

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

Our File No. 784

RULE REVIEW CHECKLIST

DATE RULE RECEIVED 2-5-82
DATE FOR REVIEW 2-14-82
DATE DUE 2-19-82

Adopted w/a hearing _____
Adopted w/o hearing ✓
Temporary rule _____

Approved 2-17-82 Disapproved _____ Returned to Agency 2-18-82

Resubmitted _____ Due _____
Approved _____ Disapproved _____ Returned to Agency _____

Date filed w/Secretary of State 2-18-82 Revisor approved 2/10/82 disapproved 2/10/82

✓ Rule as Adopted

✓ Rule as Proposed see SR

✓ Order Adopting 1.20.82 Date

N/A Notice of Intent to Solicit Outside Opinion

✓ Order for rulemaking
N/A date of Hearing

? ✓ Certificate of Board's Authorizing Resolution
refers to amendment/rule No. different than amendment/rule submitted - all other documents make correct reference.

✓ Notice of rulemaking
✓ Sufficiency

✓ Affidavit of Mailing Notice or rulemaking
11.18.81 At least 30 days prior to ~~hearing~~/adoption

✓ Mailing list Certificate

✓ Publication in State Register
11.23.81 At least 30/~~20~~ days prior to ~~hearing~~/adoption

N/A Hearing Examiner's Report

Chief Hearing Examiner's Report(s)
_____ Approving H.E.'s Report
_____ Approving agency action

N/A Agency's Findings of Fact no changes to Rules as Proposed

✓ LCRAR Report or agency Affidavit

✓ Certificate of Board's Resolution Adopting Rules

N/A Order Approving Incorporation by Reference

✓ Statement of Need and Reasonableness

N/A Petition for Adoption of a Rule

✓ Record (includes transcript or tape, exhibits, comments received by agency, requests for a hearing, and other relevant materials)

✓ Certificate of Compliance w/Rulemaking Procedures

N/A Affidavit of Mailing Notice of Submission to Attorney General

✓ Notice of Submission to the Attorney General

no requests rec'd

SF-00006-02

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO : KENT E. EKLUND
Vice Chairman, Small Bus. Finance Agency

DATE: 2/17/82

ATTN: M. JEAN LAUBACH, Executive Director

FROM : LARRY D. STARNS
Special Assistant
Attorney General

PHONE: 297-3493

SUBJECT: In the Matter of the Proposed Rules of the Minnesota Small Business Finance Agency Relating to Amendment of Existing Rules of the Agency Regarding the Making of Business Loans

Enclosed herewith are the rules you have submitted for approval. These rules have been approved by this office and filed with the Secretary of State. Please note that they have not been filed with the State Register. This must be done promptly by your agency.

Upon receipt and before transmittal to your agency, however, it is important that you recheck these rules as to:

1. Affixation of stamps of the Attorney General and Secretary of State to the last page of the rules;

2. Coverage by these stamps of all rules submitted; and

3. Inclusion of all pages to the rules in the approved set.

If you have any questions in this regard, please contact me.

LDS:drw

Encs.

cc: Ms. Kathy Burek
Mr. Duane Harves

A copy of all documents has been sent to the Revisor's office as of this date. Your earliest response to these documents is appreciated. Should you have any questions, please contact Jim Dinerstein or me at 7-3547.

Sincerely,

M. Jean Laubach
Executive Director

MJL:dc

Enclosures

Small Business Finance Agency

Adopted Amendment Regarding the Making of Business Loans

Rule as Adopted

4 MCAR S 14.021 Application procedures.

A. Submission of application. The owner shall submit to the agency copies of the completed application upon the forms provided by the agency.

B. Deficiencies in application. Application shall be deemed to have been made upon receipt by the agency of a completed application with all required documentation and exhibits, together with the required fee specified in the application forms. In the event that an incomplete application is received, the executive director shall notify the applicant specifying the deficiencies. The applicant shall have 60 days from the date of the executive director's notification to complete such application. If the application is not completed within 60 days, the application shall be deemed to be rejected and the applicant must reapply to be further considered. In the event the executive director is able to determine from the information submitted on an incomplete application that the applicant is not an owner or the proceeds of the requested business loan are intended to finance expenditures not permitted under the act, the executive director shall so notify the applicant.

C. Review by executive director. Upon receiving a completed application, the executive director shall review the application and shall make a determination as to whether the applicant is an owner as defined in the act or the proceeds of the requested business loan are intended to finance expenditures permitted under the act.

D. Capital expenditures eligible for funding. Costs eligible for funding are the capital expenditures set forth in the act, including the following:

1. land and/or building acquisition costs,

2. site preparation,

3. construction costs,

4. engineering costs,

5. equipment and/or machinery,

6. bond issuance costs,

7. underwriting or placement fees,

8. initial trustee's fee,

9. initial fee of guarantor or insurer, if applicable,

10. Small Business Administration processing and administration fee, if applicable,

11. Minnesota Small Business Finance Agency fee,

12. certain contingency costs,

13. interest costs during construction, and

14. legal fees, including those of agency's bond counsel.

