



# Initiatives to Spur Economic Growth in Greater Minnesota

## Overview of Bills:

1. **Greater Minnesota Business Development Public Infrastructure Program bonding – HF653 (Gunther)/SF391 (Jasinski): \$15M**
2. **New incentive for Greater Minnesota Business Expansion Program – HF1019 (Layman)/SF783 (Draheim):**
  - a. **Program Summary:** Provides sales tax benefits to Greater MN businesses that expand in the place they are located. Qualifying businesses that meet job-growth goals receive sales tax refunds for purchases made during a seven-year period. Maximum sales tax refund is \$2M/year and \$10M over the seven-year certification period.
  - b. **Proposal:** Create a new exemption from state property tax on the expanded C/I property. Other minor changes are also proposed to make the program work better for Greater Minnesota.
3. **Minor fixes to Greater MN Internship Program – HF868 (Jessup)/SF763 (Jasinski):**
  - a. **Program Summary:** Provides tax credits to qualifying businesses outside of the 11-county metro area. Credit is equal to 40% of the compensation paid to an intern.
  - b. **Proposal:** Policy changes: 1) Currently, internships needed to complete an academic program do not qualify; 2) Businesses are required to state that the intern would not have been hired without the tax credit, which is a deterrent to participating in the program.
4. **“Making Economic Development Programs Work for Greater MN” bill – HF1018 (Rarick)/SF784 (Utke):**
  - a. **BDPI General Fund Funding:** \$2M/year ongoing (it’s currently \$1.3M/year ongoing)
  - b. **Job Training Incentive Program Funding:**
    - i. **Summary:** Fast, efficient, employer-driven (no higher ed institution required)
    - ii. **Proposal:** \$2M/year ongoing (it’s currently \$900k/year for FY 17)
  - c. **Job Creation Fund:**
    - i. **Summary:** Provides up to \$1M in grants to approved businesses after they meet job creation and capital investment goals.
    - ii. **Proposal:**
      1. Restore base funding to \$12.5M/year ongoing
      2. Allocate 75% of funding to Greater MN
      3. Lowers threshold of new employees from 10 to five.
  - d. **Minnesota Investment Fund (MIF):**
    - i. **Summary:** Provides financing to help add new workers and retain high-quality jobs on a statewide basis, with a focus on industrial, manufacturing, and technology-related industries to increase the local and state tax base and improve economic vitality.
    - ii. **Proposal:** Restore base funding to \$15M/year ongoing
5. **Workforce housing tax credit – HF1020 (Hamilton)/SF785 (Goggin):**
  - a. **Summary:** Provides a 40% tax credit to private investors that “contribute” to increase the supply of market rate housing (i.e. housing that’s not restricted by income) for middle-income workers in Greater Minnesota.
  - b. **Also:** Optional bill for a carve-out within MHFA for a workforce housing grant program modeled after the workforce housing tax credit proposal.
  - c. **Proposal:** \$40M over six years in tax credits.