42.25 estimate the impacts attributable to program participation net of other factors, including  
 42.26 observable personal characteristics and economic conditions.

42.27 (e) "Pre-enrollment" means the period of time before an individual was enrolled in a  
 42.28 workforce program.

42.29 Sec. 14. Minnesota Statutes 2020, section 116L.98, subdivision 3, is amended to read:

42.30 Subd. 3. **Uniform outcome report card; reporting by commissioner.** (a) By December  
 42.31 31 of each even-numbered year, the commissioner must report to the chairs and ranking  
 43.1 minority members of the committees of the house of representatives and the senate having  
 43.2 jurisdiction over economic development and workforce policy and finance the following  
 43.3 information separately for each of the previous two fiscal or calendar years, for each program  
 43.4 subject to the requirements of subdivision 1:

43.5 (1) the total number of participants enrolled;

51.30 (2) the median pre-enrollment wages based on participant wages for the second through  
 51.31 the fifth calendar quarters immediately preceding the quarter of enrollment excluding those  
 51.32 with zero income;

52.1 (3) the total number of participants with zero income in the second through fifth calendar  
 52.2 quarters immediately preceding the quarter of enrollment;

52.3 (4) the total number of participants enrolled in training;

52.4 (5) the total number of participants enrolled in training by occupational group;

52.5 (6) the total number of participants that exited the program and the average enrollment  
 52.6 duration of participants that have exited the program during the year;

52.7 (7) the total number of exited participants who completed training;

52.8 (8) the total number of exited participants who attained a credential;

52.9 (9) the total number of participants employed during three consecutive quarters  
 52.10 immediately following the quarter of exit, by industry;

52.11 (10) the median wages of participants employed during three consecutive quarters  
 52.12 immediately following the quarter of exit;

52.13 (11) the total number of participants employed during eight consecutive quarters  
 52.14 immediately following the quarter of exit, by industry;

52.15 (12) the median wages of participants employed during eight consecutive quarters  
 52.16 immediately following the quarter of exit;

52.17 (13) the total cost of the program;

52.18 (14) the total cost of the program per participant;

52.19 (15) the cost per credential received by a participant; and

52.20 (16) the administrative cost of the program.

52.21 (b) The report to the legislature must contain:

52.22 (1) participant information by education level, race and ethnicity, gender, and geography,  
 52.23 and a comparison of exited participants who completed training and those who did not; and

52.24 (2) a list of any grant recipients that did not satisfy all of the reporting requirements of  
 52.25 this section for the applicable reporting period.

52.26 (c) The requirements of this section apply to programs administered directly by the  
 52.27 commissioner or administered by other organizations under a grant made by the department.

43.6 (2) the median pre-enrollment wages based on participant wages for the second through  
 43.7 the fifth calendar quarters immediately preceding the quarter of enrollment excluding those  
 43.8 with zero income;

43.9 (3) the total number of participants with zero income in the second through fifth calendar  
 43.10 quarters immediately preceding the quarter of enrollment;

43.11 (4) the total number of participants enrolled in training;

43.12 (5) the total number of participants enrolled in training by occupational group;

43.13 (6) the total number of participants that exited the program and the average enrollment  
 43.14 duration of participants that have exited the program during the year;

43.15 (7) the total number of exited participants who completed training;

43.16 (8) the total number of exited participants who attained a credential;

43.17 (9) the total number of participants employed during three consecutive quarters  
 43.18 immediately following the quarter of exit, by industry;

43.19 (10) the median wages of participants employed during three consecutive quarters  
 43.20 immediately following the quarter of exit;

43.21 (11) the total number of participants employed during eight consecutive quarters  
 43.22 immediately following the quarter of exit, by industry; and

43.23 (12) the median wages of participants employed during eight consecutive quarters  
 43.24 immediately following the quarter of exit;

43.25 ~~(13) the total cost of the program;~~

43.26 ~~(14) the total cost of the program per participant;~~

43.27 ~~(15) the cost per credential received by a participant; and~~

43.28 ~~(16) the administrative cost of the program.~~

44.1 (b) The report to the legislature must contain participant information by education level,  
 44.2 race and ethnicity, gender, and geography, and a comparison of exited participants who  
 44.3 completed training and those who did not.

