

**CHAPTER 4290**  
**DEPARTMENT OF TRADE AND**  
**ECONOMIC DEVELOPMENT**  
**COMMUNITY DEVELOPMENT DIVISION**  
**SEPTIC SYSTEM GRANTS**

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**4290.0010 DEFINITIONS.**

Subpart 1. **Scope.** The following terms used in parts 4290.0010 to 4290.0050 have the meanings given them.

Subp. 2. **Commissioner.** "Commissioner" means the commissioner of the Department of Trade and Economic Development or persons delegated to act in the commissioner's behalf.

Subp. 3. **Department.** "Department" means the Department of Trade and Economic Development.

Subp. 4. **Eligible business.** "Eligible business" means a sole proprietorship, partnership, limited liability company, corporation, or other person engaged in, and determined by the department to constitute, a tourism-related business providing overnight lodging. In making its determination, the department shall use the state industrial classification codes of 7011 and 7033 in the Standard Industrial Classification Manual, prepared by the Executive Office of the President, Office of Management and Budget, United States Government, and published in 1987. This manual is incorporated by reference. It is available at the state law library and at the Department of Trade and Economic Development library, 500 Metro Square, 121 Seventh Place East, Saint Paul, Minnesota. A copy of the relevant sections of the manual may be obtained at no charge from the department. The document is not subject to frequent change.

The business must be located within 1,000 feet from the ordinary high water level of a lake, pond, or flowage, or 300 feet from a river or stream, or the landward extent of a floodplain designated by ordinance on a river or stream, whichever is greater.

Subp. 5. **Eligible cost.** "Eligible cost" means design, engineering, excavation, construction, installation, and materials costs related to the replacement of existing septic systems.

Subp. 6. **Eligible project.** "Eligible project" means a project that proposes to replace a failing or nonconforming septic system or systems with a new sewage treatment system or a connection to a sewer system.

Subp. 7. **Septic system grant.** "Septic system grant" means a specific sum of money made available through June 30, 1995, by the state to an eligible business for the replacement of failing or nonconforming septic systems.

**Statutory Authority:** *MS s 116J.035*

**History:** *18 SR 1223*

**4290.0020 APPLICATION PROCESS FOR SEPTIC SYSTEM GRANTS.**

Subpart 1. **Eligibility of applicant.** An eligible business may apply for a septic system grant. To receive a grant, an eligible business must satisfy the requirements in parts 4290.0010 to 4290.0050. An eligible business may receive only one grant through the septic system grant program for the period ending June 30, 1995. The application must be submitted by the eligible business.

Subp. 2. **Eligibility of project.** A grant must be to an eligible business for an eligible cost. The maximum state grant may not be for more than 50 percent of the total eligible cost

of the project, with a maximum grant of \$10,000 for any one business. Project-related costs incurred before July 1, 1993, are ineligible.

**Subp. 3. Application content and requirements.** The department shall make the application documents and information available to all eligible businesses upon request. The application materials shall include instructions for completing and submitting the application. The completed application must be submitted in the format required and address all information requested. The department may request additional information from the applicant if it is necessary to clarify and evaluate the application. A formal closing date for receipt of the application shall be established by the department and included in the application materials provided.

**Statutory Authority:** *MS s 116J.035*

**History:** *18 SR 1223*

#### **4290.0030 PROCEDURE FOR SEPTIC SYSTEM GRANT EVALUATION AND APPROVAL.**

**Subpart 1. Evaluation of eligibility.** Upon receipt of the completed application, the department shall make a determination whether the business, project, and costs are eligible. If it is determined that the business, project, or costs are ineligible, the application will not receive further evaluation and will not be considered for funding. If it is determined that the business, project, and costs are eligible, the department shall evaluate the application according to the procedures and criteria in subpart 2.

**Subp. 2. Evaluation of completed application.** Upon receipt of the completed application and a determination of eligibility, the department shall evaluate the application based on the criteria in items A to C:

**A. Qualifying criteria are:**

- (1) the ability of the eligible business to meet the matching fund requirement and complete the project subject to the reimbursement procedure of the program; and
- (2) whether the proposed project could be completed before July 1, 1995.

If the application does not adequately demonstrate that the qualifying criteria can be satisfactorily met, the application will not receive further evaluation and will not be considered for funding. If the qualifying criteria are met, the department shall proceed with the evaluation of the priority criteria in items B and C. In completing its evaluation and ranking, the department shall place greater emphasis on the priority one criteria in item B.

**B. Priority one criteria are:**

- (1) the degree to which the proposed project would protect groundwater and surface water quality;
- (2) the extent to which the proposed project would correct existing health or safety problems related to groundwater or surface water contamination;
- (3) whether the system has been verified as a failing system; and
- (4) whether a written order has been issued by local authorities to repair or replace the system.

**C. Priority two criteria are:**

- (1) the extent to which the nonconforming status of the existing system has impeded, or will likely impede, the operation of the eligible business;
- (2) the extent to which the proposed project would contribute to the economic viability of the eligible business;
- (3) whether the proposed project represents a different approach or technology for on-site treatment that might have potential for adoption by other persons currently using traditional individual septic systems and would be permitted under state and local regulations;
- (4) whether the proposed system would serve more than one eligible business; and
- (5) a determination of the reasonableness of the estimated project costs.

**Subp. 3. Competitive review, ranking, and allocation process.** A priority ranking shall be established, based on the priority criteria for each application that meets the qualify-

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ing criteria. Grants shall be allocated to eligible businesses in descending order of priority, as determined by the ranking, until all funds are exhausted.

Subp. 4. **Notification.** All applicants shall be notified by the department about the disposition of their projects after the competitive review, ranking, and allocation process has been completed and a funding determination has been made.

**Statutory Authority:** *MS s 116J.035*

**History:** *18 SR 1223*

## 4290.0040 PROJECT AGREEMENT.

Upon approval, the department shall execute a project agreement with the applicant. The project agreement shall specify the terms and conditions of the grant, including the responsibilities of the grantor and the grantee.

**Statutory Authority:** *MS s 116J.035*

**History:** *18 SR 1223*

## 4290.0050 DISBURSEMENT OF GRANT.

The applicant shall initially pay for the project costs as specified in the project agreement. The applicant shall submit to the department a payment request for reimbursement of costs incurred in the completion of the project. Upon receipt of the payment request containing the documentation required in the project agreement, the department shall audit the payment request documentation to determine the eligibility and propriety of the costs incurred by the applicant. This documentation shall include a letter or other written verification from the local government official or officials responsible for certifying and/or approving the installation of the system that the project has been completed in accordance with all applicable regulations and requirements. The project site shall be subject to inspection by department personnel during the project period and prior to final closeout of the grant to ensure that the project has been completed in accordance with the project agreement.

**Statutory Authority:** *MS s 116J.035*

**History:** *18 SR 1223*