

1 Office of Waste Management

2

3 Adopted Permanent Rules Relating to Recyclable Material Market

4 Development Grant and Loan Programs

5

6 Rules as Adopted

7 RECYCLABLE MATERIAL MARKET DEVELOPMENT
8 GRANT AND LOAN PROGRAMS

9 9210.0600 SCOPE AND AUTHORITY.

10 Parts 9210.0600 to 9210.0645 implement the recyclable
11 material market development grant and loan programs created and
12 described under Minnesota Statutes, section 115A.48, by
13 establishing the substantive criteria and procedural conditions
14 under which the director may award grants or loans for
15 recyclable material market development projects.

16 9210.0610 DEFINITIONS.

17 Subpart 1. **Scope.** The terms defined in this part apply to
18 parts 9210.0600 to 9210.0645. For terms not defined in this
19 part, the definitions in Minnesota Statutes, section 115A.03,
20 apply, unless the context requires otherwise.

21 Subp. 2. **Director.** "Director" means the director of the
22 Office of Waste Management.

23 ~~Subp. 3. **Highest-end-use.** "Highest-end-use" means the~~
24 ~~remanufacture or transformation of a recyclable material into a~~
25 ~~product most similar to the product from which the recyclable~~
26 ~~material was derived.~~

27 Subp. 4: 3. **Office.** "Office" means the Minnesota Office
28 of Waste Management established in Minnesota Statutes, section
29 115A.055.

30 Subp. 5: 4. **Postconsumer material.** "Postconsumer material"
31 means material generated by a business or a consumer that has
32 served its intended end use and has been separated from solid
33 waste for collection and recycling.

34 Subp. 6: 5. **Preconsumer material.** "Preconsumer material"
35 means material generated after completion of a manufacturing

1 process that has not been used by a final consumer and would
2 normally be disposed of as solid waste. This definition does
3 not include postconsumer material or residual material generated
4 during a manufacturing process that is commonly reused by the
5 generator.

6 Subp. ~~7-~~ 6. **Project.** "Project" means all components of an
7 organized undertaking described in a proposal.

8 Subp. ~~8-~~ 7. **Recipient.** "Recipient" means an applicant
9 selected by the director to receive a grant or loan under parts
10 9210.0600 to 9210.0645.

11 Subp. ~~9-~~ 8. **Recyclable material.** "Recyclable material"
12 means preconsumer or postconsumer material that can presently be
13 recycled or that demonstrates potential to be recycled.
14 Refuse-derived fuel or other material that is used as fuel for
15 incineration is not a recyclable material.

16 Subp. ~~10-~~ 9. **Recycled products.** "Recycled products" means
17 products containing preconsumer or postconsumer material.

18 Supp. ~~11-~~ 10. **Research institution.** "Research institution"
19 means a public or private nonprofit organization whose
20 activities include directed research and scientific
21 investigations.

22 Subp. ~~12-~~ 11. **Solid waste.** "Solid waste" has the meaning
23 given it in Minnesota Statutes, section 116.06, subdivision 10.

24 9210.0615 PURPOSE.

25 The short-term objective of the program is to increase the
26 demand for and use of recyclable material, thus maximizing land
27 disposal abatement. The long-term objective of the program is
28 to facilitate the development of recycling activities that
29 ~~represent-the-highest-end-use-of-recyclable-material~~ conserve
30 resources.

31 9210.0620 APPLICATION PROCEDURES.

32 Subpart 1. **Notification by director.** To initiate the
33 process for awarding grants and loans for recyclable material
34 market development projects, the director shall publish a notice
35 in the State Register advising eligible applicants of the

1 availability of market development grants and loans. The notice
2 shall describe the procedure for awarding grants and loans and
3 establish a deadline by which proposals must be submitted. In
4 the notice, the director may also limit the types of projects
5 for which a grant or loan would be awarded in the funding round
6 initiated by the notice and may specify the maximum amount of
7 funding to be awarded to a project.

