

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

Our File No. 488 TEMPORARY

RULE REVIEW CHECKLIST

12/20 Jerry Heil requested to provide FofF. rec'd 12/21

Resubmission

DATE RULE RECEIVED 12-15-83 1/17/84 Adopted w/a hearing _____
DATE FOR REVIEW _____ Adopted w/o hearing _____
DATE DUE 12-22-83 1/24/84 Temporary rule ↘ _____

Approved 1-23-84 mjc Disapproved _____ Returned to Agency _____

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

Date filed w/Secretary of State _____ Revisor approved 1/19/84 disapproved _____

✓ Rule as Adopted

✓ Rule as Proposed

✓ Order Adopting 12.15.83 Date Order Re Adopting 1.17.84

✓ Notice of Intent to Solicit Outside Opinion SR. 7.11.83.

✓ Order for rulemaking
N/A date of Hearing

N/A Certificate of Board's Authorizing Resolution

✓ Notice of rulemaking
✓ Sufficiency

✓ Affidavit of Mailing Notice or rulemaking
10.14.83 At least ~~30~~ 20 days prior to ~~hearing~~/adoption

✓ Mailing list Certificate

✓ Publication in State Register
10.17.83 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

✓ Agency's Findings of Fact

N/A LCRAR Report or agency Affidavit

Certificate of Board's Resolution Adopting Rules

Order Approving Incorporation by Reference

Statement of Need and Reasonableness

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

SF-00006-02

STATE OF MINNESOTA

Office Memorandum

DEPARTMENT OF AGRICULTURE

TO : Judith Wehrwein
Administration - Finance Division
Office of the Attorney General

DATE: 1/16/84

FROM : Gerald Heil, Director GH
Planning Division

PHONE: 296-1486

SUBJECT: Resubmission of Adopted Temporary Rules Governing Administration of Agricultural Development Grants (3 MCAR SS 1.4060-1.4070)

Resubmission 1-17-84

The Department has re-adopted the above-mentioned temporary rules, having incorporated the changes recommended by your office and outlined in your memorandum of December 22, 1983.

Four copies of the revised rules and a new Order Adopting the Temporary Rules are enclosed. We understand that your office will submit one copy of these proposed temporary rules to the Revisor's Office for approval as to form.

If you have any questions, please contact me.

GH:dw

Attachments

cc: Craig Lindeke, Office of Revisor of Statutes
Jim Nichols, Commissioner
Rollin Dennistoun, Ph.D., Deputy Commissioner
Anne Kanten, Assistant Commissioner
Bill Dietrich, Assistant Commissioner
Darryl Anderson, Assistant Commissioner
Sue Halverson, Special Assistant Attorney General
Martha J. Casserly, Special Assistant Attorney General

RECEIVED
JAN 17 1984
ATTORNEY GENERAL
ADMINISTRATIVE AGENCIES

PLANNING DIVISION
DEPARTMENT OF AGRICULTURE
TEMPORARY AGRICULTURAL
DEVELOPMENT GRANT RULES

ATTACHMENT A

LIST OF ENCLOSED DOCUMENTS

A. Temporary Rules as Adopted (original and three copies). Each copy reflects amendments, if any, made in the rules since original publication.

B. Order Adopting the Temporary Rule (two copies).

C. Order for Publication of Temporary Rule (one copy).

D. Affidavit of Mailing Notice of Intent to Adopt Temporary Rules (one copy).

E. Mailing List Certificate (one copy).

F. Temporary Rule as Proposed (one copy).

G. Certificate of Compliance with Rulemaking Procedures (one copy).

SF-00006-02

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL - Admin.

Office Memorandum

TO : JIM NICHOLS, Commissioner of Agriculture DATE: 12/22/83

Attn: SUE HALVERSON, Special Assistant Attorney General

FROM : MARTHA J, CASSERLY PHONE: 296-4692
Special Assistant
Attorney General

SUBJECT: In the Matter of the Adoption of Temporary Rules of the Department of Agriculture Governing the Administration of Agricultural Development Grants (3 MCAR §§ 1.4060-1.4070).

The rules as described above have not been approved by this office for the following reasons:

1. 3 MCAR § 1.4067 provides that the Commissioner may grant an extension to the grant contract for up to six months. This rule fails to provide any criteria or standard under which a contract extension will be granted. As written, the rule gives the commissioner unlimited discretion in determining under what circumstances he will extend a contract. Such unbridled discretion results in grantees not knowing how and when they may qualify for the extension. The rule, therefore, fails to make the law specific as required by Minn. Stat. § 14.02, subd. 4.

To correct this defect, the rule must set forth some criteria or standards under which an extension will be granted.

2. 3 MCAR § 1.4067D provides that if the grantee is not in compliance with the terms of the contract, the commissioner may "unilaterally modify the terms of the grant contract." This rule also gives the commissioner impermissible discretion in failing to specify which terms whould be modified, how they would be modified, or the objectives of the modifications.

To correct this defect, either this option "may unilaterally modify the terms of the grant contract," must be deleted or the rule must be amended.

3. 3 MCAR § 1.4070 provides that the commissioner may "unilaterally modify the terms of the contract" upon misrepresentation by an applicant or grantee. This rule is defective for the reasons stated in number 2 above.

After consideration of the above comments and agency action, if any, these rules may be resubmitted for our review. Upon resubmission, please include a new or supplemental Order Adopting and an original plus three copies of the new Rules as Adopted. Also, please include a memorandum specifying that the rules are being resubmitted so that we may obtain our initial file in this matter.

If you have any questions concerning the issues raised in this memorandum, please do not hesitate to call me.

MJC/ls

cc: Gerald Heil
Duane Harves
Kathy Burek
Paul Marinac

SF-00006-02

STATE OF MINNESOTA

Office Memorandum

DEPARTMENT OF AGRICULTURE

TO : Judith Wehrwein
Administration - Finance Division
Office of the Attorney General

DATE: 12/14/83

FROM : Gerald Heil, Director GFH
Planning Division

PHONE: 296-1486

RECEIVED
DEC 15 1983
ATTORNEY GENERAL
ADMINISTRATIVE AGENCIES

SUBJECT: Review of Adopted Temporary Rules Governing Administration of Agricultural Development Grants (3 MCAR SS 1.4060-1.4070)

The Department has adopted the above-mentioned temporary rules pursuant to Minnesota Statutes sections 14.29-14.36, including amendments contained in Laws of Minnesota 1983, chapter 210. The rules are being sent to your office for review and approval, as required by Minnesota Statutes section 14.32.

Accompanying this memorandum you will find the documents which are required to be submitted for your review. A list of the documents is attached.

No written comments were received by the Department during the solicitation of outside opinion period or during the public comment period. The Temporary Rules as Adopted have been modified from the proposed temporary rules published in the State Register on October 17, 1983.

It is our understanding that your office will submit one copy of these proposed temporary rules to the Revisor's Office for approval as to form, in accordance with Laws of Minnesota 1983, chapter 210, section 2.

If you have any questions, please call me.

GH:dw

Attachments

cc: Craig Lindeke, Office of Revisor of Statutes
Jim Nichols, Commissioner
Rollin Dennistoun, Ph.D., Deputy Commissioner
Anne Kanten, Assistant Commissioner
Bill Dietrich, Assistant Commissioner
Darryl Anderson, Assistant Commissioner
Sue Halverson, Special Assistant Attorney General

SF-00006-02

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO JIM NICHOLS, COMMISSIONER OF AGRICULTURE
Attn: SUE HALVERSON, Special Assistant

DATE: 01/23/84

FROM MARTHA J. CASSERLY
Special Assistant
Attorney General

PHONE: 296-4692

SUBJECT: In the Matter of the Proposed Adoption of Temporary Rules of the Department of Agriculture Governing Administration of Agricultural Development Grants (3 MCAR SS 1.4060-1.4070)

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.

cc: Ms. Kathy Burek
Mr. Duane Harves

MJC/ap

AG copy

Department of Agriculture

Office of the Commissioner

Adopted Temporary Rules Governing Administration of Agricultural Development Grants

Temporary Rules as Adopted

3 MCAR S 1.4060 [Temporary] Purpose and authority.

Rules 3 MCAR SS 1.4060-1.4070 [Temporary] are prescribed by the commissioner to provide for the administration of agricultural development grants pursuant to Laws of Minnesota 1983, chapter 293, section 29, subdivision 2.

3 MCAR S 1.4061 [Temporary] Definitions.

A. Scope. For the purpose of 3 MCAR SS 1.4060-1.4070 [Temporary], the terms defined in B.-J. have the meanings given them.

B. Advisory group. "Advisory group" means the ad hoc committee which may be selected by the commissioner pursuant to Laws of Minnesota 1983, chapter 293, section 29, subdivision 4 to assist in the evaluation of grant requests.

C. Agricultural products. "Agricultural products" means animal and animal products, dairy products, poultry or poultry products, fish, fruit, vegetables, horticultural crops, wood products, grain, bees, and apiary products grown, raised, produced, fed, or processed within the state of Minnesota for use as food, feed, seed, or any industrial, ornamental, or chemurgic purpose.

D. Commissioner. "Commissioner" means the commissioner of agriculture or the commissioner's designee.

E. Contract. "Contract" means an agreement between the commissioner and a grantee setting forth the terms of the grant.

F. Department. "Department" means the department of agriculture.

G. Fiscal year. "Fiscal year" means the period from July 1 of one year through June 30 of the following year.

H. Grant. "Grant" means an agricultural development grant authorized by Laws of Minnesota 1983, chapter 293, sections 5 and 29.

I. Grantee. "Grantee" means an applicant that has been awarded a grant under the program governed by 3 MCAR SS 1.4060-1.4070 [Temporary].

J. Termination date. "Termination date" means the ending date of a grant awarded under the program governed by 3 MCAR SS 1.4060-1.4070 [Temporary].

3 MCAR S 1.4062 [Temporary] General terms and conditions of grants.

A. Grant ratio. A grant made by the commissioner may not exceed 75 percent of the total cost of the grant project. The grantee must contribute ~~in cash~~ at least ~~12.5~~ 25 percent of the total project cost~~, and the remaining portion of the grantee's contribution may be~~ in the form of cash or contributed goods and services.

