

ARTICLE 4

PROVIDING RESOURCES AND OPPORTUNITY AND MAXIMIZING INVESTMENT IN STRIVING ENTREPRENEURS

Section 1. **TITLE.**

This act shall be known as the "Providing Resources and Opportunity and Maximizing Investments in Striving Entrepreneurs (PROMISE) Act."

Sec. 2. PROMISE GRANT PROGRAM.

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Business" means both for-profit businesses and nonprofit organizations that earn revenue in ways similar to businesses.

(c) "Commissioner" means the commissioner of employment and economic development.

(d) "Partner organization" or "partner" means the Minnesota Initiative Foundations and nonprofit corporations receiving grants to provide grants to businesses under this section.

(e) "Program" means the PROMISE grant program under this section.

Subd. 2. **Establishment.** The commissioner shall establish the PROMISE grant program to make grants to partner organizations to make grants to businesses in communities that have been adversely affected by structural racial discrimination, civil unrest, lack of access to capital, loss of population or an aging population, or lack of regional economic diversification.

Subd. 3. **Grants to partner organizations.** (a) The commissioner shall make grants to partner organizations to provide grants to businesses under subdivision 4 using criteria, forms, applications, and reporting requirements developed by the commissioner.

(b) Up to five percent of a grant under this subdivision may be used by the partner organization for administration and monitoring of the program, and up to three percent of a grant may be used by the partner organization for technical assistance to grantees.

(c) Any money not spent by partner organizations by June 30, 2027, must be returned to the commissioner and canceled back to the general fund.

Subd. 4. **Grants to businesses.** (a) Partners shall make grants to businesses using criteria, forms, applications, and reporting requirements developed by the commissioner.

(b) To be eligible for a grant under this subdivision, a business must:

(1) have primary business operations located in the state of Minnesota;

- 61.5 (2) be located in a community that has been adversely affected by structural racial
61.6 discrimination, civil unrest, lack of access to capital, a loss of population or an aging
61.7 population, or a lack of regional economic diversification; and
- 61.8 (3) have a gross annual revenue of \$350,000 or less based on 2021 taxes.
- 61.9 (c) Preference shall be given to businesses that did not receive previous assistance from
61.10 the state under:
- 61.11 (1) the governor's Executive Order No. 20-15;
- 61.12 (2) Laws 2020, First Special Session chapter 1, section 4;
- 61.13 (3) Laws 2020, Seventh Special Session chapter 2, article 4 or 5; or
- 61.14 (4) Laws 2021, First Special Session chapter 10, article 2, section 22.
- 61.15 (d) Preference may be given to businesses that are able to demonstrate financial hardship.
- 61.16 (e) Grants under this subdivision must not exceed \$50,000 per grant.
- 61.17 (f) No business may receive more than one grant under this section.
- 61.18 (g) Grant money may be used for land acquisition or for working capital to support
61.19 payroll expenses, rent or mortgage payments, utility bills, and other similar expenses that
61.20 occur in the regular course of business.
- 61.21 (h) Any grant money used for land acquisition must be repaid to the state if the land
61.22 acquired is sold within ten years of the grant award.
- 61.23 Subd. 5. **Grant requirements.** All grants to businesses under this section are subject to
61.24 the grant-making requirements in sections 16B.97, 16B.98, and 16B.991.
- 61.25 Subd. 6. **Reports.** (a) By January 31, 2026, partner organizations participating in the
61.26 program must provide a report to the commissioner that includes descriptions of the
61.27 businesses supported by the program, the amounts granted, and an explanation of
61.28 administrative expenses.
- 61.29 (b) By February 15, 2026, the commissioner must report to the legislative committees
61.30 in the house of representatives and senate with jurisdiction over economic development
62.1 about grants made under this section based on the information received under paragraph
62.2 (a).
- 62.3 Subd. 7. **Expiration.** This section expires December 31, 2027.
- 62.4 Sec. 3. **PROMISE LOAN PROGRAM.**
- 62.5 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
62.6 the meanings given.

