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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3112

03/14/2016 Authored by Lueck

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance

1.1 A bill for an act  
1.2 relating to economic development; establishing a Mille Lacs Lake area economic  
1.3 relief grant program; providing for capital improvements; authorizing the sale of  
1.4 bonds; appropriating money.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. MILLE LACS LAKE AREA ECONOMIC RELIEF GRANT  
1.7 PROGRAM.

1.8 Subdivision 1. Program established; eligibility. (a) The commissioner of  
1.9 employment and economic development shall establish a Mille Lacs Lake area economic  
1.10 relief grant program to assist businesses adversely affected by the early closing of the 2015  
1.11 walleye fishing season on Mille Lacs Lake on August 3, 2015.

1.12 (b) The grant program established under paragraph (a) must provide for  
1.13 reimbursement to eligible businesses for qualifying real property taxes, including the  
1.14 state general tax under Minnesota Statutes, section 275.025, paid in calendar years 2015,  
1.15 2016, and 2017.

1.16 (c) To be eligible for assistance under this section, a business must:

1.17 (1) be located within Aitkin, Crow Wing, or Mille Lacs County;

1.18 (2) document to the commissioner, a reduction in gross receipts of at least five  
1.19 percent during calendar year 2015, 2016, or 2017 compared to 2014; and

1.20 (3) operate in one of the following industries, as defined under the North American  
1.21 Industry Classification System: lodging, restaurants, bars, amusement and recreation,  
1.22 food and beverage retail, sporting goods, miscellaneous retail, general retail, museums,  
1.23 historical sites, health and personal care, gas station, general merchandise, business and

2.1 professional membership, movies, or nonstore retailer, as determined by the commissioner  
 2.2 of employment and economic development.

2.3 (d) Taxes qualifying for reimbursement are subject to the requirements under  
 2.4 subdivision 2.

2.5 Subd. 2. **Property tax qualifying for reimbursement.** (a) The commissioner of  
 2.6 employment and economic development shall reimburse an amount of net real property  
 2.7 taxes, including the state general tax under Minnesota Statutes, section 275.025, payable  
 2.8 in calendar years 2015, 2016, and 2017 by an eligible business, only if:

2.9 (1) the property is classified as 1c, 3a, 4c(1), 4c(10), or 4c(11);

2.10 (2) the applicant submits a written application to the commissioner of employment  
 2.11 and economic development, not later than July 1, for reimbursement of the taxes paid in  
 2.12 the prior year; and

2.13 (3) the applicant is an eligible business under subdivision 1, paragraph (c).

2.14 (b) A reimbursement grant to an eligible business may not exceed the amount of net  
 2.15 real property tax paid by an eligible business in any year equal to the percentage reduction  
 2.16 in gross receipts in the current year compared to 2014.

2.17 (c) Applications for relief under this section must be submitted on a form and in  
 2.18 a manner prescribed by the commissioner. The commissioner must develop a form and  
 2.19 a manner for applying for grants under this section no more than 30 days following  
 2.20 enactment of this section.

2.21 Subd. 3. **Appropriation.** \$2,000,000 in fiscal year 2017, \$2,000,000 in fiscal year  
 2.22 2018, and \$2,000,000 in fiscal year 2019 are appropriated from the general fund to the  
 2.23 commissioner of employment and economic development for reimbursement grants to  
 2.24 eligible businesses under this section. This is a onetime appropriation.

2.25 Sec. 2. **MILLE LACS LAKE AREA TOURISM; APPROPRIATION.**

2.26 \$50,000 in fiscal year 2016 and \$50,000 in fiscal year 2017 are appropriated from  
 2.27 the general fund to Explore Minnesota Tourism for a grant to the Mille Lacs Area Tourism  
 2.28 Council for tourism promotion activities. This is a onetime appropriation.

2.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.30 Sec. 3. **APPROPRIATION.**

2.31 Subdivision 1. **Appropriation.** (a) \$1,500,000 is appropriated from the bond  
 2.32 proceeds fund to the commissioner of natural resources for predesign, design, acquisition,

3.1 and development of a trail to connect the Northwoods ATV trail system with the Mille  
3.2 Lacs-Malmo East Loop trail system.

3.3 (b) The appropriation is not available until the commissioner determines that  
3.4 \$150,000 has been committed to the project from nonstate sources.

3.5 Subd. 2. **Bond sale.** To provide the money appropriated in this section from the  
3.6 bond proceeds fund, the commissioner of management and budget shall sell and issue  
3.7 bonds of the state in an amount up to \$1,500,000 in the manner, upon the terms, and with  
3.8 the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the  
3.9 Minnesota Constitution, article XI, sections 4 to 7.

3.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.