

RELEVANT LINKS:

[Minn. Stat. § 116J.994, subd. 11.](#)

[Minn. Stat. § 116J.993, subd. 3.](#)
[Minn. Stat. § 116J.994, subd. 3.](#)

[Minn. Stat. § 116J.994, subds. 4, 7, 8.](#)

[Minn. Stat. § 116J.994, subd. 2.](#)
[Minn. Stat. § 116J.994, subd. 8.](#)

[Minn. Stat. § 469.041.](#)

Citizens or owners of taxable property may bring a civil action against the city for failure to comply with business subsidy laws. To do so, citizens must file a written complaint with the grantor within 180 days after the approval of the subsidy. Cities should therefore consult closely with the city attorney before awarding a business subsidy.

Defining a business subsidy is more complicated than it may first appear, as there are several exceptions to the definition, including instances where a subsidy of less than \$150,000 may be a business subsidy. Meanwhile, assistance for redevelopment, pollution control and land cleanup, housing, industrial revenue bonds, utility property tax abatements, and other similar programs may not be defined as a subsidy.

Recipients must provide grantors with information on their progress toward the goals outlined in the agreement. The goals for increasing jobs or retaining jobs must result in local job creation and job retention. Grantors must submit the annual Minnesota Business Assistance Form (MBAF) to the Department of Employment and Economic Development (DEED) by April 1 each year for each business subsidy agreement. Local government agencies in cities with a population of 2,500 or more must submit an MBAF, regardless of whether they have awarded business subsidies. Local government agencies in cities with a population of 2,500 or less are exempt from filing the MBAF if they have not awarded a subsidy in the past five years.

B. Financial assistance

Cities may offer “financial assistance” in the form of a business loan of more than \$25,000 or a guarantee of \$75,000 or more, but less than the \$150,000 required to constitute a business subsidy. If a city offers such financial assistance it must develop criteria and set minimum wage floor levels as prescribed in business subsidy law. Cities granting such financial assistance must submit business assistance reports to DEED within one year of granting the assistance.

II. City development tools

A. General city development powers

Cities have authority to aid and cooperate in the planning, construction, or operation of economic development, and housing and redevelopment projects. The following is a partial list of actions cities may take, with or without compensation:

