

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

RULE REVIEW CHECKLIST

File No. RR# 1303 Docket No. 05.0009.0083

DATE RECEIVED 8/20/86
REVIEW DATE ~~8/28~~
DUE DATE ~~9/4~~ 9.5.86

APPROVED 9/5/86
DISAPPROVED
WITHDRAWN

ADOPTED W/O HEARING ✓
EMERGENCY RULE ✓

REVISOR APPROVED
REVISOR DISAPPROVED
FILED W/SEC. STATE 9/15
RETURNED TO AGENCY 9/15

✓ Rule as adopted (4 copies)

___ ~~Notice to Solicit Outside Information/Opinion~~
~~Date published in State Register~~
~~Comments~~

___ ~~Petition for Adoption of a Rule~~

✓ Board's Authorizing Resolution - not submitted see C. Ellis certificate of counsel

✓ Proposed rule see S-R.
~~Revisor's Certificate~~

✓ Notice of Intent to Adopt Rule
Statutory Authority
Small business statement
Expenditure of public money statement
Signature

✓ Statement of Need and Reasonableness

✓ Affidavit of Mailing Notice of Intent to Adopt Rule
6-19-86 Date 30 (25) days before adoption

✓ Publication in State Register
6-9-86 Date 30 (25) days before adoption

✓ Resolution Adopting

✓ Findings of Fact, Conclusions & Order Adopting
7-29-86 Date

✓ Written requests, submissions or comments

✓ Declaration of attorney
Name of SAAG representing agency

✓ ~~Notice of Submission to Attorney General~~ order for notice & proposed adoption of Rules

___ ~~Affidavit of Mailing Notice to Attorney General~~

✓ mailing list certificate
✓ certificate of Counsil

SF-00006-03

File

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO: MARK B. DAYTON
Minnesota Energy and Economic Development Authority

DATE: 9/15/86

ATTN: CHRISTIE B. ELLER
Special Assistant Attorney General

FROM: J. MICHAEL MILES JMM
Assistant Attorney General

PHONE: 296-6555

SUBJECT: Adopted Permanent Rules Relating to Technology Product Investment Program

The above-referenced rule has been approved as to its legality by the Attorney General on September 5, 1986.

Enclosed is the agency's copy of the approved rule. This office has already filed two copies of the approved rule with the Secretary of State, who will forward one copy to the Revisor of Statutes. The fourth copy is being retained by this division of the Attorney General's Office for its records.

Also enclosed are any petitions, requests, submission or comments received by the agency and any extra copies of documents which the agency submitted to the Attorney General.

In order for a permanent rule without a hearing to become effective, your agency must publish a notice of adoption in the State Register in accordance with Minn. Stat. § 14.27. An emergency rule becomes effective five working days after approval by the Attorney General; however, the agency must publish a notice in the State Register in accordance with Minn. Stat. § 14.34.

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

JMM/rmk
Enclosures

cc: Maryanne Hruby
Executive Director
Legislative Commission to Review
Administrative Rules

Duane Harves
Chief Administrative Law Judge
Office of Administrative Hearings

RR#1303

Minnesota Energy and Economic Development Authority

Adopted Permanent Rules Relating to Technology Product Investment Program

Rules as Adopted

8300.4101 DEFINITIONS.

Subpart 1. **Scope.** For the purpose of parts 8300.4102 to 8300.4112, the following terms have the meanings given them.

Subp. 2. **Product rights.** "Product rights" means a product to which the rights have been acquired by the authority through purchase, lease, license, or loan default.

Subp. 3. **Conceptual product.** "Conceptual product" means an idea based upon a mental impression or general notion that can be documented in a technology-related product design or plan.

Subp. 4. **Courseware.** "Courseware" means specialized software for the delivery of education and training.

Subp. 5. **Default.** "Default" means the failure of the loan recipient to repay the principal and interest, to make royalty payments in accordance with the security agreement, or the breach by the loan recipient for more than ten days after mailing written notice of breach by the commissioner of any material covenant in the note, loan agreement, or in any instrument securing the loan which the commissioner determines constitutes an adverse change in the loan recipient's ability to repay the product loan. For purposes of these parts, a loan is considered in default if the principal and interest repayments and royalty payments are not received by the authority within ten days after the day specified in the security agreement.

Subp. 6. **Derivative product.** "Derivative product" means a product that contains or uses part of a previous product.

Subp. 7. **Education.** "Education" means the deliberate process of developing knowledge, mind, and character of an individual.

Subp. 8. **Product.** "Product" means something produced by a

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business and that exists in a usable form. Product includes, but is not limited to, a technology-related product, a conceptual product, or a prototype product, and all technical and user documentation, drawings, prototypes, models, test results, and source codes associated with the product.

Subp. 9. **Product loan.** "Product loan" means a loan made to a business for the development and for marketing of a product.

Subp. 10. **Prototype product.** "Prototype product" means a working model that approximates the function of a final technology-related product.

Subp. 11. **Royalty.** "Royalty" means the proceeds paid to the authority in connection with the loan agreement or in connection with product rights. Payments can be based on but not limited to a percent of sales of the product or a specific dollar amount for each unit of the product sold.

Subp. 12. **Software.** "Software" means a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result, in any form of material object in which such statements or instructions may be fixed, by any method now known or hereafter developed, regardless of whether the statements or instructions are capable of being perceived by or communicated to humans. Software includes courseware.

Subp. 13. **Technology-related product.** "Technology-related product" means a product that results from a method or process for handling a specific technical problem. Technology-related product includes computer software and computer hardware products.

Subp. 14. **Training.** "Training" means the process which instructs so as to make a person proficient or qualified.

8300.4102 TECHNOLOGY PRODUCT LOAN PROGRAM.

Subpart 1. **Purpose.** The authority shall make technology product loans to eligible applicants in compliance with Minnesota Statutes, chapter 116M in order to help create or retain jobs for the state. The authority shall also consider

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the value of the product to promote the public good of the state, especially in education and training. Loans may be made to eligible applicants for the development and marketing of technology-related products that exist as completed products, prototypes, or as conceptual products.

Subp. 2. **Use of loan proceeds.** The loan must be made to provide financial assistance for the development and marketing of a technology-related product. Proceeds of the loan may be used to pay the costs of computer and other technology-related equipment, and for working capital.

Subp. 3. **Size of loan.** The principal amount of any product loan issued by the authority may not exceed $250,000 for technology-related equipment and for working capital for any one product, provided, however, the authority may make an additional loan not to exceed $100,000 for the same product if the applicant can demonstrate that the additional loan is necessary to develop and market the product as described in the loan agreement or to modify the development and marketing plans if the authority determines that such modifications are necessary. Proceeds of the loan must be issued to the eligible applicant in accordance with an approved plan and timetable. The plan must establish significant events in the development and marketing activities of the product which, when determined by the authority to be complete, shall serve as an indicator to release subsequent loan proceeds in accordance with the plan and timetable.

Subp. 4. **Maximum term.** The maximum term of the loan may not exceed four years.

Subp. 5. **Interest rate.** The interest rate of a loan is five ~~**percentage**~~ hundred basis points below a full faith and credit obligation of the United States government of comparable maturity, as of five working days before closing, or as determined by the authority at the time of approval based upon its assessment of current interest rate conditions, provided that in no event shall the interest rate be lower than three percent.

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Subp. 6. **Security requirements.** In addition to security interests in collateral as specified in part 8300.3012, the authority shall require a security interest in the product in the form of a royalty on the product and, in case of default, full rights to the product, including all patents, copyrights, mask work, trade secrets, trademarks, service marks, and any other intellectual property rights. The royalty payment must be based upon net receipts of the product not to exceed 25 percent and must be set forth in a security agreement that shall be entered into at the same time the loan is made. Royalty payments must be made to the authority in accordance with the schedule appearing in the security agreement.

The security agreement must set forth the terms and conditions applicable to all derivatives of the product, and must bind all future assignees of the product. The amount of royalty paid to the authority shall be set forth in the security agreement. Royalty terms provided in the security agreement may not extend more than seven years from the date of the loan agreement unless the authority and the eligible applicant agree to an extension. The maximum amount of royalty paid to the authority shall not exceed three times the amount of the loan principal. The security agreement must contain a provision for assignment of all product rights, including copyrights and patents to the authority upon default of the loan.

Subp. 7. **Loan servicing.** The commissioner shall be the authority's authorized agent for purposes of administration of the loan including approval of required documentation prior to disbursement, the determination of a default, and the exercise of remedies upon default. The commissioner shall monitor the repayment of the principal and interest as provided in the amortization schedule. The commissioner may restructure the loan at the request of the borrower or upon his or her own initiative if the commissioner determines that restructuring the loan will increase the probability that the loan will be repaid to the state.

If the borrower requests the commissioner to restructure

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the loan, the commissioner shall charge the borrower a fee in the amount of one-half percent on the outstanding principal amount of the loan.