44.4 (c) The requirements of this section apply to programs administered directly by the  
 44.5 commissioner or administered by other organizations under a grant made by the department.

53.1 Sec. 13. Minnesota Statutes 2020, section 181.032, is amended to read:

53.2 **181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER; NOTICE**  
53.3 **TO EMPLOYEE.**

53.4 (a) At the end of each pay period, the employer shall provide each employee an earnings  
53.5 statement, either in writing or by electronic means, covering that pay period. An employer  
53.6 who chooses to provide an earnings statement by electronic means must provide employee  
53.7 access to an employer-owned computer during an employee's regular working hours to  
53.8 review and print earnings statements.

53.9 (b) The earnings statement may be in any form determined by the employer but must  
53.10 include:

53.11 (1) the name of the employee;

53.12 (2) the rate or rates of pay and basis thereof, including whether the employee is paid by  
53.13 hour, shift, day, week, salary, piece, commission, or other method;

53.14 (3) allowances, if any, claimed pursuant to permitted meals and lodging;

53.15 (4) the total number of hours worked by the employee unless exempt from chapter 177;

53.16 (5) the total amount of gross pay earned by the employee during that period;

53.17 (6) a list of deductions made from the employee's pay;

53.18 (7) the net amount of pay after all deductions are made;

53.19 (8) the date on which the pay period ends;

53.20 (9) the legal name of the employer and the operating name of the employer if different  
53.21 from the legal name;

53.22 (10) the physical address of the employer's main office or principal place of business,  
53.23 and a mailing address if different; and

53.24 (11) the telephone number of the employer.

53.25 (c) An employer must provide earnings statements to an employee in writing, rather  
53.26 than by electronic means, if the employer has received at least 24 hours notice from an  
53.27 employee that the employee would like to receive earnings statements in written form. Once  
53.28 an employer has received notice from an employee that the employee would like to receive  
53.29 earnings statements in written form, the employer must comply with that request on an  
53.30 ongoing basis.

54.1 (d) ~~At~~ Within seven days of the start of employment, an employer shall provide each  
54.2 employee a ~~written notice, either in writing or by electronic means,~~ containing the following  
54.3 information:

- 54.4 (1) the rate or rates of pay and basis thereof, including whether the employee is paid by  
54.5 the hour, shift, day, week, salary, piece, commission, or other method, and the specific  
54.6 application of any additional rates, as well as any pay schedule or range of pay for an  
54.7 employee who is reasonably expected to move between job duties, classifications, and pay  
54.8 or benefit structures in their day-to-day duties;
- 54.9 (2) allowances, if any, claimed pursuant to permitted meals and lodging;
- 54.10 (3) paid vacation, sick time, or other paid time-off accruals and terms of use;
- 54.11 (4) the employee's employment status and whether the employee is exempt from minimum  
54.12 wage, overtime, and other provisions of chapter 177, and on what basis;
- 54.13 (5) a list of deductions that may be made from the employee's pay;
- 54.14 (6) the number of days in the pay period, the regularly scheduled pay day, and the pay  
54.15 day on which the employee will receive the first payment of wages earned;
- 54.16 (7) the legal name of the employer and the operating name of the employer if different  
54.17 from the legal name;
- 54.18 (8) the physical address of the employer's main office or principal place of business, and  
54.19 a mailing address if different; ~~and~~
- 54.20 (9) the telephone number of the employer; and
- 54.21 (10) a checkbox to indicate whether a hiring employer is a staffing agency and space  
54.22 for a staffing agency to indicate the initial entity for which the employee will perform work.
- 54.23 (e) The employer must keep a copy of the notice under paragraph (d) signed by each  
54.24 employee acknowledging receipt of the notice. An employee's signature on the notice  
54.25 constitutes acknowledgment of receipt of the notice and does not create a contract. For the  
54.26 purposes of this paragraph, "signed" means a written signature or an electronic signature  
54.27 as defined in section 325L.02. The notice must be provided to each employee in English.  
54.28 The English version of the notice must include text provided by the commissioner that  
54.29 informs employees that they may request, by indicating on the form, the notice be provided  
54.30 in a particular language. If requested, the employer shall provide the notice in the language  
54.31 requested by the employee. The commissioner shall make available to employers the text  
55.1 to be included in the English version of the notice required by this section and assist  
55.2 employers with translation of the notice in the languages requested by their employees.
- 55.3 (f) The notice requirement under paragraph (d) is satisfied for an employee if the  
55.4 employee has received all of the information required in paragraph (d) specific to the  
55.5 employee through a collective bargaining agreement, employee handbook, offer letter, or  
55.6 a combination of those documents. In such an instance, the employer must retain a record  
55.7 or listing of the referenced documents that satisfied the notice requirement in paragraph (d).

