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State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-FIFTH
SESSION**

HOUSE FILE No. 3050

February 18, 2008

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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to economic development; appropriating money for business assistance
1.3 in greater Minnesota.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **APPROPRIATIONS; GREATER MINNESOTA BUSINESS**
1.6 **DEVELOPMENT.**

1.7 Subdivision 1. **Microloans.** \$1,200,000 is appropriated from the general fund to the
1.8 commissioner of employment and economic development for fiscal year 2009 for grants
1.9 to community organizations in the six Minnesota Initiative Foundation regions to support
1.10 increasing the number of microloans made annually in rural Minnesota. Grants may be
1.11 used to provide technical assistance, to increase or establish loan loss reserves, or to
1.12 provide loan capital. The maximum grant under this subdivision is \$200,000. \$1,200,000
1.13 each year is added to the agency's budget base for regional grants for microloans and
1.14 small business assistance beginning in fiscal year 2010.

1.15 Subd. 2. **Small business revolving loans.** \$6,000,000 is appropriated from the
1.16 general fund to the commissioner of employment and economic development for fiscal
1.17 year 2009 for grants to the six Minnesota Initiative Foundations to expand existing small
1.18 business revolving loans with a focus on lending to entrepreneurs and new businesses. The
1.19 commissioner of employment and economic development must make a \$1,000,000 grant
1.20 to each Minnesota Initiative Foundation after the foundation has completed and submitted
1.21 a strategic plan on how the grant will be used in the region, including information on any
1.22 new loan programs being created and existing loan programs that are being expanded or
1.23 improved. This is a onetime appropriation.