E. Notification of determination. After approving or disapproving an application, the executive director shall notify the applicant of the determination and the treatment of the application as follows:

1. If the executive director determines that the applicant is an owner as defined in the act and that the costs specified in the application are eligible for funding, the application shall then be deemed accepted for processing and treated in accordance with the agency review provisions established in 4 MCAR S 14.023.

2. If the executive director determines that the applicant is not an owner as defined in the act, the application shall be rejected and not further considered.

3. If the executive director determines that any of the costs described in the application are not eligible for funding, the executive director shall note the deficiencies in the application and shall so notify the owner. The owner shall have 30 days from the date of the executive director's notification to amend the application. In the event the application is amended in a timely fashion to include only eligible costs, it shall be treated in accordance with the agency review provisions established in 4 MCAR S ~~14.021~~ F 14.023. If the application is not properly amended within 30 days, the application shall be

deemed rejected and not further considered.

F. Rejection. In the event that an application is rejected for processing pursuant to 4 MCAR S 14.021 E.2. or 3., the applicant may, within 30 days after date of the notification by the executive director, request the executive director to submit the determination to the agency for review at the next regularly scheduled meeting of the agency for which the agenda has not been established. If the agency approves the application, the application shall be treated in accordance with 4 MCAR S 14.023.

OFFICE OF THE REVISOR OF STATUTES

AR0139

Certificate of Approval of Adopted Rules

Agency: Department of Energy, Planning and Development
Small Business Finance Agency

Rule Numbers: 4 MCAR S 14.021

Rule Title: Adopted Amendment Relating to the Making of Business Loans

Type of Rules: Permanent X

Temporary _____

Documents Incorporated by Reference:

None

The attached Rules are approved as to form.

APPROVED AS TO LEGALITY
February 17, 1982
WARREN SPANNAUS, ATTORNEY GENERAL
BY Jerry D. Adams
SPECIAL ASSISTANT ATTORNEY GENERAL

Steven C. Cross
Revisor of Statutes

Name: Paul M. Marinac
Paul M. Marinac
Title: Assistant Revisor

Phone: 296-0948

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
FEB 18 1982
Joan Anderson Growe
Secretary of State
8:35AM

Rule as Adopted

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1. land and/or building acquisition costs,
2. site preparation,
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5. equipment and/or machinery,
6. bond issuance costs,

7. underwriting or placement fees,

8. initial trustee's fee,

9. initial fee of guarantor or insuror, if applicable,

10. Small Business Administration processing and administration fee, if applicable,

11. Minnesota Small Business Finance Agency fee,

12. certain contingency costs,

13. interest costs during construction, and

14. legal fees, including those of agency's bond counsel.

~~The agency shall determine that an expenditure is not eligible for funding if in the opinion of the agency financing of such expenditure may adversely affect the exemption of the interest on the agency's evidences of indebtedness from federal income taxes.~~

E. Notification of determination. After approving or disapproving an application, the executive director shall notify the applicant of the determination and the treatment of the application as follows:

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3. If the executive director determines that any of the costs described in the application are not eligible for funding, the executive director shall note the deficiencies in the application and shall so notify the owner. The owner shall have 30 days from the date of the executive director's notification to amend the application. In the event the application is amended in a timely fashion to include only eligible costs, it shall be treated in accordance with the agency review provisions established in 4 MCAR S 14.021 F. If the application is not

properly amended within 30 days, the application shall be deemed rejected and not further considered.

F. Rejection. In the event that an application is rejected for processing pursuant to 4 MCAR S 14.021 E.2. or 3., the applicant may, within 30 days after date of the notification by the executive director, request the executive director to submit the determination to the agency for review at the next regularly scheduled meeting of the agency for which the agenda has not been established. If the agency approves the application, the application shall be treated in accordance with 4 MCAR S 14.023.

OFFICE OF THE REVISOR OF STATUTES
PROPOSED RULES

Agency Department of Energy, Planning and Development

Division Small Business Finance Agency

Agency Contact Darlene Christenson Phone Number 296-7481

Title: Proposed Rules Relating to the Making of Business Loans for the Small Business Finance Agency

Type of Rules: Permanent X Temporary_____

Incorporations by References: None

Rule Number	Material Incorporated
	Author
	Title
	Place
	Publisher
	Date
	Cost
	Places Avilable

See Additional references on back Yes____ No____

Duplication of Statutory Language None

Rule Number	Statutory Section Duplicated

The attached rules are approved as to form.