8 Subp. 2. **Proposals.** Following the publication of a notice
9 in the State Register, eligible applicants that seek assistance
10 must submit proposals to the director. Proposals must be
11 received by the director by the deadline established in the
12 notice. Upon the request of the applicant, the office shall
13 handle specific information as nonpublic data pursuant to
14 Minnesota Statutes, section 115A.06, subdivision 13.

15 A. Proposals for grant assistance under part
16 9210.0635 must contain the information set out in part
17 9210.0635, subpart 6.

18 B. Proposals for grant or loan assistance under part
19 9210.0640 must contain the information set out in part
20 9210.0640, subpart 7.

21 C. Proposals for grant assistance under part
22 9210.0645 must contain the information set out in part
23 9210.0645, subpart 6.

24 Subp. 3. **Determination of eligibility and completeness.**
25 For all proposals received by the director by the deadline
26 established in the notice, the director shall determine the
27 eligibility of the applicant, the proposed project, and the
28 costs identified in the proposal and shall determine the
29 completeness of the proposal.

30 Subp. 4. **Notice of determination of eligibility and**
31 **completeness.** The director shall notify the applicant of the
32 director's determination of eligibility and completeness of the
33 proposal. If the director determines that the applicant or the
34 project is ineligible, the director shall reject the proposal
35 and notify the applicant. If the director determines that any
36 of the project costs are ineligible or that the proposal is

1 incomplete, the director shall notify the applicant of the
2 ineligible portion of the costs or of the deficiency. The
3 applicant has 14 days after receiving the notice to correct any
4 inadequacies identified by the director. Extensions shall be
5 granted if requested in a timely manner and good cause exists
6 for the extension. If the inadequacies are not corrected within
7 the time allowed, the proposal shall be rejected.

8 **Subp. 5. Evaluation of proposal.** The director shall
9 evaluate each proposal that is determined to be eligible and
10 complete according to items A to C.

11 A. Proposals for grant assistance under part
12 9210.0635 shall be evaluated using the criteria set out in part
13 9210.0635, subpart 7.

14 B. Proposals for grant or loan assistance under part
15 9210.0640 shall be evaluated using the criteria set out in part
16 9210.0640, subpart 8.

17 C. Proposals for grant assistance under part
18 9210.0645 shall be evaluated using the criteria set out in part
19 9210.0645, subpart 7.

20 **Subp. 6. Award of grants or loans.** The director shall
21 award grants or loans for those projects that the director
22 determines will be the most beneficial in facilitating the
23 development of markets for recyclable material and recycled
24 products. The director shall notify those applicants that do
25 not receive grant or loan awards. An applicant that does not
26 receive an award may resubmit a proposal upon future notice by
27 the director under subpart 1.

28 **Subp. 7. No grant or loan awards.** If the director
29 determines that no proposal will provide sufficient assistance
30 to the state in achieving its market development goals, the
31 director may decide not to award any grant or loan. The
32 director may then reinitiate the process for awarding grants and
33 loans by publishing a notice under subpart 1.

34 **Subp. 8. Consultation.** In the director's evaluation of a
35 proposal, the director shall solicit and consider any
36 recommendations provided by the Market Development Coordinating

1 Council established in Minnesota Statutes, section 115A.12,
2 subdivision 1, paragraph (d).

3 9210.0625 LIMITATIONS.

4 Subpart 1. Reduced grant or loan awards. The director
5 shall ask an applicant to document the impacts of reduced
6 financial assistance before finalizing an award for less than
7 the eligible amount requested by an applicant or less than the
8 maximum award established in the notice under part 9210.0620,
9 subpart 1. Reduced funds shall be awarded where the director
10 determines:

11 A. program resources are insufficient to provide full
12 assistance to all applicants to which the director intends to
13 award grants or loans; or

14 B. the applicant could operate the project at a
15 reduced level and still achieve project objectives.

16 Subp. 2. Limitations on disbursement of funds. No grant or
17 loan funds shall be disbursed until the director has:

18 A. determined the total estimated cost of the
19 project;

20 B. ascertained that financing of the project cost is
21 assured by the recipient;

22 C. received commitments from the recipient to
23 implement the project; and

24 D. executed a written grant or loan agreement with
25 the recipient and, if applicable, the recipient has submitted
26 final design plans for projects under the Capital Grant and Loan
27 Program in part 9210.0640.

