

S.F. No. 1720 – Small business partnership program codification

Author: Senator Aric Putnam

Prepared by: Carlon Doyle Fontaine, Senate Counsel (651/296-4395)

Date: February 24, 2023

S.F. 1720 codifies the small business partnership program, which has operated previously as an uncodified business development competitive grant program.

Section 1. Small business partnership program. Subdivision 1. **Definitions.** Provides definitions for terms used for the program. Defines “eligible business” as a commercial cooperative, employee-owned business, or commercial land trust that is either located in greater Minnesota, in the high-tech field, or at least 51 percent owned by people who are Black, Indigenous, People of Color, women, immigrants, veterans, low-income, or people with disabilities.

Subdivision 2. **Establishment.** Creates the small business partnership program to award to make statewide grants to local and regional community-based nonprofit organizations to support the start-up, growth, and success of eligible businesses through high-quality free or low-cost professional business development and technical assistance services.

Subdivision 3. **Grants to nonprofits.** Specifies that grants shall be awarded through a competitive process. Allows up to ten percent of the grant award to be used for administrative expenses. Stipulates a preference for applications from nonprofits that can demonstrate a successful record of serving historically underserved communities or increasing the upward economic mobility of clients.

Subdivision 4. **Administration.** Allows the commissioner of employment and economic development to use up to five percent of the appropriation for administration of the program.

Subdivision 5. **Reporting.** Requires grant recipients to report annually to the commissioner. Beginning in 2025, requires the commissioner to submit a biennial report to the legislature providing details on the use of program funds and the program's impact.

Section 2. Appropriation. Makes an appropriation from the general fund to the commissioner of employment and economic development for the small business partnership program.