Steven C. Cross
Revisor of Statutes

Name: Paul M. Marinac
Paul M. Marinac

Title: Assistant Revisor

Phone: 296-0948

Adopted

Rule as ~~Proposed~~

4 MCAR S 14.021 Application procedures.

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B. Deficiencies in application. Application shall be deemed to have been made upon receipt by the agency of a completed application with all required documentation and exhibits, together with the required fee specified in the application forms. In the event that an incomplete application is received, the executive director shall notify the applicant specifying the deficiencies. The applicant shall have 60 days from the date of the executive director's notification to complete such application. If the application is not completed within 60 days, the application shall be deemed to be rejected and the applicant must reapply to be further considered. In the event the executive director is able to determine from the information submitted on an incomplete application that the applicant is not an owner or the proceeds of the requested business loan are intended to finance expenditures not permitted under the act, the executive director shall so notify the applicant.

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4. engineering costs,
5. equipment and/or machinery,
6. bond issuance costs,

APPROVED BY THE REVISOR OF STATUTES OFFICE BY:

7. underwriting or placement fees,

8. initial trustee's fee,

9. initial fee of guarantor or insuror, if applicable,

10. Small Business Administration processing and administration fee, if applicable,

11. Minnesota Small Business Finance Agency fee,

12. certain contingency costs,

13. interest costs during construction, and

14. legal fees, including those of agency's bond counsel.

~~The agency shall determine that an expenditure is not eligible for funding if in the opinion of the agency financing of such expenditure may adversely affect the exemption of the interest on the agency's evidences of indebtedness from federal income taxes.~~

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3. If the executive director determines that any of the costs described in the application are not eligible for funding, the executive director shall note the deficiencies in the application and shall so notify the owner. The owner shall have 30 days from the date of the executive director's notification to amend the application. In the event the application is amended in a timely fashion to include only eligible costs, it shall be treated in accordance with the agency review provisions established in 4 MCAR S 14.021 F. If the application is not

APPROVED IN THE REVISOR OF STATUTES OFFICE BY:

properly amended within 30 days, the application shall be deemed rejected and not further considered.

F. Rejection. In the event that an application is rejected for processing pursuant to 4 MCAR S 14.021 E.2. or 3., the applicant may, within 30 days after date of the notification by the executive director, request the executive director to submit the determination to the agency for review at the next regularly scheduled meeting of the agency for which the agenda has not been established. If the agency approves the application, the application shall be treated in accordance with 4 MCAR S 14.023.

APPROVED IN THE REVISOR OF STATUTES OFFICE BY:

OFFICE OF THE REVISOR OF STATUTES
Disapproval of Form of Rules

RD139
2/10/82

__X__ The form of the attached rules is not approved. The revisor requests the changes described below before the rules will be approved.

Page 2, line 36, strike "14.021 F" and insert "14.023"

Steven C. Cross
Revisor of Statutes

Name: Paul M. Marinac

Title: Assistant Revisor

Phone: 296-0948

____ The changes requested by the revisor are approved by the agency.

____ The changes requested by the revisor are not approved by the agency

Agency's Representative

____ The attorney general agrees that the changes requested by the revisor are form changes, not substantive changes.

Assistant Attorney General

STATE OF MINNESOTA

SMALL BUSINESS FINANCE AGENCY

In the Matter of the Proposed Rules of the Minnesota Small Business Finance Agency Relating to Amendment of Existing Rules of the Agency Regarding the Making of Business Loans.

ORDER ADOPTING RULES

Notice of the Agency's intent to adopt the above-entitled rules without a public hearing was published in the State Register on November 23, 1981, and was sent by United States mail to all persons on the list maintained by the agency pursuant to Minnesota Statutes section 15.0412, subdivision 4 on November 18, 1981. After affording interested and affected persons an opportunity to submit comments for 30 days after Notice, receiving fewer than seven written requests for a public hearing within the 30-day comment period, reviewing and considering the comments, and determining the need for and reasonableness of the above-captioned rules.

NOW, THEREFORE, IT IS ORDERED that these rules, identified as Rules of the Minnesota Small Business Finance Agency Relating to Amendment of Existing Rules of the Agency Regarding the Making of Business Loans are adopted this 20th day of January, 1982, pursuant to authority vested in the Agency by Minnesota Statutes section 362.53, subdivision 4 (1980).

State of Minnesota
Small Business Finance Agency

Kent E. Eklund

Kent E. Eklund, Vice Chairman
Board of Directors
Small Business Finance Agency

STATE OF MINNESOTA

SMALL BUSINESS FINANCE AGENCY

In the Matter of the Proposed Rules of the Minnesota Small Business Finance Agency Relating to Amendment of Existing Rules of the Agency Regarding the Making of Business Loans

ORDER FOR NOTICE OF INTENT TO ADOPT RULES WITHOUT PUBLIC HEARING

IT IS ORDERED this 9th day of November, 1981, that a Notice of Intent to Adopt Rules Without Public Hearing in the above-entitled matter be given to all persons who have registered their names with the Department of Energy, Planning and Development for that purpose and be published in the State Register.

