

**SENATE  
STATE OF MINNESOTA  
NINETY-THIRD SESSION**

**S.F. No. 2784**

(SENATE AUTHORS: GREEN)

DATE  
03/09/2023

D-PG

Introduction and first reading  
Referred to Jobs and Economic Development

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to economic development; modifying the forgivable loan program for  
1.3 remote recreational businesses; amending Laws 2021, First Special Session chapter  
1.4 10, article 2, section 24.

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

1.6 Section 1. Laws 2021, First Special Session chapter 10, article 2, section 24, is amended  
1.7 to read:

1.8 Sec. 24. **FORGIVABLE LOAN PROGRAM FOR REMOTE RECREATIONAL**  
1.9 **BUSINESSES.**

1.10 Subdivision 1. **Establishment.** Lake of the Woods County shall establish a loan program  
1.11 to make forgivable loans to eligible remote recreational businesses that experienced a loss  
1.12 in revenue that is greater than 30 percent during the period between March 15, ~~2020~~ 2021,  
1.13 and March 15, ~~2021~~ 2022, as compared with ~~the previous year~~ March 15, 2019, and March  
1.14 15, 2020.

1.15 Subd. 2. **Definition.** For the purposes of this section, "remote recreational business"  
1.16 means a business in the contiguous United States that is:

1.17 (1) a small business concern as defined under section 3 of the Small Business Act, United  
1.18 States Code, title 15, section 632, operating in the recreational industry;

1.19 (2) located within 75 miles of the United States and Canadian border; and

1.20 (3) only accessible by land via Canada.

2.1 Subd. 3. **Eligibility.** To be eligible for a forgivable loan, a remote recreational business  
2.2 must:

2.3 (1) have been in operation on March 15, ~~2020~~ 2021;

2.4 (2) show that the closure and ongoing COVID-19-related requirements of the United  
2.5 States and Canadian border restricted the ability of American customers to access the location  
2.6 of the remote recreational business; and

2.7 (3) not have received a grant under the Main Street COVID-19 relief grant program.

2.8 Subd. 4. **Application.** (a) Lake of the Woods County shall develop forms and procedures  
2.9 for soliciting and reviewing applications for loans under this section.

2.10 (b) Loans shall be made before ~~April 1, 2022~~ December 30, 2023. Any funds not spent  
2.11 by April 1, ~~2022~~ 2023, must be returned to the state general fund.

2.12 (c) If there are insufficient funds to fund all claims in full, the county shall distribute  
2.13 funds on a prorated basis.

2.14 Subd. 5. **Maximum loan amount.** The maximum loan amount shall be equal to 75  
2.15 percent of the remote recreational business's gross annual receipts for fiscal ~~year~~ years 2020  
2.16 and 2021, not to exceed \$500,000 per eligible remote recreational business.

2.17 Subd. 6. **Forgiveness.** Loans are forgiven for a remote recreational business if the  
2.18 business remains in operation for at least one year after the date of the loan. Lake of the  
2.19 Woods County shall forgive 100 percent of the value of a loan received less the amount the  
2.20 borrower received from:

2.21 (1) any other loan forgiveness program, including any program established under the  
2.22 CARES Act, Public Law 116-136; and

2.23 (2) an advance received under section 1110 of the CARES Act, United States Code, title  
2.24 15, section 9009.

2.25 Subd. 7. **Report to legislature.** By ~~January 15, 2023~~ April 30, 2024, Lake of the Woods  
2.26 County shall report to the legislative committees with jurisdiction over economic  
2.27 development policy and finance on the loans provided to remote recreational businesses  
2.28 under this section.

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