

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
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ADMIN 1000 (Rev. 1/78)
SF-00006-01

STATE OF MINNESOTA

Office Memorandum

DEPARTMENT Energy, Planning & Development

TO : Jerry Anderson ~~Ted Martinez~~
Special Assistant Attorney General

DATE: November 24, 1982

FROM : Linda Koerner LSK
Development Resources Division

PHONE: 6-3977

SUBJECT:

Enterprise Zone Rules

Please note that two copies of the rules have been sent to Steve Cross at the Revisers office. Also, Christie Eller has a copy of the rules, and the statement of need and reasonableness, should you have any questions.

Feel free to contact me at the above number if you have questions or need additional information.

Minnesota
DEPARTMENT OF ECONOMIC DEVELOPMENT
480 CEDAR STREET
ST. PAUL, MINNESOTA 55101

November 19, 1982

Mr. Jerry Anderson
Special Assistant Attorney General
204 Administration Building
50 Sherburne Avenue
St. Paul, Minnesota 55155

Dear Mr. Anderson:

Enclosed please find the following documents in the matter of the Adoption of Rules Governing Designation of Enterprise Zones and Tax Classification of Industrial Employment Property:

1) Rules as adopted (4 copies)
2) Order Adopting Rules (2 copies)
3) Notice of Intent to Solicit outside Opinion Concerning proposed rules
4) Order for Notice of Intent to Adopt Rules without a Public Hearing
5) Notice of Intent to Adopt Rules without a Public Hearing
6) Affidavit of Mailing
7) Mailing list certificate
8) Rule as proposed
9) Statement of Need and Reasonableness
10) Statement of Compliance with Rulemaking Procedures

We have not had a request for hearing made during the thirty day period and have received no comments during this period. The agency made no changes to the proposed rules. These rules are not adopted in response to a petition and no requests have been made to be notified of submission of the rules to the Attorney General.

Your earliest response to the documents is appreciated. Should you have questions or concerns, please contact me at 296-3976.

Respectfully,

Dana Weber Young

Dana Weber Young
Director
Development Resources Division

DWY:llk
Enclosures

Our File No. 868

RULE REVIEW CHECKLIST

DATE RULE RECEIVED 11/29/82
DATE FOR REVIEW 12/8/82
DATE DUE 12/13/82

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

Approved 12/13/82-LOS Disapproved _____ Returned to Agency _____

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

Date filed w/Secretary of State _____ Revisor approved 12/6/82 disapproved _____

✓ Rule as Adopted

✓ Rule as Proposed

✓ Order Adopting 11.19.82 Date

✓ Notice of Intent to Solicit Outside Opinion SR. S 24 82

✓ Order for rulemaking
N/A date of Hearing

N/A Certificate of Board's Authorizing Resolution

✓ Notice of rulemaking
? Sufficiency citation to MN. laws is not complete

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

✓ Mailing list Certificate

✓ Publication in State Register
10.18.82 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.

✓ LCRAR Report or agency Affidavit

✓ Certificate of Board's Resolution Adopting Rules

✓ Order Approving Incorporation by Reference

✓ Statement of Need and Reasonableness

N/A Petition for Adoption of a Rule

N/A 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

see transmittal letter

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO ROBERT G. RENNER, JR.
Commissioner of Energy, Planning & Development

DATE: 12/13/82

Attn: CHRISTIE B. ELLER, Special Assistant Attorney General

FROM : LARRY D. STARNS
Special Assistant
Attorney General

PHONE: 297-3493

SUBJECT: In the Matter of the Proposed Rules of Governing Designation of Enterprise Zones and Tax Classification of Industrial Employment Property

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;

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.

Encs.

LDS/ls
cc: Ms. Kathy Burek
Mr. Duane Harves

AG copy

Department of Energy, Planning, and Development
Business Development Division

Adopted Rules Governing Designation of Enterprise Zones

Rules as Adopted

4 MCAR S 2.501 Purpose. 4 MCAR SS 2.501-2.508 are promulgated pursuant to Laws of Minnesota 1982, chapter 523, article VI, section 2 to implement and make specific the provisions of Laws of Minnesota 1982, chapter 523, article VI and relate to the designation of enterprise zones.

4 MCAR S 2.502 Definitions.

A. Statutory definitions. The terms defined in Laws of Minnesota 1982, chapter 523, article VI, section 2 have the same meaning when used in 4 MCAR SS 2.501-2.508. The terms in B.-E. have the meanings given them for the purposes of Laws of Minnesota 1982, chapter 523, article VI, section 2.