STATE OF MINNESOTA

Kent E. Eklund

Kent E. Eklund
Vice Chairman
Board of Directors
Small Business Finance Agency

STATE OF MINNESOTA

SMALL BUSINESS FINANCE AGENCY

In the Matter of the Proposed Rules of the Minnesota Small Business Finance Agency Relating to Amendment of Existing Rules of the Agency Regarding the Making of Business Loans.

CERTIFICATE OF BOARD'S AUTHORIZING RESOLUTION

I, M. Jean Laubach, do hereby certify that I am Executive Director of the Minnesota Small Business Finance Agency, an Agency duly authorized under the laws of the State of Minnesota, and that the following is a true, complete, and correct copy of a resolution adopted at a meeting of the Agency duly and properly called and held on the 21st day of October, 1981, that a quorum was present at said meeting, that a majority of those present voted for the resolution, that said resolution is set forth in the minutes of said meeting and has not been rescinded or modified.

> "Resolved that Kent Eklund, vice chairman and one of the members of the Minnesota Small Business Finance Agency, be and he hereby is authorized and directed to sign an order for notice of intent to adopt rules without a public hearing and to give public notice for the purpose of promulgating rules of the Minnesota Small Business Finance Agency without a public hearing, said rules relating to amendment of existing rules of the Agency regarding the making of business loans, by deletion of the last sentence of 4 MCAR § 14.021 as well as to perform any and all acts incidental thereto, including the signing of an order for and notice of intent to adopt rules without a public hearing."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 21st day of October, 1981.

M. Jean Laubach

M. Jean Laubach
Executive Director
Minnesota Small Business Finance Agency

ATTEST:

Member

STATE OF MINNESOTA

SMALL BUSINESS FINANCE AGENCY

In the Matter of the Proposed Rules of the Minnesota Small Business Finance Agency Relating to Amendment of Existing Rules of the Agency Regarding the Making of Business Loans.

NOTICE OF INTENT TO ADOPT RULES WITHOUT A PUBLIC HEARING.

Notice is hereby given that the Small Business Finance Agency proposes to adopt the above-entitled rules without a public hearing. The Agency has determined that the proposed adoption of these rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minn. Stat. § 15.0412, subd. 4h (1980), as amended.

Persons interested in these rules shall have 30 days to submit comments on the proposed rules. The proposed rules may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change in the proposed language.

Unless seven or more persons submit written requests for a public hearing on the proposed rules within the 30-day comment period, a public hearing will not be held. In the event a public hearing is required, the agency will proceed according to the provisions of Minn. Stat. § 15.0412, subd. 4-4f. If a public hearing is requested, identification of the particular objection, the suggested modifications to the proposed language, and the reasons or data relied on to support the suggested modifications is desired.

Persons who wish to submit comments or a written request for a public hearing should submit such comments or request to:

M. Jean Laubach
Executive Director
Small Business Finance Agency
480 Cedar Street
St. Paul, Minnesota 55101
(612) 297-3547

Authority for the adoption of these rules is contained in Minn. Stat. § 362.53, subd. 4 (1980), as amended. Additionally, a Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rules, and that identifies the data and information relied upon to support the proposed rules, has been prepared and is available from Ms. Laubach upon request.

Upon adoption of the final rules without a public hearing, the proposed rules, this Notice, the Statement of Need and Reasonableness, all written comments received, and the final Rules as Adopted will be delivered to a designee of the Attorney General for review as to form and legality, including the issue of substantial change. Persons who wish to be advised of the submission of these rules for approval, or who wish to receive a copy of the final rules as adopted, should submit a written statement of such request to Ms. Laubach. 8

A copy of the proposed rules is attached to this Notice. Additional copies may be obtained by contacting Ms. Laubach. 10

Please be advised that Minn. Stat. ch. 10A requires each lobbyist to register with the State Ethical Practices Board within five (5) days after he or she commences lobbying. A lobbyist is defined in Minn. Stat. § 10A.01, subd. 11 (1980) as any individual:

(a) Engaged for pay or other consideration, or authorized by another individual or association to spend money, who spends more than five hours in any month or more than $250.00, not including his own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials; or

(b) Who spends more than $250,000, not including his own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials.

The statute provides certain exceptions. Questions should be directed to the Ethical Practices Board, 40 State Office Building, Saint Paul, Minnesota 55155, telephone (612) 296-5615.

Dated: November 9, 1981

Kent E. Eklund
Vice Chairman
Small Business Finance Agency

In the Matter of the Proposed Rules of the Minnesota Small Business Finance Agency Relating to Amendment of Existing Rules of the Agency Regarding the Making of Business Loans.

AFFIDAVIT OF MAILING

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

M. Jean Laubach, being first duly sworn, deposes and says:

That on the 18th day of November, 1981, at the City of St. Paul, County of Ramsey, State of Minnesota, she served the attached Notice of Intent to Adopt Rules Without Public Hearing by depositing in the United States mail at said City of St. Paul, a copy thereof, properly enveloped, with postage prepaid, on all persons and associations who have requested that their names be placed on file with the State Small Business Finance Agency for the purpose of receiving notice of the proposed adoption of rules by this Notice of Intent to Adopt Rules Without Public Hearing.