55.8 (g) An employer must provide the employee any written changes to the information  
 55.9 contained in the notice under paragraph (d) prior to the, either in writing or by electronic  
 55.10 means, by the date of the employee's next earnings statement following the date the changes  
 55.11 take effect. The notice of changes to information under this paragraph does not require a  
 55.12 signature by the employee acknowledging receipt. The requirements of this paragraph are  
 55.13 satisfied if the changes to information are contained on the employee's next earnings  
 55.14 statement.

55.15 (h) Notice is not required under paragraph (g) to an employee for discretionary pay. For  
 55.16 the purposes of this section, "discretionary pay" means compensation paid by the employer  
 55.17 for which the amount and timing are not disclosed in advance by the employer and are at  
 55.18 the employer's sole discretion.

55.19 (i) Notice is not required under paragraph (g) to an employee employed by a staffing  
 55.20 agency upon subsequent job placements following the initial placement by the staffing  
 55.21 agency.

55.22 (j) The commissioner shall issue a written warning to an employer upon the first finding  
 55.23 of a violation or violations of the notice requirements found in paragraphs (d) to (g). For  
 55.24 purposes of this paragraph, discovery by the commissioner of more than one violation of  
 55.25 the notice requirements under paragraphs (d) to (g) at the same employer during the same  
 55.26 investigation shall be considered a single violation.

55.27 Sec. 14. Minnesota Statutes 2020, section 181.101, is amended to read:

55.28 **181.101 WAGES; HOW OFTEN PAID.**

55.29 (a) Except as provided in paragraph (b), every employer must pay all wages, including  
 55.30 salary, earnings, and gratuities earned by an employee at least once every 31 days and all  
 55.31 commissions earned by an employee at least once every three months, on a regular payday  
 55.32 designated in advance by the employer regardless of whether the employee requests payment  
 55.33 at longer intervals. Unless paid earlier, the wages earned during the first half of the first  
 56.1 31-day pay period become due on the first regular payday following the first day of work.  
 56.2 If wages or commissions earned are not paid, the commissioner of labor and industry or the  
 56.3 commissioner's representative may serve a demand for payment on behalf of an employee.  
 56.4 In addition to other remedies under section 177.27, if payment of wages is not made within  
 56.5 ten days of service of the demand, the commissioner may charge and collect the wages  
 56.6 earned at the employee's rate or rates of pay or at the rate or rates required by law, including  
 56.7 any applicable statute, regulation, rule, ordinance, government resolution or policy, contract,  
 56.8 or other legal authority, whichever rate of pay is greater, and a penalty in the amount of the  
 56.9 employee's average daily earnings at the same rate or rates, not exceeding 20 days total,  
 56.10 for each day beyond the ten-day limit following the demand. If payment of commissions is  
 56.11 not made within ten days of service of the demand, the commissioner may charge and collect  
 56.12 the commissions earned and a penalty equal to 1/15 of the commissions earned but unpaid,  
 56.13 not exceeding 20 days total, for each day beyond the ten-day limit. Money collected by the  
 56.14 commissioner must be paid to the employee concerned. This section does not prevent an