B Data source. "Data source" means the most recent federal decennial census data unless otherwise provided.

C Recently experienced. "Recently experienced" means within the last five years.

D. Significant employment. "Significant employment" means one percent of the total employment base of a community.

E. Manufacturing. "Manufacturing" includes activities in standard industrial classification codes 20-39 contained in the "Minnesota Directory of Manufacturing."

4 MCAR S 2.503 Application cycle.

Applications will be accepted from July 1983 through March 1984 for the initial year of receiving applications. After the initial year applications from governing bodies for enterprise zone designation will be accepted during the first quarter of each calendar year.

4 MCAR S 2.504 Application for enterprise zone designation.

The commissioner shall prepare uniform application forms

for use by governing bodies setting forth the information necessary for the determination of eligibility as an enterprise zone.

4 MCAR S 2.505 Information in enterprise zone designation applications.

A. Statutory information. An application must demonstrate that the proposed enterprise zone complies with statutory requirements to be designated an enterprise zone.

B. Data connected to zone. Data in an enterprise zone application must be for all areas most closely corresponding to the proposed enterprise zone area. Data need not be for an area identical to the proposed area of the enterprise zone but should be for an area as closely identical as reasonably possible.

C. Statistical sources; economic hardship area. Statistical sources to be used in determining whether an area is an economic hardship area will be those approved by the state demographer.

D. Population statistics. The most recent federal census or estimates by the state demographer or the metropolitan council may be used for population data.

4 MCAR S 2.506 Action plans.

An action plan to promote economic development must be designated and passed on by resolution by the governing body. The action plan should be between three and five pages in length. An action plan shall contain:

A. a brief description of the organization of the governing body designated in charge of developing and implementing the action plan;

B. a brief summary of the area's economic situation based on an analysis of data for the area and surrounding region related, for example, to employment income, labor force composition, unemployment, housing, and land use;

C. some conclusions and judgments about the area's potential for economic development, for example, development of under-utilized resources and ways to overcome any barriers to development; and

D. an identification of realistic actions that the governing body wants to initiate to spur economic growth. Each action identified should address six items: what the action is, its purpose, when action will be initiated, when it will be completed, who is going to complete it, and how it will be completed.

4 MCAR S 2.507 Determination of enterprise zone size.

A governing body may apply for more than one enterprise zone designation but no land area may be part of more than one enterprise zone.

Somewhat vague what are the boundaries? not critical. OK-LDS

4 MCAR S 2.508 Application procedures.

A. Submission of application. The governing body shall submit to the commissioner three copies of the completed application upon the forms and in the format designated by the commissioner.

B. Review by the commissioner. The commissioner has 30 days from the date of its receipt to approve or disapprove an application.

C. Notification of determination. The commissioner shall notify the governing body of a determination as follows:

1. If the commissioner determines that the application is complete and the area eligibile for enterprise zone designation, the governing body shall be notified within 15 days and a copy of the approved application shall be sent to the Department of Revenue.

What abt. notifn. of rejection? OK

2. If the commissioner determines that an incomplete application has been submitted, the commissioner shall notify the applicant specifying the deficiencies. The applicant has 30 days from the date of the commissioner's notification to complete the application. In the event the application is then completed in a timely fashion notification shall be as in 1. If the application is not complete within the 30 days, the application shall be rejected and not further considered during that application receipt period.

OFFICE OF THE REVISOR OF STATUTES

Certificate of Approval of Adopted Rules

AR0235

Agency: Department of Energy, Planning and Development

Division: Development Resources Division

Agency Contact: Dana Weber Young

Rule Numbers: 4 MCAR SS 2.501; 2.502; 2.503; 2.504; 2.505; 2.506; 2.507; 2.508

Title: Adopted Rules Governing Enterprise Zone Designations

Type of Rules: Permanent

Incorporations by Reference:

Rule Number:	Material Incorporated:
4 MCAR S 2.502	Standard Industrial Classification 20-39 contained in the "Minnesota Directory of Manufacturing"

Duplication of Statutory Language: None

Rule Number:	Statutory Section Duplicated:

The attached rules are approved as to form.