M. Jean Laubach

M. Jean Laubach
Executive Director

Subscribed and sworn to before me this 18th day of November, 1981.

Alan A. Madsen

ALAN A. MADSEN
Notary Public, Hennepin County, Mn.
My commission expires July 6, 1984

STATE OF MINNESOTA

COUNTY OF RAMSEY

CERTIFICATE

In the Matter of the Proposed Rules of the Minnesota Small Business Finance Agency Relating to Amendment of Existing Rules of the Agency Regarding the Making of Business Loans.

I, hereby certify that the list of persons, associations, and other interested groups who have requested, pursuant to Minn. Stat. § 15.0412, subd. 4, as amended, that their names be placed on file with and maintained by the State Small Business Finance Agency for the purpose of receiving notice of the proposed adoption of rules by this Notice of Intent to Adopt Rules without Public Hearing is accurate and complete as of 2:00 P.M., this 18th day of November, 1981.

M. Jean Laubach

M. Jean Laubach
Executive Director

11-18-81
Mailed at 2:00
p.m

LIST OF PERSONS WHO RECEIVED NOTICE OF RULEMAKING PROCEDURES FOR BUSINESS LOANS FOR SBFA - 32 people.

Judith G. Schotzko
Frundt, Frundt & Johnson
Attorneys at Law
117 West 5th Street
Blue Earth, Minnesota 56013

Susan P. Robertson
Executive Director
Room 430 State Office Bldg.
St. Paul, Minnesota 55155

Paul J. Huber LTD
Certified Public Accounts
1821 University Avenue
St. Paul, Minnesota 55104

Thomas M. Polt
Polt Law Offices
McCarthy Building
Eyota, Minnesota 55934

Norbert McCrady, Executive V.P.
Independent Bankers of MN.
327 Plymouth Building
12 South 6th Street
Minneapolis, Minnesota 55402

Richard C. Lockwood, President
MacArthur Company
2400 Wycliff Street
St. Paul, Minnesota 55114

M. S. Schumacher, News Assistant
Minneapolis Tribune
425 Portland Avenue
Minneapolis, Minnesota 55488

Wendy M. Borsheim
Minnesota Retail Merchants Association
180 Metro Square Building
St. Paul, Minnesota 55101

Bonnie Bannanno
Room 300
1745 University Avenue
St. Paul, Minnesota 55104

Director
Developmental Disabilities Planning Office
200 Capitol Square Building
550 Cedar Street
St. Paul, Minnesota 55101

David Mocol
Community Development Director
City of Winona - City Hall
4th & Lafayette Street
Winona, Minnesota 55987

David R. Knodell, Esq.
Olson, Gunn and Seran, Ltd.
315 Peavey Building
730 Second Avenue South
Minneapolis, Minnesota 55402

Abe Rosenthal
Executive Vice President
Minnesota Transport Services Assoc.
1821 University Avenue (N310)
St. Paul, Minnesota 55104

Government Center Library
C-2359 Government Center
300 South 6th Street
Minneapolis, Minnesota 55487

Conrad M. Fredin
Attorney at Law
811 First National Bank Building
Duluth, Minnesota 55802

Eric W. Ingvaldson
Harstad & Rainbow
Attorneys at Law
Midland Bank Building
Minneapolis, Minnesota 55401

Phillips Legislative Service, Inc.
459 Rice Street
St. Paul, Minnesota 55103

Jean Dawson, Editor
The Minnesota Government Report
B-12 Press Room, State Capitol Bldg.
St. Paul, Minnesota 55155

Federal-State Reports, Inc.
5203 Lusburg Pike, #1201
Baileys Crossroads
Falls Church, VA 22041

Peter S. Popovich, Law Office
Professional Association
314 Minnesota Building
St. Paul, Minnesota 55101

John A. Knapp
Hessian, McKasy & Soderberg
1500 Midwest Plaza Building
Minneapolis, Minnesota 55402

Antitrust Division
Minnesota Attorney General's Office
2nd Floor Ford Building
117 University Avenue
St. Paul, Minnesota 55155

Pete Lansdowne
Southern Mn. Legal Services
300 Medical Arts Building
Albert Lea, Minnesota 56007

Barbara Johnson
1636 Taylor Avenue
St. Paul, Minnesota 55104

Public Interest Advocacy Clinic
Hamline University School of Law
1536 Hewitt Avenue
St. Paul, Minnesota 55104

Kristin Larson
2215 W. 21st Street
Minneapolis, Minnesota 55405

Marliss Johnston
Region 9, Box 3367
Mankato, Minnesota 56001

Jay Adams
2504 Girard Avenue South
Minneapolis, Minnesota 55405

Mike Lynch
1708 N. Savoy Road
Ely, Minnesota 55731

Gloria Rixen
Route 1
Hancock, Minnesota 56244

Brad Hoffman
City of Brooklyn Center
6301 Shingle Creek Parkway
Brooklyn Center, Minnesota 55430

John M. Broeker
2850 Metro Drive, Suite 800
Minneapolis, Minnesota 55420

9. Whenever the commercial driver training school or instructor fails to comply with any of the rules established for the operation of commercial driver training schools and the training of students.

