

Chapter 120

2024 Regular Session

Subject Jobs and economic development

Bill S.F. 5289

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Date May 31, 2024

Overview

This is the jobs and economic development major finance act.

Article 1: Appropriations

Appropriates money to the Department of Employment and Economic Development, Explore Minnesota, and the University of Minnesota. See fiscal spreadsheet for details.

Article 2: Policy

Makes miscellaneous changes relating to jobs and economic development, including establishment of Explore Minnesota Film.

Section Description – Article 2: Policy

- 1 Definitions.**

Modifies the definition of “community based organization” for the purposes of target populations workforce grants to remove a requirement that a qualifying nonprofit organization have an annual organizational budget of no more than \$1,000,000.
- 2 Explore Minnesota Film.**

Establishes Explore Minnesota Film as an office within Explore Minnesota.
- 3 Film production jobs program.**

Transfers responsibility for administering the film production jobs program from the Minnesota Film and TV Board to Explore Minnesota Film.
- 4 Definitions.**

Transfers responsibility for administering the film production tax credit to Explore Minnesota Film.

Section Description – Article 2: Policy

- 5 **Applications; allocations.**
Transfers responsibility for administering the film production tax credit to Explore Minnesota Film.
- 6 **Report required.**
Transfers responsibility for administering the film production tax credit to Explore Minnesota Film.
- 7 **Appropriation.**
Transfers responsibility for administering the film production tax credit to Explore Minnesota Film.
- 8 **Noncovered employment.**
Expands the definition of “noncovered employment” to include employment of a foreign agricultural worker working on an H-2A visa for the purposes of the chapter of law governing unemployment insurance. Employers would not pay unemployment insurance taxes on the wages of a temporary agricultural worker on an H-2A visa, and such wages would not be included in the worker’s wage credits for the purposes of unemployment insurance.
- 9 **Change Starts With Community violence prevention program.**
Provides rules for use of the grant to Change Starts With Community. Requires Change Starts With Community to develop and implement job training programs for at-risk youth and adults and to create on-site job opportunities at Shiloh Cares Food Shelf. Requires that the grant be used to employ workers for the entity’s programs. Requires that the grantee partner with the Cargill Foundation to support services for youth and with Hennepin County juvenile corrections and the Minneapolis Police Department to receive referrals for at-risk youth. Requires a report on use of the grant.
- 10 **Center for Nursing Equity and Excellence.**
Establishes a Center for Nursing Equity and Excellence within the University of Minnesota. Requires the center to develop a plan for nursing workforce supply, to collect data on nursing faculty and employment, to improve and modify the practices for educating nurses and prospective nurses, and to promote recognition, reward, and renewal activities for nurses. Requires an annual report to the legislature on the center.
- 11 **Shakopee area workforce development scholarships pilot.**
Establishes a pilot program within DEED that would award grants to the Shakopee Chamber of Commerce for scholarships to students in programs approved by the Dakota-Scott Workforce Development Board. Requires partnerships with Minnesota

Section Description – Article 2: Policy

State College and Universities and local employers so that at least 25 percent of the scholarship is matched with employer or foundation funds. Students receiving the scholarship would need to adhere to any promulgated program requirements and also sign a contract agreeing to fulfill a three-year full-time employment commitment in the service area of the Shakopee Chamber of Commerce. Requires that employment be either with an employer who provided a 25 percent match for the scholarship or in a high-demand occupation as determined by the Dakota-Scott Workforce Development Board. Scholarships would meet the costs of college attendance not covered through tuition waivers, grants, or other scholarships. Requires an annual report on the program.

12 Brooklyn Park biotech innovation district.

Requires Brooklyn Park’s economic development authority (EDA) to prepare a development plan for a biotech innovation district, requiring notice to and approval by the city. In developing the plan, requires prioritization of projects that will pay a living wage. Allows the Brooklyn Park EDA to exercise the powers of a port authority. Requires the city to provide financial support to the EDA and allows it to appropriate money to the EDA. For development of the district, allows the city to take on debt that would be exempt both from net debt limits and from requirements for voter approval. Allows the city to select developers of parking facilities and other public improvements to implement the development plan without using competitive bidding. Requires an annual report to the legislature on the development plan and its implementation.

13 Revisor instruction.

Requires the revisor’s office to codify a section of law authorizing transfers between certain accounts.

14 Repealer.

Repeals the airport infrastructure renewal grant program.

Article 3: Miscellaneous

Modifies regulation and oversight of certain state licensures.

Section Description – Article 3: Miscellaneous

- 1 **Qualifications.**
Requires that persons seeking licensure as a cosmetology, hair technician, manager, or instructor receive training and experience working on different hair types and textures.

- 2 **Training.**
Requires that training for hair technicians include training on different hair types and textures.

- 3 **Expiration and renewal.**
Requires notice to certain state license holders prior to license expiration.

Article 4: State Dislocated Worker Program

Modifies the state dislocated worker program.