B. Duration of grant. A grant will ordinarily be made for 12 months or less. Applications will be accepted for projects of longer duration, but grant funds will be committed for only 12 months. For projects extending beyond 12 months, a new application must be submitted and approved in accordance with 3 MCAR SS 1.4060-1.4070 [Temporary] prior to the commitment of additional grant funds.

C. Amount of assistance. An applicant may submit more than one grant application in a fiscal year. The grant amount for any project may not exceed $70,000. The total of all grants to the same grantee may not exceed $70,000 for the biennium.

D. Application deadline. ~~For the fiscal year ending June 30, 1984,~~ The commissioner shall establish an application deadline ~~is 60 days after the effective date of 3 MCAR SS 1.4060-1.4070 [Temporary]. Thereafter, the application deadline is 90 days preceding the start of the~~ for each fiscal year. ~~Based on availability of funds, the commissioner may accept grant applications at other times during the fiscal year~~ and publish notice of the deadline in the State Register.

3 MCAR S 1.4063 [Temporary] Eligible projects and applicants.

A. Eligible projects. A proposed project is eligible for a grant if it will expand, improve, or develop markets for the products of Minnesota agriculture through one of the following:

1. advertising Minnesota agricultural products;

2. assisting state agricultural commodity organizations desiring to sell their agricultural products in national and international markets;

3. developing methods to increase the processing and marketing of agricultural commodities including commodities not being produced in Minnesota on a commercial scale, but which may have economic potential in national and international markets;

4. investigating and identifying new marketing technology and methods to enhance the competitive position of Minnesota agricultural products;

5. evaluating livestock marketing opportunities;

6. assessing and developing national and international markets for Minnesota agricultural products;

7. studying the conversion of raw agricultural products to manufactured products including ethanol;

8. hosting the visits of foreign trade teams to Minnesota and defraying the teams' expenses;

9. assisting Minnesota agricultural businesses desiring to sell their products in national and international markets; and

10. other activities the commissioner deems reasonably related to promoting Minnesota agricultural products in national and international markets.

B. Eligible applicants. In its application, the applicant must demonstrate that it has the capability to meet the proposed objectives of the project and the grant contribution requirements.

3 MCAR S 1.4064 [Temporary] Application procedures.

A. Submission of application. An applicant for an agricultural development grant shall submit to the commissioner

an original and five copies of a completed application. Applications must be received by the commissioner by the application deadline.

B. Application content. The application must include the following information:

1. a brief description of the characteristics of the applicant, including the legal name, the federal and state tax identification or social security number, address, and a brief statement of the applicant's organizational structure, history, and interest in the proposed project;

2. the name of the individual or individuals authorized to negotiate and sign contracts, and to receive and report on grant funds;

3. a general statement regarding which of the agricultural promotion activities listed in 3 MCAR S 1.4063 will be pursued, the project's importance to Minnesota agriculture, and the expected impact of the project;

4. a project description that includes the following:

a. a brief but clear statement of project objective or objectives, including an identification of major work tasks. Work tasks must be stated in measurable and quantifiable terms whenever possible;

b. an identification of the primary direct beneficiaries of the project;

c. a statement of the results expected from the project; and

d. suggested criteria for evaluating the success of the project;

5. a statement regarding the anticipated project starting date and completion date;

6. a statement of qualifications of personnel proposed to be assigned to the project;

7. a budget showing total project costs and contributions, as follows:

a. an identification of all sources of contributions and the amounts and types of contributions from each source;

b. an itemization of costs and indication of the source and type of contribution for the following items: personnel, travel, rental of office space or equipment, supplies, printing, postage and telephone, promotional or demonstrational equipment to be purchased, or other costs, and a description of the source and amount of funds for each type of expenditure (either anticipated grant or applicant contribution);

c. the method of accounting and reporting contributions in the form of goods and services;

8. a copy of the latest audit report, financial statement, or other appropriate statement of financial condition of the applicant;

9. a description of how the proposed project will be coordinated with or conducted utilizing other public or private resources engaged in related agricultural promotion activities; and

10. a statement certifying that the applicant will not use agricultural development grant funds to continue existing agricultural promotion activities.

C. Incomplete application. The commissioner shall consider an application when a completed application is received. If an application is incomplete, the commissioner shall notify the applicant specifying the additional information required. The applicant has 20 days from the date on the commissioner's letter to provide the additional information. If there is no response to the commissioner's letter within 20 days, the commissioner shall not consider the application further.

D. Additional information. The commissioner may require the applicant to submit other information reasonably related to a determination of applicant or project eligibility or project feasibility.

3 MCAR S 1.4065 [Temporary] Application review; approval; and notification.

A. Advisory group review. If an advisory group is selected, the advisory group will convene at the call of the commissioner to review applications and will submit their evaluations to the

commissioner.

B. Commissioner's review and determination. The commissioner shall review all applications. The commissioner shall determine whether an application shall be granted, and the amount and terms of the grant. The commissioner will weigh and compare all grant applications in light of the availability of funds.

C. Criteria for approval. The following criteria shall be used by the commissioner in reviewing each grant application.

1. whether the applicant and the project are eligible under 3 MCAR S 1.4063 [Temporary];

2. whether the proposed project is likely to expand, improve, or develop markets for Minnesota agricultural products by means of conducting one or more of the activities stated in 3 MCAR S 1.4063 [Temporary] A.;

3. whether the proposed project is realistic and achievable;

4. whether the successful completion of the proposed project is likely to result in the establishment of permanent businesses, activities, or investments related to agricultural promotion activities;

5. whether the experience or capability of the applicant and existing or proposed staff make likely the successful completion of the project;

6. whether the proposed project is coordinated with or conducted utilizing other public or private resources engaged in related agricultural promotion activities;

7. whether the proposed budget is adequate to accomplish the proposed project;

8. the degree to which similar or related projects by this applicant or other persons have been successful or unsuccessful;

9. whether the applicant appears able to apply generally accepted accounting principles and appears financially qualified for the project; and

10. the applicant's past performance as a grantee under

this program, if applicable.

D. Notification. The commissioner shall notify the applicant in writing of the approval or disapproval of its grant application. If the proposal is approved, the commissioner's letter will inform the grantee of the procedures in 3 MCAR S 1.4066 [Temporary] and state what the grantee is required to do. If the proposal is not approved, the commissioner's letter must state the reasons for nonapproval and inform the applicant when the applicant may reapply.

3 MCAR S 1.4066 [Temporary] Grant administration.

A. Contract. Each grant must be governed by a contract between the department and the grantee. The following terms among others will be specified in the contract:

1. the total amount of the grant and the timing of grant payments;

2. the starting date and the termination date of the contract;

3. dates for submitting progress reports;

4. a list of the eligible costs of the project, in accordance with C.3.; and

5. a statement that the grantee will inform the commissioner of any significant change in implementation of the project, and will obtain prior approval before initiating such change.

B. Rescission of grant. The individual authorized by the grantee must sign and return the contract with all attachments to the commissioner no later than 15 days after the date it receives the contract. If the grantee does not sign and return the contract with all attachments to the commissioner within those 15 days, the commissioner may rescind the grant commitment. The grantee may not begin to spend money under the grant until the contract has been signed by all necessary parties and a fully executed copy has been returned to the grantee.

C. Payments and use of funds.

1. Payments to the grantee will be made according to the

schedule stated in the contract. In all cases, payment of the final ten percent of the grant funds will be made upon the commissioner's receipt and acceptance of the final report required under 3 MCAR S 1.4068 [Temporary] E.

2. Grant funds may not be used for acquisition of land, buildings, general office equipment, and other capital expenditures.

3. Grant funds may be used for the following:

a. employment of personnel to carry out the objectives of the project;

b. consulting services but not consulting fees to develop the proposal submitted to the commissioner;

c. rental of office space or equipment;

d. purchase of supplies;

e. printing or publication services;

f. travel expenses;

g. charges for telephone service;

h. purchase of promotional or demonstrational equipment necessary for the project and specifically identified in the application as a proposed purchase; and

i. services, facilities, or goods specified in the application or the contract.

3 MCAR S 1.4067 [Temporary] Extensions.

The grantee must make a written request for an extension of the contract no later than 60 days prior to the termination date explaining the reasons an extension is needed. The commissioner may grant an extension up to six months if necessary for successful completion of the grant project and realization of grant objectives. As a condition of the contract extension, the commissioner may modify the terms of the contract.

3 MCAR S 1.4068 [Temporary] Monitoring and review.

A. Records. The grantee is required to keep records of all activities undertaken in connection with implementation of the grant proposal. The books, records, documents, and accounting procedures and practices of the grantee related to the grant are

subject to examination by the commissioner. The grantee must give the commissioner access during normal business hours to all these business records related to the project.

B. Progress reports. Grantees must submit progress reports to the commissioner on dates specified in the contract. Each progress report must include a narrative statement of the progress toward project objectives and work tasks, an itemized statement of project funds, including grant funds received and the grantee's contributions, and an itemized statement of project expenditures.

C. On-site visit. The commissioner may conduct on-site visits during the term of the grant to determine what progress has been made to accomplish project objectives and work tasks or if the grantee has been complying with all terms and conditions of the contract.

D. Evaluation. If the commissioner determines through an examination that the grantee has not been complying with the terms of the contract, the commissioner may direct the grantee to adhere to the terms of the contract, may ~~unilaterally~~ modify the terms of the grant contract as necessary to assure that project objectives are met, may terminate the contract, or may seek a legal remedy in a court of competent jurisdiction.

E. Final report. Grantees must return all unexpended grant funds and submit a final written report on their project within 60 days of the termination date of the contract. Grantees may submit additional information in the final report if they desire, but the final report must include the following information:

1. an assessment regarding the completion of project objectives and work tasks as well as the results achieved. To the extent possible, the assessment must be written in measurable and quantifiable terms;

2. an assessment of further work that may be necessary with respect to the objectives of the project, based on the experience gained through implementing the project;

3. an evaluation of the project stating both its

immediate and long-term impact regarding the expansion, improvement, or development of markets for products of Minnesota agriculture; and

4. a complete financial statement accounting for all receipts and expenditures of grant funds and for all the grantee's contributions of money, goods, and services.