28 9210.0630 GRANT AND LOAN AGREEMENTS.

29 A grant or loan agreement shall:

30 A. incorporate by reference the proposal submitted to
31 the director;

32 B. provide that any cost overruns incurred in the
33 development and implementation of the proposed project shall be
34 the sole responsibility of the recipient;

35 C. require that the recipient provide periodic

1 written reports to the director on the implementation and
2 results of the project;

3 D. identify the interest rate and repayment
4 obligations for a loan recipient;

5 E. authorize the director to rescind the grant and
6 require the grant recipient to repay the grant in full if the
7 director determines that, due to the bad faith of the grant
8 recipient, a project has not been developed and implemented in
9 accordance with the terms and conditions of the grant agreement;

10 F. authorize the director to determine that the loan
11 recipient is in default and require the loan recipient to
12 immediately repay the loan in full if the director determines
13 that, due to the bad faith of the loan recipient, a project has
14 not been developed and implemented in accordance with the terms
15 and conditions of the loan agreement;

16 G. authorize the director to cease making further
17 disbursements to the recipient and to recover unspent funds if
18 the director determines that, for reasons other than bad faith,
19 a project has not been developed and implemented in accordance
20 with the terms and conditions of the grant or loan agreement and
21 amendment to the agreement is not justified;

22 H. require that the recipient perform and complete
23 project activities in accordance with the work schedule in the
24 proposal submitted to the director and incorporated into the
25 grant or loan agreement;

26 I. require that the recipient maintain detailed
27 records of all expenditures related to the agreement; and

28 J. establish other conditions or terms needed to
29 manage or implement the grant or loan agreement.

30 9210.0635 COUNTY GRANT PROGRAM.

31 Subpart 1. **Scope.** This part establishes the conditions
32 under which the director shall award recyclable material market
33 development program grants to counties.

34 Subp. 2. **Eligible applicants.** Eligible applicants are
35 counties that have submitted plans under Minnesota Statutes,

1 section 115A.551, subdivision 6, as amendments to their approved
2 comprehensive solid waste management plans or solid waste master
3 plans. Eligible counties may apply for funds on behalf of any
4 person, but named recipients shall be the counties.

5 Subp. 3. **Eligible projects.** Eligible projects are
6 projects in Minnesota that enhance the quality of the supply of
7 recyclable materials, create or expand the capacity to use
8 recyclable materials in a manufacturing process, or increase the
9 demand for recycled products.

10 Subp. 4. **Eligible costs.** Eligible costs are limited to 25
11 percent of the capital costs of the project and 75 percent of
12 other project costs.

13 Subp. 5. **Maximum grant.** The maximum grant award is
14 \$100,000, unless the notice provided by the director under part
15 9210.0620, subpart 1, establishes a lesser maximum grant.

16 Subp. 6. **Proposal.** An eligible applicant shall submit a
17 proposal in the form specified by the director. A proposal must
18 include the following information:

19 A. the names, qualifications, and addresses of the
20 applicant and other project participants, including other
21 counties participating in the proposed project;

22 B. a description of the proposed project, including:

23 (1) a description of project activities and an
24 implementation schedule;

25 (2) location of the project;

26 (3) type, quantity, and source of recyclable
27 material and recycled products relevant to the project; and

28 (4) current status of the project;

29 C. information demonstrating that the project will
30 comply with applicable regulations, including a list of permits
31 required for the project;

32 D. an itemized description of the project costs,
33 including the total estimated cost, total grant eligible cost,
34 and the amount of grant funding requested;

35 E. an itemized description of project financing,
36 including applicant contributions, other government

1 contributions, private contributions, and, if applicable, any
2 projected revenues from the project;

3 F. information demonstrating, where applicable, the
4 technical feasibility of the project, including preliminary
5 design and engineering plans;

6 G. information demonstrating, where applicable, how
7 the applicant will secure the supply of and demand for
8 recyclable material and recycled products; and

9 H. a resolution from each county participating in the
10 project that demonstrates that, if a grant is awarded, it will
11 implement the project, provide necessary local financing, and
12 accept and exercise the governmental powers necessary to develop
13 and operate the project.