11:10 AM
STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
DEC 17 1982
Joan Anderson Growe
Secretary of State

Steven C. Cross
Revisor of Statutes

John C. Fuller
Deputy Assistant Revisor
Phone: 296-0955
Date: December 6, 1982

APPROVED AS TO LEGALITY
December 13, 1982
WARREN SPANNAUS, ATTORNEY GENERAL
BY
SPECIAL ASSISTANT ATTORNEY GENERAL

Rules as Proposed (all new material)

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D. Significant employment. "Significant employment" means one percent of the total employment base of a community.

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APPROVED IN THE REVISOR OF STATUTES OFFICE BY:

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B. Data connected to zone. Data in an enterprise zone application must be for all areas most closely corresponding to the proposed enterprise zone area. Data need not be for an area identical to the proposed area of the enterprise zone but should be for an area as closely identical as reasonably possible.

C. Statistical sources; economic hardship area. Statistical sources to be used in determining whether an area is an economic hardship area will be those approved by the state demographer.

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B. a brief summary of the area's economic situation based on an analysis of data for the area and surrounding region related, for example, to employment income, labor force composition, unemployment, housing, and land use;

C. some conclusions and judgments about the area's potential for economic development, for example, development of under-utilized resources and ways to overcome any barriers to development; and

D. an identification of realistic actions that the governing body wants to initiate to spur economic growth. Each action identified should address six items: what the action is, its purpose, when action will be initiated, when it will be completed, who is going to complete it, and how it will be completed.

APPROVED BY THE REVISOR OF STATUTES

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1. If the commissioner determines that the application is complete and the area eligibile for enterprise zone designation, the governing body shall be notified within 15 days and a copy of the approved application shall be sent to the Department of Revenue.

2. If the commissioner determines that an incomplete application has been submitted, the commissioner shall notify the applicant specifying the deficiencies. The applicant has 30 days from the date of the commissioner's notification to complete the application. In the event the application is then completed in a timely fashion notification shall be as in 1. If the application is not complete within the 30 days, the application shall be rejected and not further considered during that application receipt period.

APPROVED IN THE REVISOR OF STATUTES OFFICE BY:

OFFICE OF THE REVISOR OF STATUTES

Proposed Rule

Agency: Department of Energy, Planning and Development RD235

Division:

Agency Contact: Dana Young

Rule Numbers: 4 MCAR SS 2.501-2.508

Title: Proposed Rules Governing Enterprise Zone Designations

Type of Rules: Permanent

Incorporations by Reference:

Rule Number:	Material Incorporated:
4 MCAR S 2.502	Standard Industrial Classification 20-39 contained in the "Minnesota Directory of Manufacturing"

Duplication of Statutory Language: None

Rule Number:	Statutory Section Duplicated:

The attached rules are approved as to form.

Steven C. Cross
Revisor of Statutes

John C. Fuller
Assistant Revisor

Phone: 296-0955

Date: 9/23/82

STATE OF MINNESOTA
DEPARTMENT OF ENERGY, PLANNING AND DEVELOPMENT

IN THE MATTER OF THE PROPOSED
RULES GOVERNING DESIGNATION OF
ENTERPRISE ZONES AND TAX CLASSIFICATION
OF INDUSTRIAL EMPLOYMENT PROPERTY

ORDER
ADOPTING
RULES

Notice of the Commissioner's intent to adopt the above-entitled rules without a public hearing was published in the State Register on the 18th day of October, 1982, and was sent by the United States mail to all persons on the list maintained by the agency pursuant to Minnesota Statutes Section 15.0412, sub-division 4 on October 14, 1982. 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 Governing Designation of Enterprise Zones and Tax Classification of Industrial Employment Property are adopted this 19th day of November, 1982 pursuant to authority vested in me by Minnesota Laws 1982, Ch. 523, Art. VI §2, to be codified as Minnesota Statutes 273.1312, subd. 2.

State of Minnesota

Robert G. Renner, Jr.
Commissioner of Energy, Planning
and Development

All statements of information and comment shall be accepted until June 4, 1982. Any written material received by the State Department of Employee Relations shall become part of the record in the event that the rules are promulgated.

Barbara Sundquist, Commissioner
Department of Employee Relations

Department of Energy, Planning and Development
Development Resources Division

Department of Revenue
Property Equalization Division

Notice of Intent to Solicit Outside Opinions and Information Concerning Rules Governing Designation of Enterprise Zones and Tax Classification of Industrial Employment Property

Notice is hereby given that the State Department of Energy, Planning and Development and the State Department of Revenue are seeking information or opinions from sources outside the agencies in preparing new rules governing "enterprise zones," Minn. Stat. § 273.1312, and tax classification of industrial employment property as defined by Minn. Stat. § 273.1313 (Chapter 523, Article 6, *Laws of Minnesota* 1982) located within these zones. Enterprise zones are areas designated to encourage the location and expansion of job-creating industrial activities. The authority for these rules is contained in Minn. Stat. § 273.1312.