3 MCAR S 1.4069 [Temporary] Termination of contract.

The contract will terminate on the termination date specified in the contract unless extended under 3 MCAR S 1.4067 [Temporary] or terminated by the commissioner under 3 MCAR S 1.4070 [Temporary]. Upon termination of the contract at any time, any unused supplies or materials and all unexpended grant funds must immediately be returned to the commissioner.

3 MCAR S 1.4070 [Temporary] Misrepresentation by applicant or grantee.

If any grant application, progress report, or final report contains material false or misleading statements or information, the commissioner may take one or more of the following actions, as appropriate: reject the grant application; conduct an examination of the use of grant funds; ~~unilaterally~~ modify the terms of the grant contract as necessary to assure that project objectives are met; terminate the grant contract; or recover grant funds through available legal remedies.

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
JAN 23 1984 3:00 P.M.
Joan Anderson Growe
Secretary of State

APPROVED AS TO FORM AND LEGALITY
January 23 1984
HUBERT H. HUMPHREY, III
ATTORNEY GENERAL
BY Martha J Cassedy
SPECIAL ASSISTANT ATTORNEY GENERAL

AG copy

Department of Agriculture

Office of the Commissioner

Adopted Temporary Rules Governing Administration of Agricultural Development Grants

Temporary Rules as Adopted

3 MCAR S 1.4060 [Temporary] Purpose and authority.

Rules 3 MCAR SS 1.4060-1.4070 [Temporary] are prescribed by the commissioner to provide for the administration of agricultural development grants pursuant to Laws of Minnesota 1983, chapter 293, section 29, subdivision 2.

3 MCAR S 1.4061 [Temporary] Definitions.

A. Scope. For the purpose of 3 MCAR SS 1.4060-1.4070 [Temporary], the terms defined in B.-J. have the meanings given them.

B. Advisory group. "Advisory group" means the ad hoc committee which may be selected by the commissioner pursuant to Laws of Minnesota 1983, chapter 293, section 29, subdivision 4 to assist in the evaluation of grant requests.

C. Agricultural products. "Agricultural products" means animal and animal products, dairy products, poultry or poultry products, fish, fruit, vegetables, horticultural crops, wood products, grain, bees, and apiary products grown, raised, produced, fed, or processed within the state of Minnesota for use as food, feed, seed, or any industrial, ornamental, or chemurgic purpose.

D. Commissioner. "Commissioner" means the commissioner of agriculture or the commissioner's designee.

E. Contract. "Contract" means an agreement between the commissioner and a grantee setting forth the terms of the grant.

F. Department. "Department" means the department of agriculture.

G. Fiscal year. "Fiscal year" means the period from July 1 of one year through June 30 of the following year.

H. Grant. "Grant" means an agricultural development grant authorized by Laws of Minnesota 1983, chapter 293, sections 5 and 29.

I. Grantee. "Grantee" means an applicant that has been awarded a grant under the program governed by 3 MCAR SS 1.4060-1.4070 [Temporary].

J. Termination date. "Termination date" means the ending date of a grant awarded under the program governed by 3 MCAR SS 1.4060-1.4070 [Temporary].

3 MCAR S 1.4062 [Temporary] General terms and conditions of grants.

A. Grant ratio. A grant made by the commissioner may not exceed 75 percent of the total cost of the grant project. The grantee must contribute ~~in cash~~ at least ~~12.5~~ 25 percent of the total project cost~~, and the remaining portion of the grantee's contribution may be~~ in the form of cash or contributed goods and services.

B. Duration of grant. A grant will ordinarily be made for 12 months or less. Applications will be accepted for projects of longer duration, but grant funds will be committed for only 12 months. For projects extending beyond 12 months, a new application must be submitted and approved in accordance with 3 MCAR SS 1.4060-1.4070 [Temporary] prior to the commitment of additional grant funds.

C. Amount of assistance. An applicant may submit more than one grant application in a fiscal year. The grant amount for any project may not exceed $70,000. The total of all grants to the same grantee may not exceed $70,000 for the biennium.

D. Application deadline. ~~For the fiscal year ending June 30, 1984,~~ The commissioner shall establish an application deadline ~~is 60 days after the effective date of 3 MCAR SS 1.4060-1.4070 [Temporary]. Thereafter, the application deadline is 90 days preceding the start of the~~ for each fiscal year. ~~Based on availability of funds, the commissioner may accept grant applications at other times during the fiscal year~~ and publish notice of the deadline in the State Register.

3 MCAR S 1.4063 [Temporary] Eligible projects and applicants.

A. Eligible projects. A proposed project is eligible for a grant if it will expand, improve, or develop markets for the products of Minnesota agriculture through one of the following:

1. advertising Minnesota agricultural products;

2. assisting state agricultural commodity organizations desiring to sell their agricultural products in national and international markets;

3. developing methods to increase the processing and marketing of agricultural commodities including commodities not being produced in Minnesota on a commercial scale, but which may have economic potential in national and international markets;

4. investigating and identifying new marketing technology and methods to enhance the competitive position of Minnesota agricultural products;

5. evaluating livestock marketing opportunities;

6. assessing and developing national and international markets for Minnesota agricultural products;

7. studying the conversion of raw agricultural products to manufactured products including ethanol;

8. hosting the visits of foreign trade teams to Minnesota and defraying the teams' expenses;

9. assisting Minnesota agricultural businesses desiring to sell their products in national and international markets; and

10. other activities the commissioner deems reasonably related to promoting Minnesota agricultural products in national and international markets.

B. Eligible applicants. In its application, the applicant must demonstrate that it has the capability to meet the proposed objectives of the project and the grant contribution requirements.

3 MCAR S 1.4064 [Temporary] Application procedures.

A. Submission of application. An applicant for an agricultural development grant shall submit to the commissioner

merely repeat statutory language - see my comment

So is anyone ineligible? 4 ds project criteria

an original and five copies of a completed application. Applications must be received by the commissioner by the application deadline.

B. Application content. The application must include the following information:

1. a brief description of the characteristics of the applicant, including the legal name, the federal and state tax identification or social security number, address, and a brief statement of the applicant's organizational structure, history, and interest in the proposed project;

2. the name of the individual or individuals authorized to negotiate and sign contracts, and to receive and report on grant funds;

3. a general statement regarding which of the agricultural promotion activities listed in 3 MCAR S 1.4063 will be pursued, the project's importance to Minnesota agriculture, and the expected impact of the project;

4. a project description that includes the following:

a. a brief but clear statement of project objective or objectives, including an identification of major work tasks. Work tasks must be stated in measurable and quantifiable terms whenever possible;

b. an identification of the primary direct beneficiaries of the project;

c. a statement of the results expected from the project; and

d. suggested criteria for evaluating the success of the project;

5. a statement regarding the anticipated project starting date and completion date;

6. a statement of qualifications of personnel proposed to be assigned to the project;

7. a budget showing total project costs and contributions, as follows:

a. an identification of all sources of contributions and the amounts and types of contributions from each source;

b. an itemization of costs and indication of the source and type of contribution for the following items: personnel, travel, rental of office space or equipment, supplies, printing, postage and telephone, promotional or demonstrational equipment to be purchased, or other costs, and a description of the source and amount of funds for each type of expenditure (either anticipated grant or applicant contribution);

c. the method of accounting and reporting contributions in the form of goods and services;

8. a copy of the latest audit report, financial statement, or other appropriate statement of financial condition of the applicant;

9. a description of how the proposed project will be coordinated with or conducted utilizing other public or private resources engaged in related agricultural promotion activities; and

10. a statement certifying that the applicant will not use agricultural development grant funds to continue existing agricultural promotion activities.

C. Incomplete application. The commissioner shall consider an application when a completed application is received. If an application is incomplete, the commissioner shall notify the applicant specifying the additional information required. The applicant has 20 days from the date on the commissioner's letter to provide the additional information. If there is no response to the commissioner's letter within 20 days, the commissioner shall not consider the application further.

D. Additional information. The commissioner may require the applicant to submit other information reasonably related to a determination of applicant or project eligibility or project feasibility.

3 MCAR S 1.4065 [Temporary] Application review; approval; and notification.

A. Advisory group review. If an advisory group is selected, the advisory group will convene at the call of the commissioner to review applications and will submit their evaluations to the

commissioner.

B. Commissioner's review and determination. The commissioner shall review all applications. The commissioner shall determine whether an application shall be granted, and the amount and terms of the grant. The commissioner will weigh and compare all grant applications in light of the availability of funds.

C. Criteria for approval. The following criteria shall be used by the commissioner in reviewing each grant application.

1. whether the applicant and the project are eligible under 3 MCAR S 1.4063 [Temporary];

2. whether the proposed project is likely to expand, improve, or develop markets for Minnesota agricultural products by means of conducting one or more of the activities stated in 3 MCAR S 1.4063 [Temporary] A.;

3. whether the proposed project is realistic and achievable;

4. whether the successful completion of the proposed project is likely to result in the establishment of permanent businesses, activities, or investments related to agricultural promotion activities;

5. whether the experience or capability of the applicant and existing or proposed staff make likely the successful completion of the project;

6. whether the proposed project is coordinated with or conducted utilizing other public or private resources engaged in related agricultural promotion activities;

7. whether the proposed budget is adequate to accomplish the proposed project;

8. the degree to which similar or related projects by this applicant or other persons have been successful or unsuccessful;

9. whether the applicant appears able to apply generally accepted accounting principles and appears financially qualified for the project; and

10. the applicant's past performance as a grantee under

this program, if applicable.

D. Notification. The commissioner shall notify the applicant in writing of the approval or disapproval of its grant application. If the proposal is approved, the commissioner's letter will inform the grantee of the procedures in 3 MCAR S 1.4066 [Temporary] and state what the grantee is required to do. If the proposal is not approved, the commissioner's letter must state the reasons for nonapproval and inform the applicant when the applicant may reapply.