14 The director may request additional information from the
15 applicant if it is necessary to clarify and evaluate the
16 proposal.

17 Subp. 7. Evaluation of proposals. The director shall
18 evaluate each proposal that is determined to be eligible and
19 complete. The director shall base this evaluation on the
20 following factors:

21 A. the technical and economic feasibility of the
22 proposed project;

23 B. the applicant's ability and intention to implement
24 the proposed project in a timely manner upon receipt of a grant
25 award;

26 C. the proposed project's compliance with federal,
27 state, and local regulations;

28 D. the consistency of the proposed project with state
29 market development priorities;

30 E. the extent to which the proposed project would
31 benefit the market development efforts of more than one county;

32 F. the extent to which the applicant has achieved
33 significant land disposal abatement through source separation of
34 recyclable materials;

35 G. ~~the extent to which the proposed project~~
36 ~~represents the highest end use for each recyclable material;~~

1 H- the extent to which the proposed project would use
2 postconsumer material; and

3 F- H. the extent to which the proposed project
4 provides information transferable to other persons throughout
5 the state.

6 9210.0640 CAPITAL GRANT AND LOAN PROGRAM.

7 Subpart 1. **Scope.** This part establishes the conditions
8 under which the director shall award recyclable material market
9 development program grants and loans for capital investment
10 projects.

11 Subp. 2. **Eligible applicants.** Eligible applicants are
12 private organizations.

13 Subp. 3. **Eligible projects.** Eligible projects are
14 projects in Minnesota that create or expand capacity to use
15 recyclable materials as a feedstock in a manufacturing process
16 or to transform recyclable materials into other usable products.

17 Subp. 4. **Eligible costs.** Eligible costs are limited to
18 the capital costs of the proposed project.

19 Subp. 5. **Maximum grant.** A project may receive a grant for
20 up to 25 percent of the total eligible costs of the project or
21 \$500,000, whichever is less, unless the notice provided by the
22 director under part 9210.0620, subpart 1, establishes a lesser
23 maximum grant.

24 Subp. 6. **Maximum loan.** A project may receive a loan for
25 up to 50 percent of the total eligible costs of the project or
26 \$2,000,000, whichever is less, unless the notice provided by the
27 director under part 9210.0620, subpart 1, establishes a lesser
28 maximum loan.

29 Subp. 7. **Proposal.** An eligible applicant shall submit a
30 proposal in the form specified by the director. A proposal must
31 include the following information:

32 A. the names, qualifications, and addresses of the
33 applicant and other project participants;

34 B. a description of the proposed project, including:
35 (1) a list of project activities and an

1 implementation schedule;

2 (2) location of the project;

3 (3) type, quantity, and source of recyclable
4 material and recycled products relevant to the project; and

5 (4) current status of the project;

6 C. information demonstrating that the project will
7 comply with applicable regulations, including a list of permits
8 required for the project;

9 D. a financial report, including:

10 (1) a five-year business plan;

11 (2) an itemized description of the project costs,
12 including the total estimated cost, total eligible cost, and the
13 amount of grant or loan funding requested;

14 (3) an itemized description of project financing,
15 including applicant contributions, other government
16 contributions, private contributions, and projected revenues
17 from the project;

18 (4) a credit history of the organization; and

19 (5) financial statements for the last three
20 years;

21 E. information demonstrating the technical
22 feasibility of the project, including preliminary design and
23 engineering plans, if applicable; and

24 F. a market analysis for the proposed project,
25 including information demonstrating that the applicant has
26 secured the supply of and demand for recyclable material and
27 recycled products necessary for sustained market development.