Any person desiring to submit information or comment on the subject of the proposed rules may do so either orally or in writing.

Written and oral comments should be addressed to:

Department of Energy, Planning & Development
Development Resources Division
Attn: Dana Weber-Young
Hanover Building
480 Cedar Street
St. Paul, Minnesota 55101
(612) 296-3976

Department of Revenue
Property Equalization Division
Attn: Michael Wandmacher
Centennial Office Building
658 Cedar Street
St. Paul, Minnesota 55145
(612) 296-5135

All statements of information and comment shall be accepted for 30 days from the date of this notice in the *State Register*. Written material received by this date shall become part of the record in the event that rules are promulgated.

W. Wesley Cochrane, Assistant Commissioner
Energy, Planning & Development

Michael P. Wandmacher
Manager, Education Section
Property Equalization Division
Department of Revenue

Minnesota Pollution Control Agency

Notice of Intent to Solicit Outside Opinion Regarding Review of APC 2, Definitions, Abbreviations, Applicability of Standards, Access to Premises, Variances, Circumvention, Severability

Notice is hereby given that the Minnesota Pollution Control Agency is seeking information and opinions from sources outside the agency regarding the review of the existing rule APC 2, entitled Definitions, Abbreviations, Applicability of Standards, Access to Premises, Variances, Circumvention, Severability. In the review process specific consideration will be given to the incorporation of an opacity adjustment procedure and the new federal stack height regulations. Opinions and information on other aspects of the rule are also requested.

Department of Energy, Planning and Development
Development Resources Division

Department of Revenue
Property Equalization Division

NOTICE OF INTENT TO SOLICIT OUTSIDE OPINIONS
AND INFORMATION CONCERNING RULES GOVERNING
DESIGNATION OF ENTERPRISE ZONES AND TAX CLASSIFICATION
OF INDUSTRIAL EMPLOYMENT PROPERTY

Notice is hereby given that the State Department of Energy, Planning and Development and the State Department of Revenue are seeking information or opinions from sources outside the agencies in preparing new rules governing "enterprise zones," Minn. Stat. 273.1312, and tax classification of industrial employment property as defined by Minn. Stat. 273.1313 (Chapter 523, Article 6, Laws of Minnesota 1982) located within these zones. Enterprise zones are areas designated to encourage the location and expansion of job-creating industrial activities. The authority for these rules is contained in Minn. Stat. 273.1312.

Any person desiring to submit information or comment on the subject of the proposed rules may do so either orally or in writing.

Written and oral comments should be addressed to:

Department of Energy, Planning & Development
Development Resources Division
Attn: Dana Weber-Young
Hanover Building
480 Cedar Street
St. Paul, Minnesota 55101
(612) 296-3976

Department of Revenue
Property Equalization Division
Attn: Michael Wandmacher
Centennial Office Building
658 Cedar Street
St. Paul, Minnesota 55145
(612) 296-5135

All statements of information and comment shall be accepted for 30 days from the date of this notice in the State Register. Written material received by this date shall become part of the record in the event that rules are promulgated.

Dated:

W. Wesley Cochrane
Assistant Commissioner
Energy, Planning & Development

Michael D. Wandmacher
Manager, Education Section
Property Equalization Division
Dept. of Revenue

STATE OF MINNESOTA
BUSINESS DEVELOPMENT DIVISION

IN THE MATTER OF THE PROPOSED RULES GOVERNING DESIGNATION OF ENTERPRISE ZONES AND TAX CLASSIFICATION OF INDUSTRIAL EMPLOYMENT PROPERTY

ORDER FOR NOTICE OF INTENT TO ADOPT RULES WITHOUT A PUBLIC HEARING

It is ordered this eighteenth day of October, 1982, 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

Robert G. Renner, Jr.
Commissioner

DEPARTMENT OF ENERGY, PLANNING AND DEVELOPMENT
BUSINESS DEVELOPMENT DIVISION

PROPOSED RULES GOVERNING DESIGNATION OF ENTERPRISE ZONES

Notice of intent to adopt rules without a public hearing

Notice is hereby given that the State of Minnesota, Department of Energy, Planning and Development proposes to adopt the above entitled rules without a public hearing. The commissioner 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 Minnesota Statute 15.0412, subdivision 4h (1980).