10. Whenever the instructor, the school or both fail to keep or are late for appointments repeatedly or without good reason.

11. Whenever the school, the instructor or both delay the start or completion of training.

12. Whenever the school, the instructor or both absent a student from school for training during school hours without school approval.

13. Whenever a school or instructor conducts business in a way that substantially departs from commonly accepted practices as used by other driver training schools and instructors.

~~(i)~~ I. Fees payable to commissioner. All fees for original, renewal, duplicate and replacement licenses shall be ~~in the form of a money order or certified check~~ made payable to the ~~"~~Commissioner of Public Safety~~"~~.

~~DrivLic 38~~ 11 MCAR § 1.4038 Exemption.

~~(a)~~ A. Conditions for limited operations. An applicant for a license to operate a commercial driver training school for behind the wheel instruction only will not be required to conduct classroom instruction or furnish office space, providing the following conditions are met:

~~(1) Where the need arises, the Commissioner may license instructors operating independently as behind the wheel instructors only, if there is no commercial driver training school licensed in accordance with the provisions of Laws of Minnesota 1967, Chapter 880 within twenty (20) miles of the municipality where such instruction is given and the instructors qualify by their experience and training.~~

1. The commercial driver training school must have been in operation on the effective date of 11 MCAR §§ 1.4031-1.4038, but not providing classroom instruction.

~~(2) If~~ 2. The applicant complies with all other requirements of ~~this rule and regulation as it applies~~ 11 MCAR §§ 1.4031-1.4038 as they apply to persons engaged in operation of a school conducting driver training instruction for a fee, or instructing for a fee.

~~(b) A license to operate a commercial driver training school or an instructor license to conduct behind the wheel instruction only shall be void and must be surrendered within ten (10) days after termination of the active participation of the individual or firm in the business of teaching driver training for a fee. The licensee cannot enlarge his school operations by employing additional instructors unless he provides approved classroom instruction and facilities.~~

B. New license required. On and after the effective date of 11 MCAR §§ 1.4031-1.4038, a licensee exempt under A. from providing classroom instruction and office space may not enlarge the school operations, employ additional instructors, relocate, sell, or make any corporate, business or other operational changes without obtaining a new license and complying with the provisions of 11 MCAR §§ 1.4031-1.4038.

Small Business Finance Agency

Proposed Rules Relating to Amendment of Rules Regarding the Making of Business Loans

Notice of Intent to Adopt Rules without a Public Hearing

Notice is hereby given that the Small Business Finance Agency proposed to adopt the above-entitled rules without a public hearing. The agency has determined that the proposed adoption of these rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minn. Stat. § 15.0412, subd. 4h (1980), as amended.

Persons interested in these rules shall have 30 days to submit comments on the proposed rules. The proposed rules may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change in the proposed language.

Unless seven or more persons submit written requests for a public hearing on the proposed rules within the 30-day comment period, a public hearing will not be held. In the event a public hearing is required, the agency will proceed according to the provisions of Minneosta Statutes, § 15.0412, subdivisons 4-4f. If a public hearing is requested, identification of the particular

objection, the suggested modifications to the proposed language, and the reasons or data relied on to support the suggested modifications is desired.

Persons who wish to submit comments or a written request for a public hearing should submit such comments or request to:

M. Jean Laubach
Executive Director
Small Business Finance Agency
480 Cedar Street
St. Paul, Minnesota 55101
(612) 297-3547

Authority for the adoption of these rules is contained in Minn. Stat. § 362.53, subd. 4 (1980), as amended. Additionally, a statement of need and reasonableness that describes the need for and reasonableness of each provision of the proposed rules, and that identifies the data and information relied upon to support the proposed rules, has been prepared and is available from Ms. Laubach upon request.

Upon adoption of the final rules without a public hearing, the proposed rules, this notice, the statement of need and reasonableness, all written comments received, and the final rules as adopted will be delivered to a designee of the Attorney General for review as to form and legality, including the issue of substantial change. Persons who wish to be advised of the submission of these rules for approval, or who wish to receive a copy of the final rules as adopted, should submit a written statement of such request to Ms. Laubach.

A copy of the proposed rules is attached to this notice. Additional copies may be obtained by contacting Ms. Laubach.

Please be advised that Minn. ch. 10A requires each lobbyist to register with the State Ethical Practices Board within five (5) days after he or she commences lobbying. A lobbyist is defined in Minn. Stat. § 10A.01, subd. 11 (1980) as any individual:

(a) Engaged for pay or other consideration, or authorized by another individual or association to spend money, who spends more than five hours in any month or more than $250.00, not including his own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials; or

(b) Who spends more than $250.00, not including his own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials.