56.15 employee from prosecuting a claim for wages. This section does not prevent a school district,  
56.16 other public school entity, or other school, as defined under section 120A.22, from paying  
56.17 any wages earned by its employees during a school year on regular paydays in the manner  
56.18 provided by an applicable contract or collective bargaining agreement, or a personnel policy  
56.19 adopted by the governing board. For purposes of this section, "employee" includes a person  
56.20 who performs agricultural labor as defined in section 181.85, subdivision 2. For purposes  
56.21 of this section, wages are earned on the day an employee works. This section provides a  
56.22 substantive right for employees to the payment of wages, including salary, earnings, and  
56.23 gratuities, as well as commissions, in addition to the right to be paid at certain times.

56.24 (b) An employer of a volunteer firefighter, as defined in section 424A.001, subdivision  
56.25 10, a member of an organized first responder squad that is formally recognized by a political  
56.26 subdivision in the state, or a volunteer ambulance driver or attendant must pay all wages  
56.27 earned by the volunteer firefighter, first responder, or volunteer ambulance driver or attendant  
56.28 at least once every 31 days, unless the employer and the employee mutually agree upon  
56.29 payment at longer intervals.

56.30 Sec. 15. Minnesota Statutes 2020, section 268.18, is amended by adding a subdivision to  
56.31 read:

56.32 Subd. 7. **Overpayments; report to legislature.** Beginning January 15, 2023, and each  
56.33 January 15 thereafter, the commissioner must report to the chairs and ranking minority  
56.34 members of the committees of the house of representatives and the senate having jurisdiction  
57.1 over unemployment insurance for the previous calendar year, to the extent that the following  
57.2 information is not classified as not public under chapter 13 or 268:

57.3 (1) the number and total dollar amount of overpayments made by the department,  
57.4 regardless of whether the improper recipient of the overpayment was identified by the  
57.5 department;

57.6 (2) the number and total dollar amount of overpayments as a percentage of total claims  
57.7 paid over the same period;

57.8 (3) for each overpayment, the dollar amount of the overpayment and information as to  
57.9 whether the overpayment was made due to:

57.10 (i) misrepresentation by a legitimate applicant;

57.11 (ii) fraud attempt through identity theft; or

57.12 (iii) other fraud attempt by an unidentified imposter or hijacker;

57.13 (4) information regarding the number of suspected fraud attempts by imposters or  
57.14 hijackers that the department identified and stopped prior to issuing an overpayment; and

57.15 (5) the number of times the department referred fraud cases to law enforcement.

57.16 Sec. 16. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 1,  
57.17 is amended to read:

57.18 Subdivision 1. **Establishment.** Lake of the Woods County shall establish a loan program  
57.19 to make forgivable loans to eligible remote recreational businesses that experienced a loss  
57.20 in revenue that is greater than 30 percent during the period between March 15, ~~2020~~ 2021,  
57.21 and March 15, ~~2021~~ 2022, as compared with ~~the previous year~~ March 15, 2019, and March  
57.22 15, 2020.

57.23 **EFFECTIVE DATE.** This section is effective retroactively from March 31, 2022.

57.24 Sec. 17. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 3,  
57.25 is amended to read:

57.26 Subd. 3. **Eligibility.** To be eligible for a forgivable loan, a remote recreational business  
57.27 must:

57.28 (1) have been in operation on March 15, ~~2020~~ 2021;

58.1 (2) show that the closure and ongoing COVID-19-related requirements of the United  
58.2 States and Canadian border restricted the ability of American customers to access the location  
58.3 of the remote recreational business; and

58.4 (3) not have received a grant under the Main Street COVID-19 relief grant program.

58.5 **EFFECTIVE DATE.** This section is effective retroactively from March 31, 2022.

58.6 Sec. 18. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 4,  
58.7 is amended to read:

58.8 Subd. 4. **Application.** (a) Lake of the Woods County shall develop forms and procedures  
58.9 for soliciting and reviewing applications for loans under this section.

