

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

S.F. No. 564

(SENATE AUTHORS: DRAHEIM)

DATE
01/23/2023

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; prohibiting grants to nonprofit organizations
1.3 with highly compensated officers or employees; proposing coding for new law in
1.4 Minnesota Statutes, chapter 116L.

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

1.6 Section 1. **[116L.36] GRANTS PROHIBITED TO NONPROFIT ORGANIZATIONS**
1.7 **WITH HIGHLY COMPENSATED OFFICERS OR EMPLOYEES.**

1.8 (a) A nonprofit organization that compensates an officer or employee in an amount
1.9 greater than 125 percent of the governor's salary in a 12-month period is not eligible to
1.10 receive a grant under any economic development or workforce development program
1.11 administered or overseen by the commissioner in the first fiscal year beginning, during, or
1.12 after that 12-month period or in the following fiscal year.

1.13 (b) The salary limit in paragraph (a) must be adjusted annually on January 1. The new
1.14 limit must equal the limit for the prior year increased by any increase to the governor's salary
1.15 and the percentage increase, if any, in the Consumer Price Index for all urban consumers
1.16 from October of the second prior year to October of the immediately prior year.

1.17 (c) Compensation for purposes of this section includes salary, bonuses, the present value
1.18 of stock options, the value of employee benefits, employer contributions to retirement or
1.19 deferred compensation plans on behalf of the officer or employee, and any other
1.20 compensation or benefit of value.

1.21 (d) This section does not apply to performance grants administered under section
1.22 116J.8747.