3 MCAR S 1.4066 [Temporary] Grant administration.

A. Contract. Each grant must be governed by a contract between the department and the grantee. The following terms among others will be specified in the contract:

1. the total amount of the grant and the timing of grant payments;

2. the starting date and the termination date of the contract;

3. dates for submitting progress reports;

4. a list of the eligible costs of the project, in accordance with C.3.; and

5. a statement that the grantee will inform the commissioner of any significant change in implementation of the project, and will obtain prior approval before initiating such change.

B. Rescission of grant. The individual authorized by the grantee must sign and return the contract with all attachments to the commissioner no later than 15 days after the date it receives the contract. If the grantee does not sign and return the contract with all attachments to the commissioner within those 15 days, the commissioner may rescind the grant commitment. The grantee may not begin to spend money under the grant until the contract has been signed by all necessary parties and a fully executed copy has been returned to the grantee.

C. Payments and use of funds.

1. Payments to the grantee will be made according to the

schedule stated in the contract. In all cases, payment of the final ten percent of the grant funds will be made upon the commissioner's receipt and acceptance of the final report required under 3 MCAR S 1.4068 [Temporary] E.

2. Grant funds may not be used for acquisition of land, buildings, general office equipment, and other capital expenditures.

3. Grant funds may be used for the following:

a. employment of personnel to carry out the objectives of the project;

b. consulting services but not consulting fees to develop the proposal submitted to the commissioner;

c. rental of office space or equipment;

d. purchase of supplies;

e. printing or publication services;

f. travel expenses;

g. charges for telephone service;

h. purchase of promotional or demonstrational equipment necessary for the project and specifically identified in the application as a proposed purchase; and

i. services, facilities, or goods specified in the application or the contract.

3 MCAR S 1.4067 [Temporary] Extensions.

The grantee must make a written request for an extension of the contract no later than 60 days prior to the termination date. The commissioner may grant an extension up to six months. As a condition of the contract extension, the commissioner may modify the terms of the contract.

3 MCAR S 1.4068 [Temporary] Monitoring and review.

A. Records. The grantee is required to keep records of all activities undertaken in connection with implementation of the grant proposal. The books, records, documents, and accounting procedures and practices of the grantee related to the grant are subject to examination by the commissioner. The grantee must give the commissioner access during normal business hours to all

these business records related to the project.

B. Progress reports. Grantees must submit progress reports to the commissioner on dates specified in the contract. Each progress report must include a narrative statement of the progress toward project objectives and work tasks, an itemized statement of project funds, including grant funds received and the grantee's contributions, and an itemized statement of project expenditures.

C. On-site visit. The commissioner may conduct on-site visits during the term of the grant to determine what progress has been made to accomplish project objectives and work tasks or if the grantee has been complying with all terms and conditions of the contract.

D. Evaluation. If the commissioner determines through an examination that the grantee has not been complying with the terms of the contract, the commissioner may direct the grantee to adhere to the terms of the contract, may unilaterally modify the terms of the grant contract, may terminate the contract, or may seek a legal remedy in a court of competent jurisdiction.

E. Final report. Grantees must return all unexpended grant funds and submit a final written report on their project within 60 days of the termination date of the contract. Grantees may submit additional information in the final report if they desire, but the final report must include the following information:

1. an assessment regarding the completion of project objectives and work tasks as well as the results achieved. To the extent possible, the assessment must be written in measurable and quantifiable terms;

2. an assessment of further work that may be necessary with respect to the objectives of the project, based on the experience gained through implementing the project;

3. an evaluation of the project stating both its immediate and long-term impact regarding the expansion, improvement, or development of markets for products of Minnesota agriculture; and

4. a complete financial statement accounting for all receipts and expenditures of grant funds and for all the grantee's contributions of money, goods, and services.

3 MCAR S 1.4069 [Temporary] Termination of contract.

The contract will terminate on the termination date specified in the contract unless extended under 3 MCAR S 1.4067 [Temporary] or terminated by the commissioner under 3 MCAR S 1.4070 [Temporary]. Upon termination of the contract at any time, any unused supplies or materials and all unexpended grant funds must immediately be returned to the commissioner.

3 MCAR S 1.4070 [Temporary] Misrepresentation by applicant or grantee.

If any grant application, progress report, or final report contains material false or misleading statements or information, the commissioner may take one or more of the following actions, as appropriate: reject the grant application; conduct an examination of the use of grant funds; unilaterally modify the terms of the grant contract; terminate the grant contract; or recover grant funds through available legal remedies.

Rules as Proposed (all new material)

3 MCAR S 1.4060 [Temporary] Purpose and authority.

Rules 3 MCAR SS 1.4060-1.4070 [Temporary] are prescribed by the commissioner to provide for the administration of agricultural development grants pursuant to Laws of Minnesota 1983, chapter 293, section 29, subdivision 2.

3 MCAR S 1.4061 [Temporary] Definitions.

A. Scope. For the purpose of 3 MCAR SS 1.4060-1.4070 [Temporary], the terms defined in B.-J. have the meanings given them.

B. Advisory group. "Advisory group" means the ad hoc committee which may be selected by the commissioner pursuant to Laws of Minnesota 1983, chapter 293, section 29, subdivision 4 to assist in the evaluation of grant requests.

C. Agricultural products. "Agricultural products" means animal and animal products, dairy products, poultry or poultry products, fish, fruit, vegetables, horticultural crops, wood products, grain, bees, and apiary products grown, raised, produced, fed, or processed within the state of Minnesota for use as food, feed, seed, or any industrial, ornamental, or chemurgic purpose.

D. Commissioner. "Commissioner" means the commissioner of agriculture or the commissioner's designee.

E. Contract. "Contract" means an agreement between the commissioner and a grantee setting forth the terms of the grant.

F. Department. "Department" means the department of agriculture.

G. Fiscal year. "Fiscal year" means the period from July 1 of one year through June 30 of the following year.

H. Grant. "Grant" means an agricultural development grant authorized by Laws of Minnesota 1983, chapter 293, sections 5 and 29.

I. Grantee. "Grantee" means an applicant that has been awarded a grant under the program governed by 3 MCAR SS 1.4060-1.4070 [Temporary].

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J. Termination date. "Termination date" means the ending date of a grant awarded under the program governed by 3 MCAR SS 1.4060-1.4070 [Temporary].

3 MCAR S 1.4062 [Temporary] General terms and conditions of grants.

A. Grant ratio. A grant made by the commissioner may not exceed 75 percent of the total cost of the grant project. The grantee must contribute in cash at least 12.5 percent of the total project cost, and the remaining portion of the grantee's contribution may be in the form of contributed goods and services.

B. Duration of grant. A grant will ordinarily be made for 12 months or less. Applications will be accepted for projects of longer duration, but grant funds will be committed for only 12 months. For projects extending beyond 12 months, a new application must be submitted and approved in accordance with 3 MCAR SS 1.4060-1.4070 [Temporary] prior to the commitment of additional grant funds.

C. Amount of assistance. An applicant may submit more than one grant application in a fiscal year. The grant amount for any project may not exceed $70,000. The total of all grants to the same grantee may not exceed $70,000 for the biennium.

D. Application deadline. For the fiscal year ending June 30, 1984, the application deadline is 60 days after the effective date of 3 MCAR SS 1.4060-1.4070 [Temporary]. Thereafter, the application deadline is 90 days preceding the start of the fiscal year. Based on availability of funds, the commissioner may accept grant applications at other times during the fiscal year.

3 MCAR S 1.4063 [Temporary] Eligible projects and applicants.

A. Eligible projects. A proposed project is eligible for a grant if it will expand, improve, or develop markets for the products of Minnesota agriculture through one of the following:

1. advertising Minnesota agricultural products;

2. assisting state agricultural commodity organizations

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desiring to sell their agricultural products in national and international markets;

3. developing methods to increase the processing and marketing of agricultural commodities including commodities not being produced in Minnesota on a commercial scale, but which may have economic potential in national and international markets;

4. investigating and identifying new marketing technology and methods to enhance the competitive position of Minnesota agricultural products;

5. evaluating livestock marketing opportunities;

6. assessing and developing national and international markets for Minnesota agricultural products;

7. studying the conversion of raw agricultural products to manufactured products including ethanol;

8. hosting the visits of foreign trade teams to Minnesota and defraying the teams' expenses;

9. assisting Minnesota agricultural businesses desiring to sell their products in national and international markets; and

10. other activities the commissioner deems reasonably related to promoting Minnesota agricultural products in national and international markets.

B. Eligible applicants. In its application, the applicant must demonstrate that it has the capability to meet the proposed objectives of the project and the grant contribution requirements.

3 MCAR S 1.4064 [Temporary] Application procedures.

A. Submission of application. An applicant for an agricultural development grant shall submit to the commissioner an original and five copies of a completed application. Applications must be received by the commissioner by the application deadline.

B. Application content. The application must include the following information:

1. a brief description of the characteristics of the applicant, including the legal name, the federal and state tax

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identification or social security number, address, and a brief statement of the applicant's organizational structure, history, and interest in the proposed project;

2. the name of the individual or individuals authorized to negotiate and sign contracts, and to receive and report on grant funds;

3. a general statement regarding which of the agricultural promotion activities listed in 3 MCAR S 1.4063 will be pursued, the project's importance to Minnesota agriculture, and the expected impact of the project;

4. a project description that includes the following:

a. a brief but clear statement of project objective or objectives, including an identification of major work tasks. Work tasks must be stated in measurable and quantifiable terms whenever possible;

b. an identification of the primary direct beneficiaries of the project;

c. a statement of the results expected from the project; and

d. suggested criteria for evaluating the success of the project;

5. a statement regarding the anticipated project starting date and completion date;

6. a statement of qualifications of personnel proposed to be assigned to the project;

7. a budget showing total project costs and contributions, as follows:

a. an identification of all sources of contributions and the amounts and types of contributions from each source;

b. an itemization of costs and indication of the source and type of contribution for the following items: personnel, travel, rental of office space or equipment, supplies, printing, postage and telephone, promotional or demonstrational equipment to be purchased, or other costs, and a description of the source and amount of funds for each type of expenditure (either anticipated grant or applicant contribution);

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c. the method of accounting and reporting contributions in the form of goods and services;

8. a copy of the latest audit report, financial statement, or other appropriate statement of financial condition of the applicant;

9. a description of how the proposed project will be coordinated with or conducted utilizing other public or private resources engaged in related agricultural promotion activities; and

10. a statement certifying that the applicant will not use agricultural development grant funds to continue existing agricultural promotion activities.

