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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. **3584**

March 9, 2010

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The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform,
Technology and Elections

1.1 A bill for an act
1.2 relating to economic development; prohibiting state contracts with vendors
1.3 convicted of crimes involving fraud; requiring a report to the legislature;
1.4 amending Minnesota Statutes 2008, section 16C.03, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2008, section 16C.03, is amended by adding a
1.7 subdivision to read:

1.8 Subd. 20. Criminal history of vendor. (a) The commissioner shall cancel
1.9 a contract for goods or services from a vendor or suspend or debar a vendor if the
1.10 commissioner determines that the vendor has been convicted of a crime involving fraud.
1.11 The commissioner shall ensure that the acquisition process under this chapter includes
1.12 a process for reviewing the criminal record of all vendors before the final approval or
1.13 extension of any contract subject to this chapter. Each vendor selling goods or services to
1.14 the state shall notify the commissioner of any criminal conviction involving the vendor.

1.15 (b) The provisions of this subdivision may be waived by the commissioner when the
1.16 vendor is the single source of the goods or services or in the event of an emergency.

1.17 Sec. 2. REPORT ON BUSINESS SUBSIDIES.

1.18 (a) Beginning in 2011, the commissioner of employment and economic development
1.19 must report annually by January 15 to the chairs and ranking minority members of the
1.20 senate and house of representatives committees having jurisdiction over taxes and
1.21 economic development on subsidies, including tax credits and other incentives, offered
1.22 to businesses through programs administered by the Department of Employment and

2.1 Economic Development. The report must include the following information for the
2.2 previous fiscal year ending June 30:

2.3 (1) the name, principal Minnesota location, and type of business operated by each
2.4 recipient of a subsidy;

2.5 (2) the amount and type of subsidy received for each recipient business;

2.6 (3) the number of jobs generated by each business since receipt of the subsidy and
2.7 the degree to which the jobs generated meet the goals of the subsidy program; and

2.8 (4) any other information relevant to evaluating the effect of the subsidies.

2.9 (b) The report due on January 15, 2011, must also include recommendations on
2.10 methods for determining the feasibility of recapturing subsidies if the goals of the
2.11 applicable program are not met.