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

Unless 7 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 Minnesota Statute 15.0412, subdivision 4 - 4f.

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

Business Development Division
Attn: Dana Weber Young
Department of Energy, Planning and Development
480 Cedar Street - Room 100
St. Paul, Minnesota 55101 (612) 296-3976

Authority for adoption of these rules is contained in Minnesota Statute Chapter 523, Article 6, Laws of Minnesota, 1982. (Minnesota Statute 273.1312). Additionally, a statement of need and reasonableness that

describes the need for and reasonableness of each provision of the proposed rules and identifies the data and information relied upon to support the proposed rules has been prepared and is available from Dana Weber Young, at the above listed address 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 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 this material to the Attorney General, or who wish to receive a copy of the final rules as proposed for adoption, should submit a written statement of such request to Dana Weber Young, at the above listed address.

The rules proposed for adoption relate to the following matters; purpose, definitions, application cycle, application for enterprise zone designation, action plans to promote economic development, determination of enterprise zone site and application procedures.

Copies of this notice and the proposed rules are available and may be obtained from Dana Weber Young, either in writing or by telephone.

September 24, 1982

Robert Renner
Commissioner

Robert L. Renner

IN THE MATTER OF THE PROPOSED RULES
GOVERNING DESIGNATION OF ENTERPRISE
ZONES AND TAX CLASSIFICATION OF
INDUSTRIAL EMPLOYMENT PROPERTY

AFFADAVIT OF MAILING

STATE OF MINNESOTA
COUNTY OF RAMSEY

Linda Koerner, being duly sworn, deposes and says:

That on the 13th day of October, 1982, at the City of St. Paul, County of Ramsey, State of Minnesota, she served the attached Notice of Intent to Adopt Rules Without a 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 Division of Business Development for the purpose of receiving notice of the proposed adoption of rules by this Notice of Intent to Adopt Without a Public Hearing.



Linda Koerner
Development Resources Division

Subscribed and sworn to
before me this 14th day of
October, 1982.

Madeline Harris

STATE OF MINNESOTA
COUNTY OF RAMSEY

CERTIFICATE

IN THE MATTER OF THE PROPOSED
RULES GOVERNING DESIGNATION OF
ENTERPRISE ZONES AND TAX CLASSIFICATION
OF INDUSTRIAL EMPLOYMENT PROPERTY

I hereby certify that the list of persons, associations and other interested groups who have requested, pursuant to Minnesota Statutes 15.0412, subd. 4. that their names be placed on file with and maintained by the Division of Business Development, Department of Energy, Planning and Development for the purpose of receiving notice of the proposed adoption of rules by this Notice of Intent to Adopt Rules without a Public Hearing is accurate and complete as of 4:30 p.m. this 13th day of October, 1982.

Dana Weber Young

Dana Weber Young, Director
Development Resources Division
Business Development Division
Dept. Energy, Planning and Development

specified task to be performed by the institute, grant probationary status, revoke accredited status, reinstate accredited status, defer action, or deny accredited status if the institute does not meet the requirements in B.

B. Requirements.

1. The division of vocational-technical education shall use evaluations conducted pursuant to 5 MCAR § 1.0073 to recommend a status to the State Board for Vocational Education.

2. To obtain accredited status, an institute shall:

a. secure program approval pursuant to 5 MCAR § 1.0071 and 5 MCAR § 1.0102;

b. secure specialized department and class approval pursuant to 5 MCAR § 1.0061;

c. maintain a local advisory committee pursuant to 5 MCAR § 1.0075, even if an institute does not receive federal assistance;

d. upon request by a student, give a copy of the student's transcript to the student;

e. not make, directly or indirectly, any statement or representation, oral, written, or visual, in connection with offering or publicizing a course if the institute or its agent knows or should know the statement or representation is false, fraudulent, deceptive, substantially inaccurate, or misleading; and

f. comply with the requirements about refunds set forth in Minnesota Statutes, section 124.565.

3. The recommendation of the division shall be reviewed at a meeting of the board. An institute shall be given the opportunity to present objections it may have to the recommendation. The board shall make a written final decision.

5 MCAR § 1.01032 Complaint procedures.

A. Local review. A student, parent of a student, staff member, or any other interested person may submit a complaint related to an area vocational-technical institute. The complaint must be submitted in writing to the director of the area vocational-technical institute within one year of the event. The institute and school board shall provide procedures for prompt response to a grievance.