Section Description – Article 4: State Dislocated Worker Program

- 1 **Definitions.**
Expands the definition of “dislocated worker” for the purposes of the state dislocated worker program to include: certain spouses of active duty United States armed forces members; injured and ill individuals without workers’ compensation cases needing support to reenter or remain in the workforce; and adults with low income, adults receiving public assistance, and adults deficient in basic skills.

- 2 **Repealer.**
Repeals limitations on administrative costs, training assistance costs, and support services costs for the purposes of the dislocated worker program.

Article 5: Job Creation Fund

Modifies provisions for the Minnesota job creation fund.

Section Description – Article 5: Job Creation Fund

- 1 **Transfer.**
Increases the amount that may be transferred by the commissioner of employment and economic development between the job creation fund and the investment fund from \$2,000,000 to \$5,000,000.

- 2 **Definitions.**
Modifies definitions for the purposes of the Minnesota job creation fund so that provisions for new full-time employees also apply to full-time equivalent employees.

- 3 **Minnesota job creation fund business designation; requirements.**
Makes a conforming change so that provisions for new full-time employees also apply to full-time equivalent employees.

- 4 **Certification; benefits.**
Makes a conforming change so that provisions for new full-time employees also apply to full-time equivalent employees.

- 5 **Job creation award.**
Makes a conforming change so that provisions for new full-time employees also apply to full-time equivalent employees.

Article 6: Innovative Business Development Public Infrastructure Grant Program

Modifies the innovative business development public infrastructure grant program.

Description – Article 6: Innovative Business Development Public Infrastructure Grant Program

- 1 **Grant program established.**
Modifies the innovative business development public infrastructure grant program so that its grants need not be competitive. Sets the maximum amount for a grant at 50 percent of the cost. Removes a provision allowing the commissioner of employment and economic development to waive eligibility requirements under certain circumstances.

Description – Article 6: Innovative Business Development Public Infrastructure
Section Grant Program

- 2 **Application.**
Modifies standards for applying to the innovative business development public infrastructure grant program and requires an applicant to submit a resolution finding it met the standards.
- 3 **Repealer.**
Repeals a subdivision providing how to prioritize among applicants for the innovative business development public infrastructure grant program.

Article 7: Energy Transition Advisory Committee

Modifies the Energy Transition Advisory Committee.

Section Description – Article 7: Energy Transition Advisory Committee

- 1 **Membership.**
Adds to the Energy Transition Advisory Committee one representative of a school district facing revenue loss due to energy transition.

Article 8: Technical Changes

Allows Northland Foundation to use portions of a grant made in Laws 2023 for administrative costs.

Section Description – Article 8: Technical Changes

- 1 **Administrative costs.**
Allows Northland Foundation to use up to five percent of a grant made in Laws 2023 for administrative costs.

Article 9: Small Business Program Modifications

Modifies the small business assistance partnerships program, the Minnesota expanding opportunity fund program, the Minnesota emerging entrepreneur program, and the community wealth-building grant program.

Section Description – Article 9: Small Business Program Modifications

- 1 Definitions.**
Modifies the definition of “partner organization” for the purposes of the small business assistance partnerships program to include Tribal economic development entities.
- 2 Small business assistance partnerships grants.**
Allows up to 15 percent of the amount of a grant through the small business assistance partnerships program to be used on administrative costs.
- 3 Minnesota expanding opportunity fund program.**
Modifies the Minnesota expanding opportunity fund program to allow funding for Tribal economic development entities and community development financial institutions. Allows for fee-based loans. Sets the interest rates for loans under the program to the Wall Street prime rate plus two percent, for a maximum of ten percent. Allows lenders under the program to keep an amount equal to one percent of each loan for administrative costs.
- 4 Minnesota emerging entrepreneur program.**
Modifies the Minnesota emerging entrepreneur program to allow funding for Tribal economic development entities and community development financial institutions. Exempts preferred partners from requirements to get approval from DEED to issue a loan and requires decisions on loans within 20 days for other participants seeking to issue a loan. Adds a minimum two-year period to receive ten percent loan forgiveness. Requires DEED to develop criteria for borrowers seeking the forgiveness. Modifies maximum microenterprise loan amounts. Allows lenders under the program to keep an amount equal to one percent of each loan for administrative costs. Sets the interest rates for loans under the program to the Wall Street prime rate plus two percent, for a maximum of ten percent.
- 5 Loans to community businesses.**
Modifies the community wealth-building grant pilot program to allow forgiveness of loans to community businesses. Allows for fee-based loans. Sets the interest rates for loans under the program to the Wall Street prime rate plus two percent, for a maximum of ten percent.
- 6 Reports.**
Extends reporting deadlines for the community wealth-building grant pilot program.

Article 10: Independent Living Services

Conforms Minnesota law with federal law for independent living services.

Section	Description – Article 10: Independent Living Services
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| 1 | Independent living services.
Conforms Minnesota law with federal law for independent living services. |
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