C. Incomplete application. The commissioner shall consider an application when a completed application is received. If an application is incomplete, the commissioner shall notify the applicant specifying the additional information required. The applicant has 20 days from the date on the commissioner's letter to provide the additional information. If there is no response to the commissioner's letter within 20 days, the commissioner shall not consider the application further.

D. Additional information. The commissioner may require the applicant to submit other information reasonably related to a determination of applicant or project eligibility or project feasibility.

3 MCAR S 1.4065 [Temporary] Application review; approval; and notification.

A. Advisory group review. If an advisory group is selected, the advisory group will convene at the call of the commissioner to review applications and will submit their evaluations to the commissioner.

B. Commissioner's review and determination. The commissioner shall review all applications. The commissioner shall determine whether an application shall be granted, and the amount and terms of the grant. The commissioner will weigh and compare all grant applications in light of the availability of funds.

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C. Criteria for approval. The following criteria shall be used by the commissioner in reviewing each grant application.

1. whether the applicant and the project are eligible under 3 MCAR S 1.4063 [Temporary];

2. whether the proposed project is likely to expand, improve, or develop markets for Minnesota agricultural products by means of conducting one or more of the activities stated in 3 MCAR S 1.4063 [Temporary] A.;

3. whether the proposed project is realistic and achievable;

4. whether the successful completion of the proposed project is likely to result in the establishment of permanent businesses, activities, or investments related to agricultural promotion activities;

5. whether the experience or capability of the applicant and existing or proposed staff make likely the successful completion of the project;

6. whether the proposed project is coordinated with or conducted utilizing other public or private resources engaged in related agricultural promotion activities;

7. whether the proposed budget is adequate to accomplish the proposed project;

8. the degree to which similar or related projects by this applicant or other persons have been successful or unsuccessful;

9. whether the applicant appears able to apply generally accepted accounting principles and appears financially qualified for the project; and

10. the applicant's past performance as a grantee under this program, if applicable.

D. Notification. The commissioner shall notify the applicant in writing of the approval or disapproval of its grant application. If the proposal is approved, the commissioner's letter will inform the grantee of the procedures in 3 MCAR S 1.4066 [Temporary] and state what the grantee is required to do. If the proposal is not approved, the commissioner's letter

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must state the reasons for nonapproval and inform the applicant when the applicant may reapply.

3 MCAR S 1.4066 [Temporary] Grant administration.

A. Contract. Each grant must be governed by a contract between the department and the grantee. The following terms among others will be specified in the contract:

1. the total amount of the grant and the timing of grant payments;

2. the starting date and the termination date of the contract;

3. dates for submitting progress reports;

4. a list of the eligible costs of the project, in accordance with C.3.; and

5. a statement that the grantee will inform the commissioner of any significant change in implementation of the project, and will obtain prior approval before initiating such change.

B. Rescission of grant. The individual authorized by the grantee must sign and return the contract with all attachments to the commissioner no later than 15 days after the date it receives the contract. If the grantee does not sign and return the contract with all attachments to the commissioner within those 15 days, the commissioner may rescind the grant commitment. The grantee may not begin to spend money under the grant until the contract has been signed by all necessary parties and a fully executed copy has been returned to the grantee.

C. Payments and use of funds.

1. Payments to the grantee will be made according to the schedule stated in the contract. In all cases, payment of the final ten percent of the grant funds will be made upon the commissioner's receipt and acceptance of the final report required under 3 MCAR S 1.4068 [Temporary] E.

2. Grant funds may not be used for acquisition of land, buildings, general office equipment, and other capital expenditures.

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3. Grant funds may be used for the following:

a. employment of personnel to carry out the objectives of the project;

b. consulting services but not consulting fees to develop the proposal submitted to the commissioner;

c. rental of office space or equipment;

d. purchase of supplies;

e. printing or publication services;

f. travel expenses;

g. charges for telephone service;

h. purchase of promotional or demonstrational equipment necessary for the project and specifically identified in the application as a proposed purchase; and

i. services, facilities, or goods specified in the application or the contract.

3 MCAR S 1.4067 [Temporary] Extensions.

The grantee must make a written request for an extension of the contract no later than 60 days prior to the termination date. The commissioner may grant an extension up to six months. As a condition of the contract extension, the commissioner may modify the terms of the contract.

3 MCAR S 1.4068 [Temporary] Monitoring and review.

A. Records. The grantee is required to keep records of all activities undertaken in connection with implementation of the grant proposal. The books, records, documents, and accounting procedures and practices of the grantee related to the grant are subject to examination by the commissioner. The grantee must give the commissioner access during normal business hours to all these business records related to the project.

B. Progress reports. Grantees must submit progress reports to the commissioner on dates specified in the contract. Each progress report must include a narrative statement of the progress toward project objectives and work tasks, an itemized statement of project funds, including grant funds received and the grantee's contributions, and an itemized statement of

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project expenditures.

C. On-site visit. The commissioner may conduct on-site visits during the term of the grant to determine what progress has been made to accomplish project objectives and work tasks or if the grantee has been complying with all terms and conditions of the contract.

D. Evaluation. If the commissioner determines through an examination that the grantee has not been complying with the terms of the contract, the commissioner may direct the grantee to adhere to the terms of the contract, may unilaterally modify the terms of the grant contract, may terminate the contract, or may seek a legal remedy in a court of competent jurisdiction.

E. Final report. Grantees must return all unexpended grant funds and submit a final written report on their project within 60 days of the termination date of the contract. Grantees may submit additional information in the final report if they desire, but the final report must include the following information:

1. an assessment regarding the completion of project objectives and work tasks as well as the results achieved. To the extent possible, the assessment must be written in measurable and quantifiable terms;

2. an assessment of further work that may be necessary with respect to the objectives of the project, based on the experience gained through implementing the project;

3. an evaluation of the project stating both its immediate and long-term impact regarding the expansion, improvement, or development of markets for products of Minnesota agriculture; and

4. a complete financial statement accounting for all receipts and expenditures of grant funds and for all the grantee's contributions of money, goods, and services.

3 MCAR S 1.4069 [Temporary] Termination of contract.

The contract will terminate on the termination date specified in the contract unless extended under 3 MCAR S 1.4067 [Temporary] or terminated by the commissioner under 3 MCAR S

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1.4070 [Temporary]. Upon termination of the contract at any time, any unused supplies or materials and all unexpended grant funds must immediately be returned to the commissioner.

3 MCAR S 1.4070 [Temporary] Misrepresentation by applicant or grantee.

If any grant application, progress report, or final report contains material false or misleading statements or information, the commissioner may take one or more of the following actions, as appropriate: reject the grant application; conduct an examination of the use of grant funds; unilaterally modify the terms of the grant contract; terminate the grant contract; or recover grant funds through available legal remedies.

APPROVED IN THE REVISOR OF STATUTES OFFICE BY:

OFFICE OF THE REVISOR OF STATUTES

Proposed Rule

RD416T

Agency: Department of Agriculture

Division: Planning Division

Agency Contact: Gerald Heil 296-1486

Rule Numbers: 3 MCAR SS 1.4060-1.4070 [Temporary]

Title: Proposed Temporary Rules Governing Agricultural Development Grants

Type of Rules: Temporary

Incorporations by Reference: None

Duplication of Statutory Language: None

The attached rules are approved as to form.

Steven C. Cross
Revisor of Statutes

Craig E. Lindeke
Assistant Revisor
Phone: 296-0946
Date: September 27, 1983

STATE OF MINNESOTA

DEPARTMENT OF AGRICULTURE

In the Matter of the Proposed
Adoption of Temporary Rules of
the Department of Agriculture
Governing Administration of
Agricultural Development Grants
(3 MCAR SS 1.4060-1.4070)

ORDER ADOPTING
TEMPORARY RULES

The above-entitled matter was published in the State Register on October 17, 1983 as a proposed temporary rule pursuant to Minnesota Statutes 14.30. After affording interested and affected persons an opportunity to submit written data and views for at least 20 days after the publication date, reviewing and considering the data and views, and determining that the above-captioned rules are needed and reasonable.

NOW, THEREFORE, IT IS ORDERED that these rules identified as the temporary Rules Governing Administration of Agricultural Development Grants which were adopted the 15th day of December, 1983, pursuant to authority vested in me by Laws of Minnesota 1983, chapter 293, section 29, subdivision 2, are re-adopted this 17th day of January, 1984, incorporating changes recommended by the Office of the Attorney General.

STATE OF MINNESOTA

Jim Nichols

Jim Nichols
Commissioner of Agriculture

STATE OF MINNESOTA

DEPARTMENT OF AGRICULTURE

In the Matter of the Proposed
Adoption of Temporary Rules of
the Department of Agriculture
Governing Administration of Agricultural
Development Grants
(3 MCAR SS 1.4060 - 1.4070)

ORDER ADOPTING
TEMPORARY RULES

The above-entitled matter was published in the State Register on October 17, 1983, as a proposed temporary rule pursuant to Minnesota Statutes section 14.30. After affording interested and affected persons an opportunity to submit written data and views for at least 20 days after the publication date, reviewing and considering the data and views, and determining that the above-captioned rules are needed and reasonable.

NOW THEREFORE, IT IS ORDERED that these rules identified as the temporary Rules Governing Administration of Agricultural Development Grants are adopted this 15th day of December, 1983, pursuant to authority vested in me by Laws of Minnesota 1983, chapter 293, section 29, subdivision 2.

State of Minnesota

Ralph M Dennistoun
for

Jim Nichols
Commissioner of Agriculture

Department of Agriculture
Dairy Industries Division

Notice of Intent to Solicit Outside Opinion Regarding Proposed Temporary Rules Governing the Administration of Investment Reimbursement Grants for Manufactured Milk Producers

Notice is hereby given that the Minnesota Department of Agriculture is seeking information or opinions from sources outside the agency in preparing to promulgate new temporary rules governing the administration of investment reimbursement grants for manufactured milk producers. The promulgation of these rules is authorized by Laws 1983, chapter 232, section 1. The rules must provide reimbursement application and payment procedures, and eligibility criteria based on an applicant's need for a reimbursement. Reimbursements will not be made unless the applicant provides receipts for the expenditures, an inspector of the Department verifies that the expenditures resulted in standards being met, and the expenditures were made between June 2, 1983 and July 1, 1983.

