

COMMISSIONER OF TRADE AND  
ECONOMIC DEVELOPMENT IN THE  
MATTER OF THE PROPOSED AMENDMENTS  
TO THE RULES OF THE MINNESOTA PUBLIC  
FACILITIES AUTHORITY CONCERNING  
THE ADMINISTRATION OF THE WATER  
POLLUTION CONTROL REVOLVING FUND

STATEMENT OF NEEDS  
AND REASONABLENESS

(ALL NEW MATERIAL)

7380.0410 DEFINITIONS

Subpart 5. Application. "Application" means the Community Development application which is the official consolidated application form as developed by the Department of Trade and Economic Development used to apply for funding assistance from various community assistance programs administered by the Community Development Division.

The subpart is necessary to more fully inform the applicants that a specific application form is necessary to apply for program funds so as to facilitate an applicant's access to the programs. This definition is reasonable as the Community Development Division is required by Minn. Stat. 116J.980 to administer the programs of the Minnesota Public Facilities Authority, and the Division requires the Community Development application form for all of its program fund requests.

Subpart 6. Authority. "Authority" means the Minnesota Public Facilities Authority.

This amendment is necessary to more fully inform applicants. It is reasonable as the shortened form adds readability to the rules.

Subpart 8. Division. Division means the Community Development Division of the Department of Trade and Economic Development, which, as provided by the Minn. Stat. 116J.980 is responsible for administering all state Community Development and assistance programs including the Minnesota Public Facilities Authority.

This definition is necessary to inform applicants that the term "division" as used in the rules means the Community Development Division. It is reasonable as the shortened reference to the Community Development Division with the term "division" adds readability to the rules.

7380.0420 PROCEDURES FOR FINANCIAL ASSISTANCE APPLICATION'S PROCESSING

Subpart 1. In general. To apply for financial assistance from the Authority, eligible applicants identified in the annual intended use plan prepared by the agency may submit an application at any time to the executive director of the Authority division.

This amendment to the rules is necessary to provide a more specific direction to applicants as to where an application needs to be submitted. It is reasonable as it is a requirement of the Division in regards to its responsibility provided in Minn. Stat. 116J.980.

~~Prior to the submission of the application, the municipality shall contact the Authority to receive the Authority's advice under Minnesota Statutes, section 446A.051.~~

The deletion of this paragraph of subpart 1 is necessary in order to lessen the possibility of confusion on the part of applicants. It is reasonable as it is provided in Minn. Stat. 116J.980.

The Authority shall forward the complete application to the agency within ten days after receipt of the application by the Authority. The agency will accept and review the application as provided in its rules.

It is necessary to amend the above paragraph in subpart 1 to qualify "application" by adding "complete application" as to more fully \_\_\_\_\_ applicants that the application needs to be a complete application. It is reasonable as it conforms to the established procedures of the Division.

~~Subpart 3. An application certified by the commissioner of the agency is considered complete when the executive director of the authority determines that the exhibits and documentation which have been received provide a full and accurate account of the project funding to the extent that the Authority is able to make an informed determination on the application.~~

Subpart 3 is deleted. The amendment to the rules to delete subpart 3 is necessary as it may be confusing to applicants. It is reasonable as it allows the Authority to deal with applicants with incomplete applications in a more expeditious manner.

Subpart 54. Applications not receiving certification. ~~An~~ A complete application not receiving certification by the commissioner of the agency will not receive consideration for financial assistance by the authority.

~~The executive director of the Authority shall notify the applicant of the rejection of the applicant by the Authority~~ funding request within ten days of the rejection determination.

The amendments to subpart 4 are necessary to inform applicants that a "complete" application is required, and that the Authority, rather than the executive director of the Authority, will notify that the funding request, rather than the application, is the limit to which the Authority will act. It is reasonable as it is as provided by Minn. Stat. 446A.04.

Subpart 6. Rejection of loan application by the Authority. The Authority may reject ~~an application~~ a funding request for financial assistance for the following reasons:

This amendment to subpart 5 is necessary to again limit the Authority's rejection to the applicant's funding request of the applicant. It is reasonable as it is as provided by Minn. Stat. 446A.04.

Subpart 5, Item C. Failure to submit a complete application using the procedure provided in part 7380.0420, subpart 4.

Item C is deleted. This is necessary as it is redundant as provided for in part 7380.0420, subpart 4. It is reasonable as it provided for greater readability to the rules.

#### 7380.0430 AUTHORITY EVALUATION PROCEDURE

Subpart 1. In general. The Authority shall evaluate complete applications certified by the commissioner of the agency to determine the applicant's capacity to comply with the terms and conditions of the act and the rules of the Authority as provided in this part.

The applicant's project must be identified in the agency's intended use plan for the year in which the applicant is applying to receive funding approval.

These amendments to the rules are necessary to inform applicants that a complete application is required and to provide clarity to the rules. They are reasonable as they are as provided in Minn. Stat. 116J.980 and Minn. Stat. 446A.04.

Subpart 4. Dedicated sources of revenue. Loan recipients shall establish, and identify in the application funding request, dedicated sources of revenue sufficient to operate and maintain the new facility, and fully amortize the loan for a term of not more than 20 years. The Authority shall examine the identified dedicated sources of revenue to ensure that they are a sufficient amount and of sufficient certainty to fully repay the loan.

The amendment to subpart 4 is necessary to more fully specify that the Authority requires the dedicated sources of revenue need to be identified in the funding request. It is reasonable as it is as provided by Minn. Stat. 116J.980.

#### 7380.0440 INTEREST RATE DETERMINATIONS

Subpart 4, item A. ~~A loan applicant~~ Applicants will be considered for an interest rate reduction based upon the population of the project service area, and be eligible for a reduction as follows:

This amendment is necessary to be consistent with items 4A, (1) through (6). It is reasonable as it provides for greater readability to the rules.

Subpart 6. Interest-free loans. The Authority may offer interest-free loans as provided in this part to municipalities demonstrating ~~in their application~~ that they are financially unable to pay any interest charge on the loan.

This amendment to the rules is necessary to avoid confusion on the part of the applicant. It is reasonable as it facilitates access to the program.

#### 7380.0460 FEES

If the Authority charges a loan recipient a loan origination fee, the fee must be based on a schedule established by the Authority and must not exceed one and one-half percent of the funds borrowed from the Authority. The fees, if any, will be charged to all loan recipients and must be as provided in the loan division application.

This amendment is necessary to specially identify that it is the division application form which will contain certain information. It is reasonable as it is as provided in Minn. Stat. 116J.980.

7380.0480 REPORTS AND AUDITS

Subpart 1. Reports. During the term of the loan, the municipality shall make written reports to the ~~executive director~~ authority on forms provided by the Authority and on a predetermined schedule determined by the executive director.

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