

1 Department of Trade and Economic Development

2

3 Adopted Permanent Rules Relating to the Water Pollution Control

4 Revolving Fund

5

6 Rules as Adopted

7 7380.0410 DEFINITIONS.

8 Subpart 1. to 4. [Unchanged.]

9 Subp. 4a. **Application.** "Application" means the Community  
10 Development application which is the official consolidated  
11 application form as developed by the Department of Trade and  
12 Economic Development and used to apply for funding assistance  
13 from various community assistance programs administered by the  
14 Community Development Division.

15 Subp. 4b. **Authority.** "Authority" means the Minnesota  
16 Public Facilities Authority.

17 Subp. 5. [Unchanged.]

18 Subp. 5a. **Complete application.** "Complete application"  
19 means an application which provides all of the exhibits and  
20 documents required by the consolidated application form provided  
21 to the applicant by the Community Development Division.

22 Subp. 6. and 7. [Unchanged.]

23 Subp. 7a. **Division.** "Division" means the Community  
24 Development Division of the Department of Trade and Economic  
25 Development, which, as provided by Minnesota Statutes, section  
26 116J.980, is responsible for administering all state community  
27 development and assistance programs including the Minnesota  
28 Public Facilities Authority.

29 Subp. 8. to 19. [Unchanged.]

30 FINANCIAL ASSISTANCE APPLICATIONS

31 7380.0420 PROCEDURES FOR FINANCIAL ASSISTANCE APPLICATIONS

32 PROCESSING.

33 Subpart 1. **In general.** To apply for financial assistance  
34 from the authority, eligible applicants identified in the annual  
35 intended use plan prepared by the agency may submit an

1 application at any time to the division.

2 The authority shall forward the complete application to the  
3 agency within ten day after receipt of the application by the  
4 authority. The agency will accept and review the application as  
5 provided in its rules.

6 Subp. 2. **Authority review.** When a complete application  
7 that has been certified by the commissioner of the agency is  
8 returned to and received by the authority on or before the first  
9 business day of the month, the authority shall consider the  
10 application at the authority meeting that month. If the  
11 certified application is received after the first business day  
12 of the month and can be reviewed by the executive director prior  
13 to the authority agenda deadline, the authority may consider the  
14 application at the meeting in that month.

15 Subp. 3. [See Repealer.]

16 Subp. 4. **Incomplete application.** If an incomplete  
17 application is received, the applicant shall be notified in  
18 writing.

19 Subp. 5. **Applications not receiving certification.** A  
20 complete application not receiving certification by the  
21 commissioner of the agency will not receive consideration for  
22 financial assistance by the authority. The authority shall  
23 notify the applicant of the rejection of the funding request  
24 within ten days of the rejection determination.

25 Subp. 6. **Rejection of loan applications by the authority.**  
26 The authority may reject a funding request for the following  
27 reasons:

28 A. failure to obtain certification from the  
29 commissioner of the agency for the project; and

30 B. failure to develop and document dedicated sources  
31 of revenue sufficient in the judgment of the authority to ensure  
32 repayment of the loan to the authority.

33 7380.0430 AUTHORITY EVALUATION PROCEDURE.

34 Subpart 1. **In general.** The authority shall evaluate  
35 complete applications certified by the commissioner of the

1 agency to determine the applicant's capacity to comply with the  
2 terms and conditions of the Act and the rules of the authority  
3 as provided in this part.

4 The applicant's project must be identified in the agency's  
5 intended use plan to receive funding approval.

6 The authority will only provide financial aid for the  
7 allowable costs provided in part 7380.0410, subpart 7.

8 Subp. 2. and 3. [Unchanged.]

9 Subp. 4. **Dedicated sources of revenue.** Loan recipients  
10 shall establish, and identify in the funding request, dedicated  
11 sources of revenue sufficient to operate and maintain the new  
12 facility, and fully amortize the loan for a term of not more  
13 than 20 years. The authority shall examine the identified  
14 dedicated sources of revenue to ensure that they are a  
15 sufficient amount and of sufficient certainty to fully repay the  
16 loan.

17 Subp. 5. [Unchanged.]

18 7380.0440 INTEREST RATE DETERMINATIONS.

19 Subpart 1. to 3. [Unchanged.]

20 Subp. 4. **Demographic considerations.**

21 A. Applicants will be considered for an interest rate  
22 reduction based upon the population of the project service area,  
23 and be eligible for a reduction as follows:

24 (1) to (6) [Unchanged.]

25 B. to D. [Unchanged.]

26 Subp. 5. [Unchanged.]

27 Subp. 6. **Interest-free loans.** The authority may offer  
28 interest-free loans as provided in this part to municipalities  
29 demonstrating that they are financially unable to pay any  
30 interest charge on the loan. The authority shall not offer  
31 interest-free loans if the offering of an interest-free loan  
32 results in the combined rate of interest on the authority's  
33 portfolio to yield less than the rate of inflation as determined  
34 by the consumer price index.

