

STATE OF MINNESOTA

# Minnesota Business Grants Restricted to U.S. Citizens Act

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A bill for an act

relating to economic development; restricting eligibility for state-funded business grants, loans, and subsidies to United States citizens; requiring verification; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

Section 1. [116].XXX] PURPOSE.

Subdivision 1. Purpose. The purpose of this section is to ensure that state-funded business grants, loans, subsidies, and related economic development programs are reserved exclusively for individuals who are citizens of the United States.

Sec. 2. [116].XXX1] ELIGIBILITY.

Subdivision 1. General rule. Only United States citizens are eligible for state-funded business assistance.

Subd. 2. Ineligible applicants. Non-citizens are ineligible regardless of lawful status.

Subd. 3. Private financing allowed. This section does not restrict access to private or commercial financing, including but not limited to bank loans, private lending, or investment capital.

Sec. 3. [116].XXX2] JUSTIFICATION.

This act prioritizes United States citizens for taxpayer-funded economic development programs and aims to ensure that public funds are used to directly benefit citizens. The legislature further finds that this policy helps safeguard against misuse or diversion of funds outside the United States and strengthens long-term investment within Minnesota's economy.

Sec. 4. [116].XXX3] ENFORCEMENT.

Subdivision 1. Verification requirement. The Department of Employment and Economic Development, or a designated state agency, shall verify United States citizenship status prior to awarding any state-funded business assistance.

Subd. 2. Background checks. Verification shall include both state and federal background checks sufficient to confirm citizenship status.

Subd. 3. Penalties. Any applicant who knowingly misrepresents citizenship status shall be subject to immediate disqualification, full repayment of awarded funds, and any applicable civil or criminal penalties under Minnesota law.

Sec. 5. [116].XXX4] WAITING PERIOD.

Subdivision 1. Post-naturalization eligibility. An individual who becomes a United States citizen through naturalization shall not be eligible to apply for or receive state-funded business grants, loans, or subsidies until a period of two (2) years has elapsed from the date of naturalization.

Sec. 6. EFFECTIVE DATE.

This act is effective the day following final enactment and applies to all applications submitted on or after that date.

Sec. 7. ADDITIONAL INFORMATION. (Explanatory; non-codified)

Overview.

There is not a single official statewide list of programs exclusively designated for non-citizens. Minnesota does not categorize business funding programs by citizenship status alone.

Current Program Landscape in Minnesota.

State, local, nonprofit, and federally backed programs operating within Minnesota currently provide business funding opportunities that may be accessed by legally present non-citizens.

Examples include:

- Emerging Entrepreneur Loan Program (EELP)
- Minnesota Small Business Emergency Loan Program
- PROMISE Act Grants
- Community Wealth Building / Promise Loan Programs
- Bloomington Small Business Assistance Grants
- Minneapolis Economic Response Fund
- Hmong American Partnership (HAP)
- Latino Economic Development Center (LEDC)
- Neighborhood Development Center (NDC)
- U.S. Small Business Administration (SBA) loan programs

Key Observations.

- No single “immigrant-only” statewide funding system exists
- Programs are categorized under minority, underserved, or community-based eligibility
- Some programs provide grants, others provide loans

Summary.

Under current conditions in Minnesota, a legally present non-citizen may start a business, apply for business funding, and receive assistance depending on program requirements.