The department requests information and comments concerning the subject matter of these rules. Interested or affected persons or groups may submit statements of information or comment orally or in writing. Written statements of information and comment should be addressed to:

Gerald Heil
Minnesota Department of Agriculture
90 West Plato Boulevard
St. Paul, Minnesota 55107

Oral statements of information and comment will be received during regular business hours over the telephone at (612) 296-1486, and in person at the above address.

All statements of information and comment must be received by July 25, 1983. Any written material received by the Department shall become part of the record submitted to the Attorney General.

July 1, 1983

Jim Nichols
Commissioner of Agriculture

Department of Agriculture
Planning Division

Notice of Intent to Solicit Outside Opinion Regarding Proposed Temporary Rules Governing the Administration of Grants and Contracts for Agricultural Commodity Promotion Activities

Notice is hereby given that the Minnesota Department of Agriculture is seeking information or opinions from sources outside the agency in preparing to promulgate new temporary rules governing the administration of grants and contracts for agricultural commodity promotional activities. The promulgation of these rules is authorized by Laws 1983, chapter 293, section 29. At a minimum, the rules must specify eligibility criteria for the grants, application procedures, provisions for reviewing applications and approving projects, and provisions for monitoring and reviewing all approved grants and contracts. The rules may also include other provisions the commissioner finds necessary, including uniform methods of accounting to be used by grant recipients. Grants may be awarded for the purposes of advertising Minnesota agricultural products, assisting state agricultural commodity organizations, developing methods to process and market agricultural commodities, investigating new market technology, evaluating livestock marketing opportunities, developing markets for Minnesota agricultural commodities, studying the conversion of raw agricultural products into manufactured products and assisting agricultural businesses desiring to sell their products in national and international markets.

The department requests information and comments concerning the subject matter of these rules. Interested or affected persons or groups may submit statements of information or comment orally or in writing. Written statements of information and comment should be addressed to:

Gerald Heil
Minnesota Department of Agriculture
90 West Plato Boulevard
St. Paul, Minnesota 55107

Oral statements of information and comment will be received during regular business hours over the telephone at (612) 296-1486, and in person at the above address.

All statements of information and comment must be received by July 25, 1983. Any written material received by the department shall become part of the record submitted to the Attorney General.

July 1, 1983

Jim Nichols
Commissioner of Agriculture

Department of Commerce

Notice of Intent to Solicit Outside Opinion Regarding Proposed Rules Governing Insurance Agents' Practices

Notice is hereby given that the Department of Commerce is seeking information or opinions from persons outside the agency in preparing to promulgate new rules governing insurance agents' practices. Promulgation of these rules is authorized by Minnesota Statutes, section 60A.17, subd. 15.

The Department of Commerce requests information and comments concerning the subject matter of these rules. Interested or affected persons or groups may submit statements of information or comment orally or in writing to: Dale McDonnell, Department of Commerce, 500 Metro Square Building, St. Paul, MN, 55101, (612) 297-3301.

All statements of information and comment shall be accepted until September 1, 1983. Any written material received by the Department of Commerce shall become part of the record in the event that the rules are promulgated.

Thomas L. O'Malley
Assistant Commissioner

Department of Commerce Insurance Division

Meeting Notice

Minnesota Comprehensive Health Association
Board of Directors
Annual Meeting
Tuesday, September 13, 1983, at 9:00 A.M.
Federated of Owatonna
Owatonna, MN

Changes in any scheduled meetings and notices of any additional meetings will be posted or otherwise be available upon inquiry at the office of the Insurance Division, and may be obtained by telephone from the Life and Health Section, telephone (612) 296-2202.

Department of Commerce Banking Division

Bulletin No. 2790 Regarding Maximum Lawful Rate of Interest for Mortgage and Contracts for Deed for the Month of July 1983

Notice is hereby given that pursuant to Section 47.20, Subd. 4a, Minnesota Statutes 1982, as amended by Chapter 288, 1983 Session Laws, the maximum lawful rate of interest for conventional home mortgages for the month of July 1983 is fourteen (14.00) percentage points. Further, the maximum lawful rate of interest for contracts for deed for the month of July 1983 is fourteen (14.00) percentage points.

It is important to note that this maximum lawful interest rate does not apply to all real estate loans and contracts for deed. Under Minnesota's interest rate moratorium, which is identical to the Federal Usury Preemption, in most instances any rate may be charged on real estate mortgages and contracts for deed that constitute first liens.

STATE OF MINNESOTA

DEPARTMENT OF AGRICULTURE

In the Matter of the Proposed
Adoption of Temporary Rules
Governing the Administration of
Agricultural Development Grants
(3 MCAR SS 1.4060-1.4070)

ORDER FOR PUBLICATION
OF TEMPORARY RULES

IT IS ORDERED this 3rd day of October, 1983, that the proposed temporary rules in the above-entitled matter be published in the State Register.

STATE OF MINNESOTA

Jim Nichols

Jim Nichols
Commissioner of Agriculture

Department of Agriculture

Office of the Commissioner

In the Matter of the Proposed Temporary Rules Governing Administration of Agricultural Development Grants

Notice of Intent to Adopt Temporary Rules

Notice is hereby given that the Minnesota Department of Agriculture proposes to adopt the above entitled temporary rules. The Commissioner of Agriculture will follow the procedures set forth in Minnesota Statutes, sections 14.29-14.36 in adopting these rules.

Persons interested in these temporary rules shall have 20 days from the date the rules are published in the State Register 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 department.

Persons who wish to submit oral or written comments should submit the comments to: Gerald Heil, Minnesota Department of Agriculture, 90 West Plato Boulevard, St. Paul, Minnesota 55107, (612) 296-1486.

Authority to adopt these rules is contained in Laws of Minnesota 1983, chapter 293, section 29, subdivision 2. This section requires the commissioner to adopt rules for the administration of agricultural development grants which may be used to encourage and promote the marketing of the products of Minnesota agriculture through any one of the following:

advertising Minnesota agricultural products; assisting state agricultural commodity organizations; developing methods to increase processing and marketing of agricultural commodities, including commodities which may not now be produced in Minnesota but which may have economic potential; investigating and identifying new marketing technology and methods to enhance the competitive position of Minnesota agricultural products; evaluating livestock marketing opportunities; assessing and developing national and international markets for Minnesota agricultural products; studying the conversion of raw agricultural products to manufactured products including ethanol; hosting the visits of foreign trade teams to Minnesota and defraying the teams' expenses; assisting Minnesota agricultural businesses desiring to sell their products in national and international markets; and other activities the commissioner deems appropriate to promote Minnesota agricultural products in national and international markets.

The rules as proposed include provisions for the amount and duration of grants; eligibility criteria for both projects and applicants; requirements for the content of grant applications; procedures in event of incomplete grant applications; review criteria for applications; notification procedures; and provisions governing the general terms and conditions of grant contracts. The rules also include provisions for monitoring, review and evaluation of projects funded by the program.

Upon adoption of the temporary rules, the proposed rules, this Notice, all written comments received, and the temporary Rules as Adopted, will be delivered to the Attorney General for review as to form and legality.

As required by the Administrative Procedures Act, these temporary rules will be effective for not more than 180 days after their approval by the Attorney General, and may be continued in effect for an additional 180 days.

One free copy of this Notice and the proposed temporary rules may be obtained by contacting Mr. Heil. Persons who wish to receive a copy of the temporary rules as adopted should also request it from Mr. Heil.

STATE OF MINNESOTA

Date: October 3, 1983

Jim Nichols

Jim Nichols

Commissioner of Agriculture

In the Matter of the Proposed Adoption of Temporary Rules of the Department of Agriculture Governing the Administration of Agricultural Development Grants (3 MCAR SS 1.4060-1.4070)

AFFIDAVIT OF MAILING

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

Diane Windham, being first duly sworn, deposes and says:

That on the 14th day of October, 1983, at the City of St. Paul, County of Ramsey, State of Minnesota, he/she served the attached Notice of Intent to Adopt Temporary Rules by depositing in the State of Minnesota Central Mail System for United States mailing 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 Minnesota Department of Agriculture for the purpose of receiving notice of the proposed adoption of rules by this Department.

Diane Windham

Subscribed and sworn to before me
this 14th day of October, 1983.

Christine Canaday

Christine Canaday
NOTARY PUBLIC — MINNESOTA
RAMSEY COUNTY
My commission expires June 25, 1986

STATE OF MINNESOTA

COUNTY OF RAMSEY

CERTIFICATE

In the Matter of the Proposed Adoption of Temporary Rules
of the Department of Agriculture Governing
the Administration of Agricultural Development Grants
(3 MCAR SS 1.4060-1.4070)

I hereby certify that the list of persons, associations, and other interested groups who have requested, pursuant to Minn. Stat. § 14.14, subd. 1, that their names be placed on file with and maintained by the Minnesota Department of Agriculture for the purpose of receiving notice of the proposed adoption of rules by this Department is accurate and complete as of 2:00 P.m., this 13th day of October, 1983.

Gerald J Heil

PROPOSED RULES

Pursuant to Minn. Stat. of 1980, §§ 14.21, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing, as long as the agency determines that the rules will be noncontroversial in nature. The agency must first publish a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. The notice must advise the public:

1. that they have 30 days in which to submit comment on the proposed rules;
2. that no public hearing will be held unless seven or more persons make a written request for a hearing within the 30-day comment period;
3. of the manner in which persons shall request a hearing on the proposed rules;

and

4. that the rule may be modified if modifications are supported by the data and views submitted.

If, during the 30-day comment period, seven or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of §§ 14.13-14.20 which state that if an agency decides to hold a public hearing, it must publish in the *State Register* a notice of its intent to do so. This notice must appear at least 30 days prior to the date set for the hearing, along with the full text of the proposed rules. (If the agency has followed the provisions of subd. 4h and has already published the proposed rules, a citation to the prior publication may be substituted for republication.)