58.10 (b) Loans shall be made before ~~April 1, 2022~~ December 30, 2022. Any funds not spent  
58.11 by April 1, ~~2022~~ 2023, must be returned to the state general fund.

58.12 (c) If there are insufficient funds to fund all claims in full, the county shall distribute  
58.13 funds on a prorated basis.

58.14 **EFFECTIVE DATE.** This section is effective retroactively from March 31, 2022.

58.15 Sec. 19. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 5,  
58.16 is amended to read:

58.17 Subd. 5. **Maximum loan amount.** The maximum loan amount shall be equal to 75  
58.18 percent of the remote recreational business's gross annual receipts for fiscal ~~year~~ years 2020  
58.19 and 2021, not to exceed \$500,000 per eligible remote recreational business.

58.20 **EFFECTIVE DATE.** This section is effective retroactively from March 31, 2022.

58.21 Sec. 20. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 7,  
58.22 is amended to read:

58.23 Subd. 7. **Report to legislature.** By ~~January 15~~ April 30, 2023, Lake of the Woods County  
58.24 shall report to the legislative committees with jurisdiction over economic development  
58.25 policy and finance on the loans provided to remote recreational businesses under this section.

58.26 **EFFECTIVE DATE.** This section is effective retroactively from March 31, 2022.

59.1 Sec. 21. **PAY FOR PERFORMANCE.**

59.2 Of the amounts appropriated in law from the workforce development fund for grants to  
59.3 pass-through entities, 25 percent in fiscal year 2024 and 50 percent in fiscal year 2025 are  
59.4 for performance grants under Minnesota Statutes, section 116J.8747.

44.6 Sec. 15. **CANADIAN BORDER COUNTIES ECONOMIC RELIEF PROGRAM.**

44.7 Subdivision 1. **Relief program established.** The Northland Foundation and the Northwest  
44.8 Minnesota Foundation must develop and implement a Canadian border counties economic  
44.9 relief program to assist businesses adversely affected by the 2021 closure of the Boundary  
44.10 Waters Canoe Area Wilderness or the closures of the Canadian border since 2020.

44.11 Subd. 2. **Available relief.** (a) The economic relief program established under this section  
44.12 may include grants provided in this section to the extent that funds are available. Before  
44.13 awarding grants to the Northland Foundation and the Northwest Minnesota Foundation for  
44.14 the relief program under this section:

44.15 (1) the Northland Foundation and the Northwest Minnesota Foundation must develop  
44.16 criteria, procedures, and requirements for:

44.17 (i) determining eligibility for assistance;

44.18 (ii) evaluating applications for assistance;

44.19 (iii) awarding assistance; and

44.20 (iv) administering the grant program authorized under this section;

44.21 (2) the Northland Foundation and the Northwest Minnesota Foundation must submit  
44.22 criteria, procedures, and requirements developed under clause (1) to the commissioner of  
44.23 employment and economic development for review; and

44.24 (3) the commissioner must approve the criteria, procedures, and requirements submitted  
44.25 under clause (2).

44.26 (b) The maximum grant to a business under this section is \$50,000 per business.