B. Review by state board. Upon request by the complainant, the State Board for Vocational Education shall review a complaint which the commissioner of education determines is about institutional or program quality, as the qualities are related to 5 MCAR § 1.01031. The request of the complainant must be submitted to the commissioner within 15 days of completing the procedures in A. The commissioner shall forward qualifying complaints to the state board. The state board shall place the complaint on the agenda of its next regularly scheduled meeting and review it at that meeting. The complainant and school board shall be given an opportunity to be heard. The state board shall make a written final decision containing findings and conclusions. If the commissioner determines the complaint is not about institutional or program quality, as the qualities are related to 5 MCAR § 1.01031, the commissioner shall notify the complainant that no action will be taken.

Department of Energy, Planning and Development Business Development Division

Proposed Rules Governing Designation of Enterprise Zones

Notice of Intent to Adopt Rules without a Public Hearing

Notice is hereby given that the State of Minnesota, Department of Energy, Planning and Development proposes to adopt the above entitled rules without a public hearing. The commissioner 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 Minnesota Statute 15.0412, subdivision 4h (1980).

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

Unless 7 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 Minnesota Statute 15.0412, subdivision 4-4f.

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

Business Development Division
Attn: Dana Weber Young
Department of Energy, Planning and Development
480 Cedar Street—Room 100
St. Paul, Minnesota 55101 (612) 296-3976

Authority for adoption of these rules is contained in Minnesota Statute Chapter 523, Article 6, *Laws of Minnesota*, 1982. (Minnesota Statute § 273.1312). Additionally, a statement of need and reasonableness that describes the need for and reasonableness of each provision of the proposed rules and identifies the data and information relied upon to support the proposed rules has been prepared and is available from Dana Weber Young, at the above listed address 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 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 this material to the Attorney General, or who wish to receive a copy of the final rules as proposed for adoption, should submit a written statement of such request to Dana Weber Young, at the above listed address.

The rules proposed for adoption relate to the following matters: purpose, definitions, application cycle, application for enterprise zone designation, action plans to promote economic development, determination of enterprise zone sites and application procedures.

Copies of this notice and the proposed rules are available and may be obtained from Dana Weber Young, either in writing or by telephone.

September 24, 1982

Robert Renner
Commissioner

Rules as Proposed (all new material)

4 MCAR § 2.501 Purpose. 4 MCAR §§ 2.501-2.508 are promulgated pursuant to Laws of Minnesota 1982, chapter 523, article VI, section 2 to implement and make specific the provisions of Laws of Minnesota 1982, chapter 523, article VI and relate to the designation of enterprise zones.

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B. Data source. "Data source" means the most recent federal decennial census data unless otherwise provided.

C. Recently experienced. "Recently experienced" means within the last five years.

D. Significant employment. "Significant employment" means one percent of the total employment base of a community.

E. Manufacturing. "Manufacturing" includes activities in standard industrial classification codes 20-39 contained in the "Minnesota Directory of Manufacturing."

4 MCAR § 2.503 Application cycle.

Applications will be accepted from July 1983 through March 1984 for the initial year of receiving applications. After the initial year applications from governing bodies for enterprise zone designation will be accepted during the first quarter of each calendar year.

4 MCAR § 2.504 Application for enterprise zone designation.

The commissioner shall prepare uniform application forms for use by governing bodies setting forth the information necessary for the determination of eligibility as an enterprise zone.

4 MCAR § 2.505 Information in enterprise zone designation applications.

A. Statutory information. An application must demonstrate that the proposed enterprise zone complies with statutory requirements to be designated an enterprise zone.

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.

B. Data connected to zone. Data in an enterprise zone application must be for all areas most closely corresponding to the proposed enterprise zone area. Data need not be for an area identical to the proposed area of the enterprise zone but should be for an area as closely identical as reasonably possible.

C. Statistical sources; economic hardship area. Statistical sources to be used in determining whether an area is an economic hardship area will be those approved by the state demographer.

D. Population statistics. The most recent federal census or estimates by the state demographer or the metropolitan council may be used for population data.