The statute provides certain exceptions. Questions should be directed to the Ethical Practices Board, 40 State Office Building, Saint Paul, Minnesota 55155, telephone (612) 296-5615.

Kent E. Eklund, Vice Chairman
Minnesota Small Business Finance Agency

Rule as Proposed

4 MCAR § 14.021 Application procedures.

A. Submission of application. The owner shall submit to the agency copies of the completed application upon the forms provided by the agency.

B. Deficiencies in application. Application shall be deemed to have been made upon receipt by the agency of a completed application with all required documentation and exhibits, together with the required fee specified in the application forms. In the event that an incomplete application is received, the executive director shall notify the applicant specifying the deficiencies. The applicant shall have 60 days from the date of the executive director's notification to complete such application. If the application is not completed within 60 days, the application shall be deemed to be rejected and the applicant must reapply to be further considered. In the event the executive director is able to determine from the information submitted on an incomplete application that the applicant is not an owner or the proceeds of the requested business loan are intended to finance expenditures not permitted under the act, the executive director shall so notify the applicant.

C. Review by executive director. Upon receiving a completed application, the executive director shall review the application and shall make a determination as to whether the applicant is an owner as defined in the act or the proceeds of the requested business loan are intended to finance expenditures permitted under the act.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

D. Capital expenditures eligible for funding. Costs eligible for funding are the capital expenditures set forth in the act, including the following:

1. land and/or building acquisition costs,
2. site preparation,
3. construction costs,
4. engineering costs,
5. equipment and/or machinery,
6. bond issuance costs,
7. underwriting or placement fees,
8. initial trustee's fee,
9. initial fee of guarantor or insuror, if applicable,
10. Small Business Administration processing and administration fee, if applicable,
11. Minnesota Small Business Finance Agency fee,
12. certain contingency costs,
13. interest costs during construction, and
14. legal fees, including those of agency's bond counsel.

~~The agency shall determine that an expenditure is not eligible for funding if in the opinion of the agency financing of such expenditure may adversely affect the exemption of the interest on the agency's evidences of indebtedness from federal income taxes.~~

E. Notification of determination. After approving or disapproving an application, the executive director shall notify the applicant of the determination and the treatment of the application as follows:

1. If the executive director determines that the applicant is an owner as defined in the act and that the costs specified in the application are eligible for funding, the application shall then be deemed accepted for processing and treated in accordance with the agency review provisions established in 4 MCAR § 14.023.

2. If the executive director determines that the applicant is not an owner as defined in the act, the application shall be rejected and not further considered.

3. If the executive director determines that any of the costs described in the application are not eligible for funding, the executive director shall note the deficiencies in the application and shall so notify the owner. The owner shall have 30 days from the date of the executive director's notification to amend the application. In the event the application is amended in a timely fashion to include only eligible costs, it shall be treated in accordance with the agency review provisions established in 4 MCAR § 14.021 F. If the application is not properly amended within 30 days, the application shall be deemed rejected and not further considered.

F. Rejection. In the event that an application is rejected for processing pursuant to 4 MCAR § 14.021 E.2. or 3., the applicant may, within 30 days after date of the notification by the executive director, request the executive director to submit the determination to the agency for review at the next regularly scheduled meeting of the agency for which the agenda has not been established. If the agency approves the application, the application shall be treated in accordance with 4 MCAR § 14.023.

Workers' Compensation Court of Appeals

Proposed Rules Governing Rules of Procedure for the Workers' Compensation Court of Appeals (8 MCAR §§ 5.001-5.014)

Notice of Intent to Adopt Rules without a Public Hearing

Notice is hereby given that the Workers' Compensation Court of Appeals (hereinafter, "court") intends to adopt the above entitled rules without a public hearing. This court has determined that the proposed adoption of these rules will be non-controversial in nature and has elected to follow the procedures set forth in Laws of Minnesota, ch. 253, § 14 (1981).

If adopted, the proposed rules would set forth procedural guidelines and define the responsibilities of the court and persons having business with it.

STATE OF MINNESOTA

SMALL BUSINESS FINANCE AGENCY

In the Matter of the Proposed Rules of the Minnesota Small Business Finance Agency Relating to Amendment of Existing Rules of the Agency Regarding the Making of Business Loans.

CERTIFICATE OF BOARD'S RESOLUTION ADOPTING RULES

I, M. Jean Laubach, do hereby certify that I am Executive Director of the Minnesota Small Business Finance Agency, an agency duly authorized under the laws of the State of Minnesota, and that the following is a true, complete, and correct copy of a resolution adopted at a meeting of the agency, duly and properly called and held on the 20th day of January, 1982, that a quorum was present at said meeting, that a majority of those present voted for the resolution, and that said resolution is set forth in the minutes of said meeting and has not been rescinded or modified.