- 44.27 Subd. 3. **Qualification requirements.** To qualify for assistance under this section, a  
44.28 business must:
- 44.29 (1) be located within a county that shares a border with Canada;
- 44.30 (2) document a reduction of at least 20 percent in gross receipts in 2021 compared to  
44.31 2019; and
- 45.1 (3) provide a written explanation for how the 2021 closure of the Boundary Waters  
45.2 Canoe Area Wilderness or the closures of the Canadian border since 2020 resulted in the  
45.3 reduction in gross receipts documented under clause (2).
- 45.4 Subd. 4. **Monitoring.** (a) The Northland Foundation and the Northwest Minnesota  
45.5 Foundation must establish performance measures, including but not limited to the following  
45.6 components:
- 45.7 (1) the number of grants awarded and award amounts for each grant;
- 45.8 (2) the number of jobs created or retained as a result of the assistance, including  
45.9 information on the wages and benefit levels, the status of the jobs as full time or part time,  
45.10 and the status of the jobs as temporary or permanent;
- 45.11 (3) the amount of business activity and changes in gross revenues of the grant recipient  
45.12 as a result of the assistance; and
- 45.13 (4) the new tax revenue generated as a result of the assistance.
- 45.14 (b) The commissioner of employment and economic development must monitor the  
45.15 Northland Foundation's and the Northwest Minnesota Foundation's compliance with this  
45.16 section and the performance measures developed under paragraph (a).
- 45.17 (c) The Northland Foundation and the Northwest Minnesota Foundation must comply  
45.18 with all requests made by the commissioner under this section.
- 45.19 Subd. 5. **Business subsidy requirements.** Minnesota Statutes, sections 116J.993 to  
45.20 116J.995, do not apply to assistance under this section. Businesses in receipt of assistance  
45.21 under this section must provide for job creation and retention goals and wage and benefit  
45.22 goals.
- 45.23 Subd. 6. **Administrative costs.** The commissioner of employment and economic  
45.24 development may use up to three percent of the appropriation made for this section for  
45.25 administrative expenses of the department.
- 45.26 **EFFECTIVE DATE.** This section is effective July 1, 2022, and expires June 30, 2023.
- 45.27 Sec. 16. **SMALL BUSINESS RECOVERY GRANT PROGRAM.**
- 45.28 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have  
45.29 the meanings given.

- 46.1 (b) "Business" means both for-profit businesses and nonprofit organizations that earn  
46.2 revenue in ways similar to businesses, including but not limited to ticket sales and  
46.3 membership fees.
- 46.4 (c) "Commissioner" means the commissioner of employment and economic development.
- 46.5 (d) "Partner organization" or "partner" means the Minnesota Initiative Foundations and  
46.6 nonprofit corporations on the certified lenders list that the commissioner determines to be  
46.7 qualified to provide grants to businesses under this section.
- 46.8 (e) "Program" means the small business recovery grant program under this section.
- 46.9 Subd. 2. **Establishment.** The commissioner shall establish the small business recovery  
46.10 grant program to make grants to partner organizations to provide grants to businesses that  
46.11 have been directly or indirectly impacted by the COVID-19 pandemic and other economic  
46.12 challenges.
- 46.13 Subd. 3. **Grants to partner organizations.** (a) The commissioner shall make grants to  
46.14 partner organizations to provide grants to businesses under subdivision 4 using criteria,  
46.15 forms, applications, and reporting requirements developed by the commissioner.
- 46.16 (b) The commissioner must, to the degree practical, grant an equal amount of money to  
46.17 partner organizations serving the seven-county metropolitan area, as defined under Minnesota  
46.18 Statutes, section 473.121, subdivision 2, as the commissioner grants to organizations serving  
46.19 greater Minnesota.
- 46.20 (c) Up to four percent of a grant under this subdivision may be used by the partner  
46.21 organization for administration and monitoring of the program.
- 46.22 (d) Any money not spent by partner organizations by December 31, 2023, must be  
46.23 returned to the commissioner and canceled back to the general fund.
- 46.24 Subd. 4. **Grants to businesses.** (a) Partners shall make grants to businesses using criteria,  
46.25 forms, applications, and reporting requirements developed by the commissioner.
- 46.26 (b) To be eligible for a grant under this subdivision, a business must:
- 46.27 (1) have primary business operations located in Minnesota;
- 46.28 (2) be at least 50 percent owned by a resident of Minnesota;
- 46.29 (3) employ the equivalent of 50 full-time workers or less;
- 46.30 (4) be able to demonstrate financial hardship during 2021 or 2022;
- 46.31 (5) include as part of the application a business plan for continued operation; and
- 47.1 (6) primarily do business in one or more of the industries listed under subdivision 5.