4 MCAR § 2.506 Action plans.

An action plan to promote economic development must be designated and passed on by resolution by the governing body. The action plan should be between three and five pages in length. An action plan shall contain:

A. a brief description of the organization of the governing body designated in charge of developing and implementing the action plan;

B. a brief summary of the area's economic situation based on an analysis of data for the area and surrounding region related, for example, to employment income, labor force composition, unemployment, housing, and land use;

C. some conclusions and judgments about the area's potential for economic development, for example, development of under-utilized resources and ways to overcome any barriers to development; and

D. an identification of realistic actions that the governing body wants to initiate to spur economic growth. Each action identified should address six items: what the action is, its purpose, when action will be initiated, when it will be completed, who is going to complete it, and how it will be completed.

4 MCAR § 2.507 Determination of enterprise zone size.

A governing body may apply for more than one enterprise zone designation but no land area may be part of more than one enterprise zone.

4 MCAR § 2.508 Application procedures.

A. Submission of application. The governing body shall submit to the commissioner three copies of the completed application upon the forms and in the format designated by the commissioner.

B. Review by the commissioner. The commissioner has 30 days from the date of its receipt to approve or disapprove an application.

C. Notification of determination. The commissioner shall notify the governing body of a determination as follows:

1. If the commissioner determines that the application is complete and the area eligible for enterprise zone designation, the governing body shall be notified within 15 days and a copy of the approved application shall be sent to the Department of Revenue.

2. If the commissioner determines that an incomplete application has been submitted, the commissioner shall notify the applicant specifying the deficiencies. The applicant has 30 days from the date of the commissioner's notification to complete the application. In the event the application is then completed in a timely fashion notification shall be as in 1. If the application is not complete within the 30 days, the application shall be rejected and not further considered during that application receipt period.

STATE OF MINNESOTA
COUNTY OF RAMSEY

BEFORE THE MINNESOTA
COMMISSIONER OF ENERGY,
PLANNING AND DEVELOPMENT

IN THE MATTER OS A PROPOSED RULE
RELATED TO THE DESIGNATION OF
ENTERPRISE ZONES

STATEMENT OF NEED
AND REASONABLENESS

The Minnesota Commissioner of Energy, Planning and Development (hereinafter "Commissioner") pursuant to Minnesota Stat. 15.0412, subdivision 4 (1978), hereby affirmatively presents facts establishing the need for and reasonableness of the above captioned proposed rule. Terms used throughout this statement will have the definitions given them in proposed rule 4 MCAR 2.501.

1. STATUTORY AUTHORITY AND NEED FOR PROMULGATION OF 4 MCAR 2.501 - 2.508

Minnesota Stat. 273.1312 authorizes the Commissioner to designate areas as enterprise zones. A zone is so designated, according to Minnesota Stat. 273-1312 sub. 2 if an application is made in the appropriate form and manner, has been approved by the governing body of the area, and is determined to be eligible.

These enterprise zones will constitute a resource that will encourage the location and development of new business and the expansion of existing business. The purpose of these zones is to encourage the business growth to occur in areas experiencing extreme economic difficulties due to high level of poverty and unemployment, population erosion and infrastructure decay.

The proposed rule identifies, as required by Minnesota Stat. 273.1213, sub. 4, "the eligibility requirements" to be met in the designation of enterprise zones.

The Commissioner published in the State Register pursuant to Minnesota Stat. 15.0412, sub. 6, a Notice of Intent to Solicit Outside Opinions concerning this rule, 6 S.R. 54 (May 24, 1982). A copy is attached hereto as Appendix A and made a part hereof. No written comments were received in response to this Notice.

In addition, the Commissioner, on October 13, 1982 also distributed the initial proposed rule by mail to interested parties, including state agencies, and other agencies and parties concerned with economic development issues. Written comments that are received as a result of this mailing will be submitted in the record as separate items.

II. REASONABLENESS OF PROPOSED RULE.

4 MCAR 2.502 Definition.

A. Applicability. The definitions in this section provide common terminology and meaning for terms used in discussing and understanding the substantive provisions of this proposed rule.

B. Sub-section A is statutory definitions, referenced for ease of identification.

C. Data Source is defined here to identify the most recent federal decennial census as the source of information when addressing eligibility requirements. This section is added to the rules for purposes of establishing a common data base for all applicants to use.

D. Recently experienced is defined to reference the time that has eloped since a community has experienced a federal installation closing as stated in Minnesota Stat. 273.1314 subd. 4.5a. It is defined as five years so the immediate impact of such action can be adequately addressed and not be mitigated by an environment that

has change due to the passing of substantial time.

E. Manufacturing is defined here by the generally accepted industry definition (Minn. Stat. 273.1312 subd. 4). This section is added to the rules for the purpose of establishing a measurable statistic that is applicable to any applicant.