Pursuant to Minn. Stat. § 14.29, when a statute, federal law or court order to adopt, suspend or repeal a rule does not allow time for the usual rulemaking process, temporary rules may be proposed. Proposed temporary rules are published in the *State Register*, and for at least 20 days thereafter, interested persons may submit data and views in writing to the proposing agency.

Department of Agriculture
Office of the Commissioner

Proposed Temporary Rules Governing Administration of Agricultural Development Grants

Notice of Intent to Adopt Temporary Rules

Notice is hereby given that the Minnesota Department of Agriculture proposes to adopt the above entitled temporary rules. The Commissioner of Agriculture will follow the procedures set forth in Minnesota Statutes, sections 14.29-14.36 in adopting these rules.

Persons interested in these temporary rules shall have 20 days from the date the rules are published in the *State Register* 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 department.

Persons who wish to submit oral or written comments should submit the comments to: Gerald Heil, Minnesota Department of Agriculture, 90 West Plato Boulevard, St. Paul, Minnesota 55107, (612) 296-1486.

Authority to adopt these rules is contained in Laws of Minnesota 1983, chapter 293, section 29, subdivision 2. This section requires the commissioner to adopt rules for the administration of agricultural development grants which may be used to encourage and promote the marketing of the products of Minnesota agriculture through any one of the following: advertising Minnesota agricultural products; assisting state agricultural commodity organizations; developing methods to increase processing and marketing of agricultural commodities, including commodities which may not now be produced in Minnesota but which may have economic potential; investigating and identifying new marketing technology and methods to enhance the competitive position of Minnesota agricultural products; evaluating livestock marketing opportunities; assessing and developing national and international markets for Minnesota agricultural products; studying the conversion of raw agricultural products to manufactured products including ethanol; hosting the visits of foreign trade teams to Minnesota and defraying the teams' expenses; assisting Minnesota agricultural businesses desiring to sell their products in national and international markets; and other activities the commissioner deems appropriate to promote Minnesota agricultural products in national and international markets.

The rules as proposed include provisions for the amount and duration of grants; eligibility criteria for both projects and applicants; requirements for the content of grant applications; procedures in event of incomplete grant applications; review criteria for applications; notification procedures; and provisions governing the general terms and conditions of grant contracts. The rules also include provisions for monitoring, review and evaluation of projects funded by the program.

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.

Upon adoption of the temporary rules, the proposed rules, this notice, all written comments received, and the temporary rules as adopted, will be delivered to the Attorney General for review as to form and legality. As required by the Administrative Procedures Act, these temporary rules will be effective for not more than 180 days after their approval by the Attorney General, and may be continued in effect for an additional 180 days.

One free copy of this notice and the proposed temporary rules may be obtained by contacting Mr. Heil. Persons who wish to receive a copy of the temporary rules as adopted should also request it from Mr. Heil.

October 3, 1983

Jim Nichols
Commissioner of Agriculture

Rules as Proposed (all new material)

3 MCAR § 1.4060 [Temporary] Purpose and authority.

Rules 3 MCAR §§ 1.4060-1.4070 [Temporary] are prescribed by the commissioner to provide for the administration of agricultural development grants pursuant to Laws of Minnesota 1983, chapter 293, section 29, subdivision 2.

3 MCAR § 1.4061 [Temporary] Definitions.

A. Scope. For the purpose of 3 MCAR §§ 1.4060-1.4070 [Temporary], the terms defined in B.-J. have the meanings given them.

B. Advisory group. "Advisory group" means the ad hoc committee which may be selected by the commissioner pursuant to Laws of Minnesota 1983, chapter 293, section 29, subdivision 4 to assist in the evaluation of grant requests.

C. Agricultural products. "Agricultural products" means animal and animal products, dairy products, poultry or poultry products, fish, fruit, vegetables, horticultural crops, wood products, grain, bees, and apiary products grown, raised, produced, fed, or processed within the state of Minnesota for use as food, feed, seed, or any industrial, ornamental, or chemurgic purpose.

D. Commissioner. "Commissioner" means the commissioner of agriculture or the commissioner's designee.

E. Contract. "Contract" means an agreement between the commissioner and a grantee setting forth the terms of the grant.

F. Department. "Department" means the department of agriculture.

G. Fiscal year. "Fiscal year" means the period from July 1 of one year through June 30 of the following year.

H. Grant. "Grant" means an agricultural development grant authorized by Laws of Minnesota 1983, chapter 293, sections 5 and 29.

I. Grantee. "Grantee" means an applicant that has been awarded a grant under the program governed by 3 MCAR §§ 1.4060-1.4070 [Temporary].

J. Termination date. "Termination date" means the ending date of a grant awarded under the program governed by 3 MCAR §§ 1.4060-1.4070 [Temporary].

3 MCAR § 1.4062 [Temporary] General terms and conditions of grants.

A. Grant ratio. A grant made by the commissioner may not exceed 75 percent of the total cost of the grant project. The grantee must contribute in cash at least 12.5 percent of the total project cost, and the remaining portion of the grantee's contribution may be in the form of contributed goods and services.

B. Duration of grant. A grant will ordinarily be made for 12 months or less. Applications will be accepted for projects of longer duration, but grant funds will be committed for only 12 months. For projects extending beyond 12 months, a new application must be submitted and approved in accordance with 3 MCAR §§ 1.4060-1.4070 [Temporary] prior to the commitment of additional grant funds.

C. Amount of assistance. An applicant may submit more than one grant application in a fiscal year. The grant amount for any project may not exceed $70,000. The total of all grants to the same grantee may not exceed $70,000 for the biennium.

D. Application deadline. For the fiscal year ending June 30, 1984, the application deadline is 60 days after the effective date of 3 MCAR §§ 1.4060-1.4070 [Temporary]. Thereafter, the application deadline is 90 days preceding the start of the fiscal year. Based on availability of funds, the commissioner may accept grant applications at other times during the fiscal year.

3 MCAR § 1.4063 [Temporary] Eligible projects and applicants.

A. Eligible projects. A proposed project is eligible for a grant if it will expand, improve, or develop markets for the products of Minnesota agriculture through one of the following:

1. advertising Minnesota agricultural products;

2. assisting state agricultural commodity organizations desiring to sell their agricultural products in national and international markets;

3. developing methods to increase the processing and marketing of agricultural commodities including commodities not being produced in Minnesota on a commercial scale, but which may have economic potential in national and international markets;

4. investigating and identifying new marketing technology and methods to enhance the competitive position of Minnesota agricultural products;

5. evaluating livestock marketing opportunities;

6. assessing and developing national and international markets for Minnesota agricultural products;

7. studying the conversion of raw agricultural products to manufactured products including ethanol;

8. hosting the visits of foreign trade teams to Minnesota and defraying the teams' expenses;

9. assisting Minnesota agricultural businesses desiring to sell their products in national and international markets; and

10. other activities the commissioner deems reasonably related to promoting Minnesota agricultural products in national and international markets.

B. Eligible applicants. In its application, the applicant must demonstrate that it has the capability to meet the proposed objectives of the project and the grant contribution requirements.

3 MCAR § 1.4064 [Temporary] Application procedures.

A. Submission of application. An applicant for an agricultural development grant shall submit to the commissioner an original and five copies of a completed application. Applications must be received by the commissioner by the application deadline.

B. Application content. The application must include the following information:

1. a brief description of the characteristics of the applicant, including the legal name, the federal and state tax identification or social security number, address, and a brief statement of the applicant's organizational structure, history, and interest in the proposed project;

2. the name of the individual or individuals authorized to negotiate and sign contracts, and to receive and report on grant funds;

3. a general statement regarding which of the agricultural promotion activities listed in 3 MCAR § 1.4063 will be pursued, the project's importance to Minnesota agriculture, and the expected impact of the project;

4. a project description that includes the following:

a. a brief but clear statement of project objective or objectives, including an identification of major work tasks. Work tasks must be stated in measurable and quantifiable terms whenever possible;

b. an identification of the primary direct beneficiaries of the project;

c. a statement of the results expected from the project; and

d. suggested criteria for evaluating the success of the project;

5. a statement regarding the anticipated project starting date and completion date;

6. a statement of qualifications of personnel proposed to be assigned to the project;

7. a budget showing total project costs and contributions, as follows:

a. an identification of all sources of contributions and the amounts and types of contributions from each source;

b. an itemization of costs and indication of the source and type of contribution for the following items: personnel, travel, rental of office space or equipment, supplies, printing, postage and telephone, promotional or demonstrational equipment to be purchased, or other costs, and a description of the source and amount of funds for each type of expenditure (either anticipated grant or applicant contribution);

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c. the method of accounting and reporting contributions in the form of goods and services;

8. a copy of the latest audit report, financial statement, or other appropriate statement of financial condition of the applicant;

9. a description of how the proposed project will be coordinated with or conducted utilizing other public or private resources engaged in related agricultural promotion activities; and

10. a statement certifying that the applicant will not use agricultural development grant funds to continue existing agricultural promotion activities.

C. Incomplete application. The commissioner shall consider an application when a completed application is received. If an application is incomplete, the commissioner shall notify the applicant specifying the additional information required. The applicant has 20 days from the date on the commissioner's letter to provide the additional information. If there is no response to the commissioner's letter within 20 days, the commissioner shall not consider the application further.

D. Additional information. The commissioner may require the applicant to submit other information reasonably related to a determination of applicant or project eligibility or project feasibility.

3 MCAR § 1.4065 [Temporary] Application review; approval; and notification.

A. Advisory group review. If an advisory group is selected, the advisory group will convene at the call of the commissioner to review applications and will submit their evaluations to the commissioner.

B. Commissioner's review and determination. The commissioner shall review all applications. The commissioner shall determine whether an application shall be granted, and the amount and terms of the grant. The commissioner will weigh and compare all grant applications in light of the availability of funds.