- 47.2 (c) Grants under this subdivision shall be awarded by randomized selection process after  
47.3 applications are collected over a period of no more than ten calendar days.
- 47.4 (d) Grants under this subdivision must be for up to \$25,000 per business.
- 47.5 (e) No business may receive more than one grant under this section.
- 47.6 (f) Grant money must be used for working capital to support payroll expenses, rent or  
47.7 mortgage payments, utility bills, and other similar expenses that occur or have occurred  
47.8 since January 1, 2022, in the regular course of business, but not to refinance debt that existed  
47.9 at the time of the governor's COVID-19 peacetime emergency declaration.
- 47.10 Subd. 5. **Eligible industries.** To be eligible for a grant under subdivision 4, a business  
47.11 must primarily do business in one or more of the following industries:
- 47.12 (1) serving food or beverages, such as restaurants, cafes, bars, breweries, wineries, and  
47.13 distilleries;
- 47.14 (2) personal services, such as hair care, nail care, skin care, or massage;
- 47.15 (3) indoor entertainment, such as a business providing arcade games, escape rooms, or  
47.16 indoor trampoline parks;
- 47.17 (4) indoor fitness and recreational sports centers, such as gyms, fitness studios, indoor  
47.18 ice rinks, and indoor swimming pools;
- 47.19 (5) wellness and recreation, such as the teaching of yoga, dance, or martial arts;
- 47.20 (6) catering services;
- 47.21 (7) temporary lodging, such as hotels and motels; or
- 47.22 (8) performance venues.
- 47.23 Subd. 6. **Distribution of awards.** Of grant funds awarded under subdivision 4, a  
47.24 minimum of:
- 47.25 (1) \$5,000,000 must be awarded to businesses that employ the equivalent of six full-time  
47.26 workers or less;
- 47.27 (2) \$3,500,000 must be awarded to minority business enterprises, as defined in Minnesota  
47.28 Statutes, section 116M.14, subdivision 5;
- 47.29 (3) \$1,000,000 must be awarded to businesses that are majority owned and operated by  
47.30 veterans as defined in Minnesota Statutes, section 197.447; and
- 48.1 (4) \$1,000,000 must be awarded to businesses that are majority owned and operated by  
48.2 women.
- 48.3 Subd. 7. **Exemptions.** All grants and grant-making processes under this section are  
48.4 exempt from Minnesota Statutes, sections 16A.15, subdivision 3; 16B.97; and 16B.98,

- 48.5 subdivisions 5, 7, and 8. The commissioner must audit the use of grant money under this  
48.6 section in accordance with standard accounting practices. This subdivision expires on  
48.7 December 31, 2023.
- 48.8 Subd. 8. **Reports.** (a) By January 31, 2024, partner organizations participating in the  
48.9 program must provide a report to the commissioner that includes descriptions of the  
48.10 businesses supported by the program, the amounts granted, and an explanation of  
48.11 administrative expenses.
- 48.12 (b) By February 15, 2024, the commissioner must report to the legislative committees  
48.13 in the house of representatives and senate with jurisdiction over economic development  
48.14 about grants made under this section based on the information received under paragraph  
48.15 (a).
- 48.16 Sec. 17. **ENCUMBRANCE EXCEPTION.**
- 48.17 Notwithstanding Minnesota Statutes, section 16B.98, subdivision 5, paragraph (a), clause  
48.18 (2), or 16C.05, subdivision 2, paragraph (a), clause (3), the commissioner of employment  
48.19 and economic development may permit grant recipients of the Minnesota investment fund  
48.20 program under Minnesota Statutes, section 116J.8731; the job creation fund program under  
48.21 Minnesota Statutes, section 116J.8748; and the border-to-border broadband program under  
48.22 Minnesota Statutes, section 116J.395, to incur eligible expenses based on an agreed upon  
48.23 work plan and budget for up to 90 days prior to an encumbrance being established in the  
48.24 accounting system.
- 48.25 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
48.26 expires on June 30, 2025.
- 48.27 Sec. 18. **REPEALER.**
- 48.28 Minnesota Statutes 2021 Supplement, section 116J.9924, subdivision 6, is repealed.