



Providing nonpartisan legal, research, and fiscal analysis services to the Minnesota Senate

S.F. No. 4925 – Small business assistance partnerships grant program, expanding opportunity fund program, emerging entrepreneur program, and community wealth-building grant program technical changes (A-1)

Author: Senator Aric Putnam

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

Date: March 18, 2024

S.F. 4925 makes policy and technical changes to four programs administered by the Department of Employment and Economic Development (DEED): (1) the small business assistance partnerships grant program; (2) the Minnesota expanding opportunity fund program; (3) the Minnesota emerging entrepreneur program; and (4) the community wealth-building grant program pilot project.

Sections 1, 3, and 4, change references to “Tribes” to “Tribal economic development entities” and adds community development financial institutions to those financial entities that are eligible to administer the programs.

Section 2 allows small business assistance partnership grantees to use up to 15 percent of grant funds for expenses incurred while administering the grant.

Section 3 provides a maximum fee or interest rate charged for a loan under the Minnesota expanding opportunity fund program. Requires DEED to provide a lending entity a one percent fee for every loan closed to offset costs related to the loan.

Section 4 specifies that preferred partners in the Minnesota emerging entrepreneur program do not need final approval from DEED for loans and requires approval by DEED for other loan decisions. Requires DEED to develop criteria for loan forgiveness. Modifies maximum loan amount for microenterprise loans. Provides a maximum fee or interest rate charged for a loan under the program. Requires DEED to provide a lending entity a one percent fee for every loan closed to offset costs related to the loan.

Section 5 allows up to 15 percent of a community wealth-building loan's principal amount to be forgiven by the partner organization if the borrower has met all lending criteria developed by the partner organization and the commissioner for at least two years.

Section 6 modifies reporting dates for the community wealth-building program pilot project for partner organizations to provide reports to the commissioner of employment and economic development.