C. Criteria for approval. The following criteria shall be used by the commissioner in reviewing each grant application.

1. whether the applicant and the project are eligible under 3 MCAR § 1.4063 [Temporary];

2. whether the proposed project is likely to expand, improve, or develop markets for Minnesota agricultural products by means of conducting one or more of the activities stated in 3 MCAR § 1.4063 [Temporary] A.;

3. whether the proposed project is realistic and achievable;

4. whether the successful completion of the proposed project is likely to result in the establishment of permanent businesses, activities, or investments related to agricultural promotion activities;

5. whether the experience or capability of the applicant and existing or proposed staff make likely the successful completion of the project;

6. whether the proposed project is coordinated with or conducted utilizing other public or private resources engaged in related agricultural promotion activities;

7. whether the proposed budget is adequate to accomplish the proposed project;

8. the degree to which similar or related projects by this applicant or other persons have been successful or unsuccessful;

9. whether the applicant appears able to apply generally accepted accounting principles and appears financially qualified for the project; and

10. the applicant's past performance as a grantee under this program, if applicable.

D. Notification. The commissioner shall notify the applicant in writing of the approval or disapproval of its grant application. If the proposal is approved, the commissioner's letter will inform the grantee of the procedures in 3 MCAR § 1.4066 [Temporary] and state what the grantee is required to do. If the proposal is not approved, the commissioner's letter must state the reasons for nonapproval and inform the applicant when the applicant may reapply.

3 MCAR § 1.4066 [Temporary] Grant administration.

A. Contract. Each grant must be governed by a contract between the department and the grantee. The following terms among others will be specified in the contract:

1. the total amount of the grant and the timing of grant payments;

2. the starting date and the termination date of the contract;

3. dates for submitting progress reports;

4. a list of the eligible costs of the project, in accordance with C.3.; and

5. a statement that the grantee will inform the commissioner of any significant change in implementation of the project, and will obtain prior approval before initiating such change.

B. Rescission of grant. The individual authorized by the grantee must sign and return the contract with all attachments to the commissioner no later than 15 days after the date it receives the contract. If the grantee does not sign and return the contract with all attachments to the commissioner within those 15 days, the commissioner may rescind the grant commitment. The grantee may not begin to spend money under the grant until the contract has been signed by all necessary parties and a fully executed copy has been returned to the grantee.

C. Payments and use of funds.

1. Payments to the grantee will be made according to the schedule stated in the contract. In all cases, payment of the final ten percent of the grant funds will be made upon the commissioner's receipt and acceptance of the final report required under 3 MCAR § 1.4068 [Temporary] E.

2. Grant funds may not be used for acquisition of land, buildings, general office equipment, and other capital expenditures.

3. Grant funds may be used for the following:

a. employment of personnel to carry out the objectives of the project;

b. consulting services but not consulting fees to develop the proposal submitted to the commissioner;

c. rental of office space or equipment;

d. purchase of supplies;

e. printing or publication services;

f. travel expenses;

g. charges for telephone service;

h. purchase of promotional or demonstrational equipment necessary for the project and specifically identified in the application as a proposed purchase; and

i. services, facilities, or goods specified in the application or the contract.

3 MCAR § 1.4067 [Temporary] Extensions.

The grantee must make a written request for an extension of the contract no later than 60 days prior to the termination date. The commissioner may grant an extension up to six months. As a condition of the contract extension, the commissioner may modify the terms of the contract.

3 MCAR § 1.4068 [Temporary] Monitoring and review.

A. Records. The grantee is required to keep records of all activities undertaken in connection with implementation of the grant proposal. The books, records, documents, and accounting procedures and practices of the grantee related to the grant are subject to examination by the commissioner. The grantee must give the commissioner access during normal business hours to all these business records related to the project.

B. Progress reports. Grantees must submit progress reports to the commissioner on dates specified in the contract. Each progress report must include a narrative statement of the progress toward project objectives and work tasks, an itemized statement of project funds, including grant funds received and the grantee's contributions, and an itemized statement of project expenditures.

C. On-site visit. The commissioner may conduct on-site visits during the term of the grant to determine what progress has been made to accomplish project objectives and work tasks or if the grantee has been complying with all terms and conditions of the contract.

D. Evaluation. If the commissioner determines through an examination that the grantee has not been complying with the terms of the contract, the commissioner may direct the grantee to adhere to the terms of the contract, may unilaterally modify the terms of the grant contract, may terminate the contract, or may seek a legal remedy in a court of competent jurisdiction.

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E. Final report. Grantees must return all unexpended grant funds and submit a final written report on their project within 60 days of the termination date of the contract. Grantees may submit additional information in the final report if they desire, but the final report must include the following information:

1. an assessment regarding the completion of project objectives and work tasks as well as the results achieved. To the extent possible, the assessment must be written in measurable and quantifiable terms;

2. an assessment of further work that may be necessary with respect to the objectives of the project, based on the experience gained through implementing the project;

3. an evaluation of the project stating both its immediate and long-term impact regarding the expansion, improvement, or development of markets for products of Minnesota agriculture; and

4. a complete financial statement accounting for all receipts and expenditures of grant funds and for all the grantee's contributions of money, goods, and services.

3 MCAR § 1.4069 [Temporary] Termination of contract.

The contract will terminate on the termination date specified in the contract unless extended under 3 MCAR § 1.4067 [Temporary] or terminated by the commissioner under 3 MCAR § 1.4070 [Temporary]. Upon termination of the contract at any time, any unused supplies or materials and all unexpended grant funds must immediately be returned to the commissioner.

3 MCAR § 1.4070 [Temporary] Misrepresentation by applicant or grantee.

If any grant application, progress report, or final report contains material false or misleading statements or information, the commissioner may take one or more of the following actions, as appropriate: reject the grant application; conduct an examination of the use of grant funds; unilaterally modify the terms of the grant contract; terminate the grant contract; or recover grant funds through available legal remedies.

Department of Agriculture
Plant Industry Division

Proposed Amendments to Rules Governing Seed Potato Certification (3 MCAR §§ 1.0127-1.0135)

Notice of Intent to Adopt Rules without a Public Hearing

Notice is hereby given that the Minnesota Department of Agriculture proposes to adopt the above-entitled rules without a public hearing. The Commissioner of Agriculture has determined that the proposed adoption of these rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minnesota Statutes, sections 14.21-14.28 (1982).

Persons interested in these rules shall have 30 days to submit comment on the proposed rules. The proposed rules may be modified if the modifications are supported by the data and views submitted to the department 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 department will proceed according to the provisions of Minnesota Statutes, sections 14.11-14.20 (1982). 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: Gerald Heil, Minnesota Department of Agriculture, 90 West Plato Boulevard, St. Paul, MN 55107, (612) 296-1486.

Authority to adopt these rules is contained in Minnesota Statutes, section 21.118. 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 upon request from Mr. Heil.

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 adopted, should submit a written statement of such request to Mr. Heil.

The commissioner is authorized by Minnesota Statutes section 21.118 to provide standards for the inspection, certification,

STATE OF MINNESOTA

DEPARTMENT OF AGRICULTURE

In the Matter of the Adoption of Temporary Rules of the Department of Agriculture Governing the Administration of Agricultural Development Grants (3 MCAR SS 1.4060-1.4070)

FINDINGS OF FACT AND CONCLUSIONS

The temporary rules promulgation procedures of Minnesota Statutes sections 14.29-14.36 have been followed in the above-entitled matter. Proper notice was served to all persons, associations, and other interested groups registered with the Department of Agriculture and notice was also published in the State Register.

After affording interested persons an opportunity to present written and oral data, statements and arguments, having considered all of the evidence and testimony presented, I find and conclude the following:

FINDINGS

1. The Rules as Proposed were published in the State Register on October 17, 1983 (8 S.R. 665).

2. The Department received no written comments or objections on the proposed rules. However, conversation with potential grantees indicated that two portions of the rules were unclear and perhaps too restrictive.

Specifically, some potential applicants felt the provision of 3 MCAR SS 1.4062(A) requiring a 12.5% cash match was confusing without an explicit definition of what constituted non-cash match, especially contributed salaries; could be burdensome to grantees without large resources or new organizations as well as individuals; and would unduly restrict the Department's flexibility in awarding grants.

The Department also received suggestions that it consider two or more grant application cycles each fiscal year in order to better accommodate a wide range of organizations with varying fiscal years. This would allow some potential grantees greater flexibility in their program planning, since they receive funding from sources whose fiscal years do not coincide with the state fiscal year. Two or more application cycles per year would also result in a more even distribution of departmental administrative duties throughout the entire year.

3. All applicable procedures of law or rule have been followed in this matter.

CONCLUSIONS

The Department concludes the following:

1. That 3 MCAR SS 1.4062(A) as proposed ought to be amended to delete the 12.5% cash match requirement. The proposed rule is too restrictive. The Rules as Adopted are consistent with the purpose contained in the Rules as Proposed and are within the parameters of the authorizing legislation, namely that grantees provide at least 25% of total program costs through contributions. A portion of the match may be cash, but a required amount

is not stated in the rule. The change allows both potential grantees and the Department greater latitude in the matter of required match;

2. That 3 MCAR SS 1.4062(D) as proposed ought to be amended to allow greater flexibility to the Commissioner in establishing application deadlines. The amendments in the Rules as Adopted are expected to facilitate the Department's handling of administrative duties associated with managing the grant program, to allow potential grantees more flexibility and opportunity to package grant applications with other ongoing activities, and to coincide more closely with the program years of non-governmental organizations;

3. That potential grantees or program clients agree with the amendments to the Rules as Proposed; and

4. That the Rules as Adopted are necessary and reasonable and consistent with the legislative intent of Laws of Minnesota 1983, chapter 293, subdivision 2. Therefore, I order the adoption of these rules, as evidenced by the Order Adopting Temporary Rules submitted with this record.

STATE OF MINNESOTA

DATE: 12-21-83

Bobbi M. Dennistoun
COMMISSIONER OF AGRICULTURE

In the Matter of the Proposed
Adoption of Temporary Rules
Governing Administration of
Agricultural Development Grants
(3 MCAR SS 1.4060 - 1.4070)

STATEMENT OF
COMPLIANCE WITH
RULEMAKING PROCEDURES

I, (Special Assistant Attorney General) Sue Halverson, 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.

Sue Halverson

Special Assistant Attorney General

Date: December 14, 1983