- 62.7 (b) "Borrower" means an eligible recipient receiving a loan guaranteed under this section.
- 62.8 (c) "Commissioner" means the commissioner of employment and economic development.
- 62.9 (d) "Eligible project" means the development, redevelopment, demolition, site preparation,
- 62.10 predesign, design, engineering, repair, land acquisition, relocation, or renovation of real
- 62.11 property or capital improvements. Eligible project includes but is not limited to construction
- 62.12 of buildings, infrastructure, related site amenities, landscaping, and street-scaping.
- 62.13 (e) "Eligible recipient" means a:
- 62.14 (1) business;
- 62.15 (2) nonprofit organization; or
- 62.16 (3) developer that is seeking funding to complete an eligible project. Eligible recipient
- 62.17 does not include a partner organization or a local unit of government.
- 62.18 (f) "Partner organization" or "Partner" means the Minnesota Initiative Foundations and
- 62.19 nonprofit corporations receiving grants to provide loans under this section.
- 62.20 (g) "Program" means the PROMISE loan program under this section.
- 62.21 (h) "Redevelopment" means the acquisition of real property; site preparation; predesign,
- 62.22 design, engineering, repair, or renovation of facilities façade improvements, and construction
- 62.23 of buildings, infrastructure, and related site amenities; landscaping; street-scaping;
- 62.24 land-banking for future development or redevelopment; or financing any of these activities
- 62.25 taken on by a private party pursuant to an agreement with the city. Redevelopment does not
- 62.26 include project costs eligible for compensation or assistance available through insurance
- 62.27 policies or from other organizations or government agencies.
- 62.28 (i) "Relocation" means financial support for businesses that would like to relocate to
- 62.29 another location within the same city, county, or region in Minnesota.
- 62.30 Subd. 2. **Establishment.** The commissioner shall establish the PROMISE loan program
- 62.31 to make grants to partner organizations to make loans to businesses in communities that
- 63.1 have been adversely affected by structural racial discrimination, civil unrest, lack of access
- 63.2 to capital, a loss of population or an aging population, or a lack of regional economic
- 63.3 diversification.
- 63.4 Subd. 3. **Grants to partner organizations.** (a) The commissioner shall make grants to
- 63.5 partner organizations to provide loans to businesses as specified under this section.
- 63.6 (b) Up to five percent of a grant under this subdivision may be used by the partner
- 63.7 organization for administration and monitoring of the program, and up to three percent of
- 63.8 a grant may be used by the partner organization for technical assistance to borrowers.

- 63.9 (c) Any money not spent by partner organizations by June 30, 2027, must be returned
63.10 to the commissioner and canceled back to the general fund.
- 63.11 Subd. 4. **Loans to eligible recipients.** (a) A partner organization may make loans to
63.12 eligible recipients for eligible projects. A loan to an eligible recipient for an eligible project
63.13 must:
- 63.14 (1) be for no more than \$1,000,000;
63.15 (2) be for a term of no more than ten years; and
63.16 (3) must be a three percent interest loan.
- 63.17 (b) Loans must not be used for working capital or inventory; consolidating, repaying,
63.18 or refinancing debt; or speculation or investment in rental real estate.
- 63.19 Subd. 5. **Loans to businesses.** (a) To be eligible for a loan under this subdivision, a
63.20 business must:
- 63.21 (1) have primary business operations located in the state of Minnesota;
63.22 (2) have gross annual revenue of less than \$1,000,000 based on 2021 taxes; and
63.23 (3) be located in a community that has been adversely affected by structural racial
63.24 discrimination, civil unrest, lack of access to capital, a loss of population or an aging
63.25 population, or a lack of regional economic diversification.
- 63.26 Subd. 6. **Revolving loan fund.** Partner organizations that receive grants from the
63.27 commissioner under the program must establish a commissioner-certified revolving loan
63.28 fund for the purpose of making eligible loans.
- 63.29 Subd. 7. **Preference.** (a) Priority shall be given to those businesses that have not received
63.30 a grant under a Main Street COVID-19 relief grant program or a loan from the Main Street
63.31 Economic Revitalization Loan Program.
- 64.1 (b) Priority may also be given to projects that involve developers who are Black,
64.2 Indigenous, or People of Color; veterans; or women.
- 64.3 Subd. 8. **Oversight.** Grants and any loans to borrowers under this section are subject to
64.4 the grant-making requirements in sections 16B.97, 16B.98, and 16B.991.
- 64.5 Subd. 9. **Reports.** (a) By January 31, 2026, partner organizations participating in the
64.6 program must provide a report to the commissioner that includes descriptions of the
64.7 businesses supported by the program, the amounts loaned, and an explanation of
64.8 administrative expenses.
- 64.9 (b) By February 15, 2026, the commissioner must report to the legislative committees
64.10 in the house of representatives and senate with jurisdiction over economic development
64.11 about loans made under this section based on the information received under paragraph (a).

64.12 Subd. 10. **Expiration.** This section expires December 31, 2027.