



S.F. No. 1449 – CanStartup and CanNavigate program modifications

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S.F. 1449 modifies CanStartup, a program to award grants to nonprofit corporations to fund loans to new cannabis microbusinesses and CanNavigate, a program to award grants to help individuals navigate the regulatory structure of the legal cannabis industry, both administered by the department of employment and economic development (DEED).

Section 1. [116J.659, subdivision 4] **Loans to businesses.** Increases the maximum state contribution to a CanStartup loan to \$75,000 from \$50,000 or \$200,000 from \$150,000 if state contributions are matched by an equal or greater amount at least 25 percent of a new private investment. The minimum state contribution to a loan remains at \$2,500. Requires the commissioner of DEED to make final approval decisions on loans within 30 days of receiving a loan application and provide notification of missing loan application information within 14 days.

Section 2. [116J.659, subdivision 5] **Revolving loan account administration.** Clarifies that any origination fee charged must not exceed the Wall Street Journal prime rate. Specifies that loan repayments may be retained by the nonprofit corporation originating the loan to help cover expenses for loan servicing and origination. Clarifies additional activities covered as administrative expenses including provision of technology, insurance, legal, audit and accounting, and reporting assistance. Requires average interest rates to be reported biannually and published publicly.

Section 3. [116J.6595, subdivision 3] **Grants to organizations.** Allows nonprofit corporations to use up to 15 percent of contract funds for administration of a contract under the CanNavigate program.