> "RESOLVED, that the rules relating to Amendment of Existing Rules of the Agency Regarding the Making of Business Loans be and they hereby are approved and adopted, pursuant to authority vested in us by Minnesota Statutes section 362.53, subdivision 4 (1980), as amended, and that Kent E. Eklund, the Vice Chairman of the Agency, be and hereby is authorized to sign an order adopting these rules and further is authorized to perform the necessary acts to provide that these rules shall have the force and effect of law."

IN WITNESS WHEREOF, I have hereunto subscribed by name this 20th day of January, 1982.

M. Jean Laubach

M. Jean Laubach
Executive Director

Robert J. Nelsen, Member

ATTEST

STATE OF MINNESOTA

SMALL BUSINESS FINANCE AGENCY

In the Matter of the Proposed Rules of the Minnesota Small Business Finance Agency Relating to Amendment of Existing Rules of the Agency Regarding the Making of Business Loans.

STATEMENT OF NEED AND REASONABLENESS

The Minnesota Small Business Finance Agency ("Agency") presents herein its statement of the need for and reasonableness of its proposed rules relating to the amendment of its existing rules for the making of business loans. The above-captioned rules are amendments to existing rules. The Agency's existing rules were adopted by the Agency on April 22, 1981, and August 31, 1981.

The authority of the Agency to adopt these rules and the need for and reasonableness of the proposed rules are as follows:

I. Authority of the Agency to Promulgate and Adopt Rules

Minn. Stat. § 362.53, subd. 4 (1980) empowers the Agency to adopt, amend and repeal rules not inconsistent with the provisions of Minn. Stat. §§ 362.132 and 362.50 to 362.53 as necessary to effectuate its corporate purposes.

II. Rules Amending the Agency's Existing Rules Regarding the Making of Business Loans

The Agency proposes to amend its existing rules regarding the making of Business Loans by deleting that provision of those rules which requires the Agency to determine that certain expenditures are ineligible for funding if the financing of such expenditures may adversely affect the exemption of the interest on the Agency's evidence

of indebtedness from federal income taxes. The deletion of this provision will permit the Agency to exercise its judgement as to whether possible adverse impact on the federal income tax exemption for the Agency's debt instruments will impair the economic viability of its loan programs or of a particular loan. In addition, the Agency may desire in the future to issue taxable debt instruments to provide financing for small businesses. It is, therefore, reasonable and necessary to delete the final sentence of 4 MCAR § 14.021D restricting the issuance of taxable debt instruments to permit the Agency to accomplish its primary purpose of assisting and encouraging the establishment, maintenance and growth of small business within the State.

Kent E. Eklund

Kent E. Eklund
Vice Chairman
Small Business Finance Agency

JOHNSON, FREDIN, KILLEN, THIBODEAU & SEILER
A PROFESSIONAL ASSOCIATION
ATTORNEYS AT LAW
811 FIRST NATIONAL BANK BUILDING
DULUTH, MINNESOTA 55802

JOSEPH B. JOHNSON
CONRAD M. FREDIN
JOHN J. KILLEN
THOMAS R. THIBODEAU
STEVEN J. SEILER
TERRY C. HALLENBECK
JOHN N. NYS
ROBERT J. ZALLAR

ROBERT C. PEARSON
JAMES A. WADE
DONALD C. ERICKSON
JOSEPH J. ROBY, JR.
NICHOLAS OSTAPENKO

TELEPHONE (218) 722-6331
TELECOPIER 722-3031

November 19, 1981

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MSBFA

Mrs. Jean Laubach
Executive Director
Small Business Finance Agency
480 Cedar Street
St. Paul, MN 55101

Dear Jean:

Some time ago we met on several occasions with Mayor Grahek of Ely and Jim Lex, looking toward an investment by Mr. Lex in reviving a sawmill operation at Ely.

Your ready perception of the problems involved and willingness to assist in a feasible project was much appreciated.

We never went forward, however, for it was apparent that Mr. Lex lacked both the access to capital and sufficient experience in running a sawmill to justify private backing or assistance from the State.

I have reviewed with interest the proposed amendment to the rules regarding business loans, and want you to know that I have no objection and do support these amendments.

Very best wishes,

Jack Fredin

Conrad M. Fredin

cmf/mhj

STATE OF MINNESOTA

SMALL BUSINESS FINANCE AGENCY

In the Matter of the Proposed Rules of the Minnesota Small Business Finance Agency Relating to Amendment of Existing Rules of the Agency Regarding the Making of Business Loans.

STATEMENT OF COMPLIANCE WITH RULEMAKING PROCEDURES

I, James E. Dinerstein, Special Assistant Attorney General, do hereby declare that I have examined the rules and all related documents and that, based on my examination and my personal familiarity with the applicable procedures, the Administrative Procedure Act, the rules of the Office of Administrative Hearings, and the rules of the Attorney General have been followed. Any exceptions are noted below.

James E. Dinerstein
Special Assistant Attorney General

Dated: 2/2/82