28 The director may request additional information from the
29 applicant if it is necessary to clarify and evaluate the
30 proposal.

31 **Subp. 8. Evaluation of proposals.** The director shall
32 evaluate each proposal that is determined to be eligible and
33 complete. The director shall base this evaluation on the
34 following factors:

35 A. the technical and economic feasibility of the
36 proposed project;

1 B. the applicant's financial capacity and managerial
2 ability, and the applicant's intention to implement the project
3 in a timely manner upon receipt of a grant or loan award;

4 C. the proposed project's compliance with federal,
5 state, and local regulations;

6 D. the consistency of the proposed project with state
7 market development priorities; and

8 E. ~~the extent to which the proposed project~~
9 ~~represents the highest end use for each recyclable material; and~~

10 F. the extent to which the proposed project would use
11 postconsumer material.

12 9210.0645 DIRECTED RESEARCH AND FEASIBILITY STUDY GRANT PROGRAM.

13 Subpart 1. **Scope.** This part establishes the conditions
14 under which the director shall award recyclable material market
15 development program grants for directed research and feasibility
16 study projects.

17 Subp. 2. **Eligible applicants.** Eligible applicants are
18 research institutions and private organizations.

19 Subp. 3. **Eligible projects.** Eligible projects are limited
20 to the following:

21 A. development of performance data on recycled
22 products that are or could be manufactured in Minnesota;

23 B. feasibility studies for the development of
24 manufacturing capacity to use recyclable materials from
25 Minnesota as a feedstock; and

26 C. directed research on products that could be
27 manufactured using recyclable materials from Minnesota as a
28 feedstock or on manufacturing processes that could use
29 recyclable materials from Minnesota as a feedstock.

30 Subp. 4. **Eligible costs.** Eligible costs for research
31 institutions are limited to 100 percent of the project costs,
32 including labor and supplies necessary to implement the
33 project. Eligible costs for private organizations are limited
34 to 50 percent of the project costs, including labor and supplies
35 necessary to implement the project.

1 Subp. 5. **Maximum grant.** The maximum grant award is
2 \$100,000, unless the notice provided by the director under part
3 9210.0620, subpart 1, establishes a lesser maximum grant.

4 Subp. 6. **Proposal.** An eligible applicant shall submit a
5 proposal in the form specified by the director. A proposal must
6 include the following information:

7 A. the names, qualifications, and addresses of the
8 applicant and other project participants;

9 B. a description of the proposed project, including:

10 (1) a list of project activities and an
11 implementation schedule;

12 (2) location of the project;

13 (3) type, quantity, and source of recyclable
14 material and recycled products relevant to the project; and

15 (4) description or identification of persons that
16 may benefit from project activities and results;

17 C. the projected economic viability of implementing
18 project results;

19 D. an itemized description of the project costs,
20 including the total estimated cost, total grant eligible cost,
21 and the amount of grant funding requested; and

22 E. an itemized description of the project financing,
23 including applicant contributions, other government
24 contributions, and private contributions.

25 The director may request additional information from the
26 applicant if it is necessary to clarify and evaluate the
27 proposal.

28 Subp. 7. **Evaluation of proposals.** The director shall
29 evaluate each proposal that is determined to be eligible and
30 complete. The director shall base this evaluation on the
31 following factors:

32 A. the technical and economic feasibility of the
33 proposed project;

34 B. the applicant's ability and intention to implement
35 the project in a timely manner upon receipt of a grant award;

36 C. the extent to which the proposed project promotes

1 market development activities for recyclable materials and
2 recycled products;

3 D. the consistency of the proposed project with state
4 market development priorities;

5 E. ~~the extent to which the proposed project promotes~~
6 ~~the highest end use for each recyclable material;~~

7 F. the extent to which the proposed project promotes
8 the use of postconsumer material; and

9 ~~G.~~ F. the extent to which the project provides
10 information transferable to other organizations and the absence
11 of available information in the proposed area of study.