35 Interest-free loans for any applicant are limited to

1 \$500,000, or the eligible cost of the project, whichever is  
2 less. The authority shall not provide interest-free loans, in  
3 total, exceeding up to ten percent of the total capitalization  
4 grant funds scheduled to be received by the authority.

5 To be eligible for consideration for an interest-free loan,  
6 an applicant must meet each of the following conditions:

7 A. the population of the project service area has  
8 declined over the past ten years;

9 B. the percent of poverty level households in the  
10 project service area of the project is at or above the national  
11 average; and

12 C. the estimated annual sewer service charge of the  
13 project service area after the completion of the project exceeds  
14 one and one-half percent of the median household income level of  
15 the project service area.

16 7380.0460 FEES.

17 If the authority charges a loan recipient a loan  
18 origination fee, the fee must be based on a schedule established  
19 by the authority and must not exceed one and one-half percent of  
20 funds borrowed from the authority. The fees, if any, will be  
21 charged to all loan recipients and must be as provided in the  
22 division application form. These fees may be included as an  
23 eligible project activity or category in the municipality's  
24 application to the authority, and are due and payable as  
25 provided in the loan agreement.

26 7380.0480 REPORTS AND AUDITS.

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

31 Subp. 2. [Unchanged.]

32

33 REPEALER. Minnesota Rules, part 7380.0420, subpart 3, is  
34 repealed.

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30 FINANCIAL ASSISTANCE APPLICATIONS

31 7380.0420 PROCEDURES FOR FINANCIAL ASSISTANCE APPLICATIONS  
32 PROCESSING.

33 Subpart 1. In general. To apply for financial assistance  
34 from the authority, eligible applicants identified in the annual  
35 intended use plan prepared by the agency may submit an

1 application at any time to the ~~executive-director-of-the~~  
2 authority division.

3 ~~Prior-to-the-submission-of-an-application-to-the-authority,~~  
4 ~~the-municipality-shall-contact-the-authority-to-receive-the~~  
5 ~~authority's-advice-under-Minnesota-Statutes,section-446A.051.~~

6 The authority shall forward the complete application to the  
7 agency within ten day after receipt of the application by the  
8 authority. The agency will accept and review the application as  
9 provided in its rules.

10 Subp. 2. Authority review. When an a complete application  
11 that has been certified by the commissioner of the agency is  
12 returned to and received by the authority on or before the first  
13 business day of the month, the authority shall consider the  
14 application at the authority meeting that month. If the  
15 certified application is received after the first business day  
16 of the month and can be reviewed by the executive director prior  
17 to the authority agenda deadline, the authority may consider the  
18 application at the meeting in that month.

19 Subp. 3. [See Repealer.]

20 Subp. 4. Incomplete application. If an incomplete  
21 application is received, the ~~executive-director-shall-notify-the~~  
22 applicant shall be notified in writing of ~~specific-deficiencies~~  
23 ~~in-the-application.--The-applicant-has-60-days-from-the-date-of~~  
24 ~~mailing-of-the-executive-director's-notification-to-complete-the~~  
25 ~~application.--If-the-application-is-not-completed-and-received~~  
26 ~~by-the-executive-director-within-these-60-days,--the-application~~  
27 ~~is-deemed-to-be-rejected-and-the-applicant,--subject-to-agency~~  
28 ~~rules,--must-reapply-to-be-further-considered.~~

29 Subp. 5. Applications not receiving certification. An A  
30 complete application not receiving certification by the  
31 commissioner of the agency will not receive consideration for  
32 financial assistance by the authority. The ~~executive-director~~  
33 ~~of-the~~ authority shall notify the applicant of the rejection of  
34 the ~~application-by-the-authority~~ funding request within ten days  
35 of the rejection determination.

36 Subp. 6. Rejection of loan applications by the authority.

1 The authority may reject ~~an application for financial assistance~~  
2 a funding request for the following reasons:

3 A. failure to obtain certification from the  
4 commissioner of the agency for the project; and

5 B. failure to develop and document dedicated sources  
6 of revenue sufficient in the judgment of the authority to ensure  
7 repayment of the loan to the authority; ~~and~~

8 ~~C. failure to submit a completed application using~~  
9 ~~the procedure provided in part 7380.0420, subpart 4.~~

10 7380.0430 AUTHORITY EVALUATION PROCEDURE.

11 Subpart 1. In general. The authority shall evaluate  
12 complete applications certified by the commissioner of the  
13 agency to determine the applicant's capacity to comply with the  
14 terms and conditions of the Act and the rules of the authority  
15 as provided in this part.

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

19 The authority will only provide financial aid for the  
20 allowable costs provided in part 7380.0410, subpart 7.

21 Subp. 2. and 3. [Unchanged.]

22 Subp. 4. Dedicated sources of revenue. Loan recipients  
23 shall establish, and identify in the application funding  
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