

1.1 Senator moves to amend S.F. No. 211 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. [116L.36] REQUIREMENTS FOR GRANTS TO NONPROFIT
1.4 ORGANIZATIONS.

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

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

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

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

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

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

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

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

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

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

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

1.30 (4) revenue for the previous three years.

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

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

2.10 Delete the title and insert:

2.11 "A bill for an act
2.12 relating to economic development; establishing requirements for grants to nonprofit
2.13 organizations; proposing coding for new law in Minnesota Statutes, chapter 116L."