4 MCAR 2.503 Application Cycle.

A. Time frame. This section provides for a party submitting an application for enterprise zone designation to do so during the first quarter of each calender year. It is necessary and reasonable to limit submission of applications to the first calendar quarter in order to meet the time frame necessary for appropriate tax classification of property within the zone once it has been so designated (Minn. Stat. 273.1313).

4 MCAR 2.504 Application for enterprise zone designation

A. Request. This section provides for a party requesting enterprise zone designation to submit a formal request on uniform application forms prescribed by the commissioner. It is necessary for the request to be directed to the commissioner since he is charged by statute with authority to designate. Further, it is reasonable to direct it to the commissioner since he serves as head of the agency that maintains the data needed to meet the eligibility requirements. This results in case of verification.

It is necessary and reasonable that the request be in a form prescribed by the commissioner so that the commissioner can have such information from the party requesting the zone designation as will be necessary to identify that all eligibility requirements have been met. Since the information to be presented by any requesting party is the same, it is reasonable that the request be

presented in a uniform format for ease of verification and expedience in evaluation.

4 MCAR 2.505 Information on enterprise zone designation applications.

A. Authorization. This section is included in order to provide additional information on how data is defined. It is included for purposes of clarity and to ensure that a common data base is used by all applicants. The common data base is to ensure that all interested parties have access to adequate and sufficient information when determining program eligibility.

4 MCAR 2.506 Action Plans.

A. Authorization. This section is included in order to provide information regarding necessary components of an action plan. Although this section is repetitive of statutory language, it is included for purposes of clarity.

B. Effect upon participants. This section provides that format of the action plan is flexible and able to meet the specific and unique circumstances and environment of each applicant. The applicants may chose any number of factors and issues to describe their economic condition. The parameters of the action plan should serve as a planning aid; it is not intended to lock businesses into an inflexible structure. The limit on length is necessary and reasonable to insure the task does not become an unreasonable burden to the applicant. Since the purpose of the action plan is to help communities develop a strategy that will result in economic development, by providing information and clarifying issues, it is reasonable to identify broad issues that would be valuable and appropriate without setting exclusive standards that would define an action plan.

4 MCAR 2.507 Determination of enterprise zone size.

A. Authorization. This section is included to clarify for applicants that the statute does not limit the number of zone determinations per applicant.

B. Effect upon participants. The intent of the legislation is to provide an incentive for business development to occur in specific areas of extreme economic hardship. It is therefore necessary and reasonable to restrict the usage of "poverty pockets" to one area. This helps ensure development will take place where intended and that applicants will not manipulate data to receive zone designation but promote development in areas significantly distanced from the hardship area.

4 MCAR 2.508 Application procedures

A. Submission of application. This section is included to specify the number of copies of application to be submitted. Although this section is repetitive of statutory language, it is included for purpose of clarity.

B. Review. This section provides for the commissioner to approve or disapprove applications within thirty days of their receipt. This time frame is necessary in order for actions relating to tax certification of property (Minn. Stat. 273.1313) be completed by the October deadline.

C. Notification of Determination. This section provides for notification of the designation and transmittal of the designation to the Department of Revenue (Minn. Stat. 273.1313) and an extension of 30 day time limit for resubmission of any missing data necessary for determining eligibility. It is reasonable to provide a procedure for notifying an applicant of an incomplete application

and allow a time limit for resubmission of a completed application. It is necessary to limit the resubmission of an application to 30 days and then require the application to be held until the next application cycle in order for approved zones to adhere to time limits structured by Minnesota Statute 273.1313.

STATE OF MINNESOTA
DEPARTMENT OF ENERGY, PLANNING & DEVELOPMENT
OFFICE OF THE COMMISSIONER

Robert G. Renner

Robert G. Renner, Jr.

STATE OF MINNESOTA
DEPARTMENT OF ENERGY, PLANNING AND DEVELOPMENT

IN THE MATTER OF THE PROPOSED
RULES OF GOVERNING DESIGNATION OF
ENTERPRISE ZONES AND TAX CLASSIFICATION
OF INDUSTRIAL EMPLOYMENT PROPERTY

STATEMENT OF
COMPLIANCE WITH
RULEMAKING PROCEDURES

I, Christie Eller, Special Assistant Attorney General, do hereby declare that I have examined the rules and all related documents and that, based upon 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.

Christie B. Eller

Christie Eller
Special Assistant Attorney General

Dated: November 24, 1982