Subp. 8. **Loan payments; royalties.** Loan payments must be made as provided in the amortization schedule. The first principal payment is due 12 months after issuance of the final proceeds of the loan.

The authority, in its sole discretion, may accept royalty payments in lieu of loan payments if it appears that this arrangement will increase the probability that the loan will be repaid. The amount of royalty paid in lieu of loan payments may not reduce the total amount of royalty due.

8300.4103 ELIGIBLE LOAN APPLICANTS.

A person, partnership, firm, or corporation engaged in and determined by the authority to constitute a small business as defined in the regulations of the United States Small Business Administration, Code of Federal Regulations, title 13, part 121, standard industrial code (SIC) 7372, is considered an eligible small business or an eligible applicant for a technology product loan.

8300.4104 FINANCING ELIGIBLE SMALL BUSINESSES AND TARGETED SMALL BUSINESSES.

The authority may use funds available for product loans to help finance eligible small businesses. Two-thirds of these available funds must be allocated to help finance targeted small businesses.

The authority shall make a determination as to the use of funds four months prior to the close of its fiscal year. At that time the authority may reallocate its remaining funds between the categories of eligible small businesses and targeted small businesses if it determines that by doing so participation in the program may increase.

8300.4105 LOAN DEFAULT.

If the commissioner determines the loan to be in default,

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the commissioner may take such actions provided in law or in equity to protect its interests. Upon default, the commissioner shall notify the loan recipient in writing of the default and give the loan recipient 60 days to re-establish the good standing of the loan. During this time period the commissioner may permit the borrower to sell or reassign the product rights or licenses, prepare derivative products, or undertake other measures that will increase the probability that remaining loan payments will be made. If the loan remains in default at the end of the initial 60-day time period, the commissioner may extend the time period for an additional 60 days if the loan recipient can demonstrate that the additional period of time is necessary to re-establish the good standing of the loan. If the loan remains in default at the end of the initial 60-day time period and any granted extension, all product rights as provided in the security agreement transfer automatically to the authority. The loan recipient shall also provide to the commissioner, if requested, all relevant materials including technical and user documentation, drawings, prototypes, models, test results, and source codes associated with the product.

8300.4106 DISPOSITION OF ACQUIRED PRODUCTS.

Subpart 1. **Sales.** For product rights acquired under loan default, the authority may sell the acquired product and all intellectual property rights incident to in a commercially reasonable manner to any person or business.

Subp. 2. **No product warranty.** No warranty may be expressed or implied by the authority for products distributed under subpart 1. Product recipients shall assume all risk of use. The state, the authority, and its employees may not be held liable for any damages, including any lost profits, lost savings, or other incidental or consequential damages arising out of the use or inability to use the product.

8300.4107 CERTIFICATIONS.

For products financed by the authority, the eligible loan recipient shall agree to and execute a certification statement

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acceptable in form and content to the commissioner. This statement must certify at least the following:

A. that the product is original;

B. that the product does not infringe upon copyrights, patents, mask work, trade secrets, trademarks, service marks, and any other intellectual product rights;

C. that the product will substantially perform the tasks it has represented in its documentation that it will perform;

D. that the loan recipient will hold the authority harmless.

8300.4108 DATA, PUBLIC AND PRIVATE.

An applicant shall execute an acknowledgement that data provided as part of the application or loan servicing process may be considered public data. If the eligible applicant considers any part of the data to be provided to the authority to be a trade secret, and if the authority agrees that the data is a trade secret as defined in the Minnesota Government Data Practices Act, Minnesota Statutes, chapter 13, then the authority shall enter into an agreement with the eligible applicant regarding the data.

8300.4109 CONTENT OF APPLICATION.

In addition to the data required by part 8300.3011, an applicant for the technology product investment program shall provide the following information:

A. specific product descriptions and comparison data to similar or related products, projected life cycle of the product, need for the product, pricing considerations, profit margins, and future product trends;

B. market research data including a description of the targeted audience that will use and purchase the product; how the product will be packaged, promoted, and sold, including pricing considerations;

C. a market plan describing primary strategies, distribution agreements, if any, and opportunities for leverage

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with other products;

D. a product packaging, documentation, and manufacturing plan including projected cost of product and inventory levels;

E. product descriptions, sales, and profit data on other technology products under the control of the business;

F. projected financial performance of the proposed product including sales and profit projections and cash flow and return on investment analysis;

G. jobs maintained or created as a result of the loan; and

H. a description of how the product will serve the public good of the state, especially in education and training.

8300.4110 SUBMISSION AND EVALUATION CRITERIA.

Subpart 1. **Evaluation criteria.** The authority shall evaluate an application according to the standards and requirements in parts 8300.4101 to 8300.4112, the laws governing the program, and the following criteria:

A. the number of jobs created and maintained;

B. the ability of the product to attract private investment capital;

C. the projected financial success of the product;

D. the probability that royalty projections will be realized;

E. the projected return on investment to the state;

F. the degree to which the product serves the public good and reduces other state expenses; and

G. the degree to which the product can be expected to meet the needs of the marketplace.

Subp. 2. **Use of consultants.** The authority shall evaluate applications using the evaluation criteria. The commissioner may employ consultants as needed to extend the expertise of staff. The commissioner shall take steps that are reasonable to ensure that consultants are free from any conflicts of interests and that they use reasonable means to protect confidentiality of

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data.

Subp. 3. **Priority funding.** The commissioner may make priority funding recommendations to the authority based on the evaluation of the applications.

8300.4111 INTELLECTUAL PROPERTY RIGHTS.

Copyrights, patents, mask work, trade secrets, trademarks, service marks, and any other intellectual property rights in the product shall remain with the business unless specifically transferred to the authority under a mutual agreement or through loan default.

8300.4112 DERIVATIVE PRODUCTS AND SUCCESSOR BUSINESSES.

All agreements made as part of the technology product investment program, including product loan and security agreements, must contain an appropriate clause to maintain and secure the authority's financial interests in derivative products and successor businesses.

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REVISOR OF STATUTES
OFFICE BY:

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
SEP 15 1986
Joan Anderson Growe
Secretary of State
9:28 AM

APPROVED AS TO FORM AND LEGALITY
9/5 1986
HUBERT H. HUMPHREY, III
ATTORNEY GENERAL
BY _____
ASSISTANT ATTORNEY GENERAL

Department of Energy and Economic Development

Proposed Permanent Rules Relating to Technology Product Investment Program

Rules as Proposed (all new material)

8300.4101 DEFINITIONS.

Subpart 1. **Scope.** For the purpose of parts 8300.4102 to 8300.4112, the following terms have the meanings given them.

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Subp. 4. **Courseware.** "Courseware" means specialized software for the delivery of education and training.

Subp. 5. **Default.** "Default" means the failure of the loan recipient to repay the principal and interest, to make royalty payments in accordance with the security agreement, or the breach by the loan recipient for more than ten days after mailing written notice of breach by the commissioner of any material covenant in the note, loan agreement, or in any instrument securing the loan which the commissioner determines constitutes an adverse change in the loan recipient's ability to repay the product loan. For purposes of these parts, a loan is considered in default if the principal and interest repayments and royalty payments are not received by the authority within ten days after the day specified in the security agreement.

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Subp. 8. **Product.** "Product" means something produced by a

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business and that exists in a usable form. Product includes, but is not limited to, a technology-related product, a conceptual product, or a prototype product, and all technical and user documentation, drawings, prototypes, models, test results, and source codes associated with the product.

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8300.4102 TECHNOLOGY PRODUCT LOAN PROGRAM.

Subpart 1. **Purpose.** The authority shall make technology product loans to eligible applicants in compliance with Minnesota Statutes, chapter 116M in order to help create or retain jobs for the state. The authority shall also consider

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the value of the product to promote the public good of the state, especially in education and training. Loans may be made to eligible applicants for the development and marketing of technology-related products that exist as completed products, prototypes, or as conceptual products.

Subp. 2. **Use of loan proceeds.** The loan must be made to provide financial assistance for the development and marketing of a technology-related product. Proceeds of the loan may be used to pay the costs of computer and other technology-related equipment, and for working capital.

Subp. 3. **Size of loan.** The principal amount of any product loan issued by the authority may not exceed $250,000 for technology-related equipment and for working capital for any one product, provided, however, the authority may make an additional loan not to exceed $100,000 for the same product if the applicant can demonstrate that the additional loan is necessary to develop and market the product as described in the loan agreement or to modify the development and marketing plans if the authority determines that such modifications are necessary. Proceeds of the loan must be issued to the eligible applicant in accordance with an approved plan and timetable. The plan must establish significant events in the development and marketing activities of the product which, when determined by the authority to be complete, shall serve as an indicator to release subsequent loan proceeds in accordance with the plan and timetable.

Subp. 4. **Maximum term.** The maximum term of the loan may not exceed four years.

Subp. 5. **Interest rate.** The interest rate of a loan is five percentage points below a full faith and credit obligation of the United States government of comparable maturity, as of five working days before closing, or as determined by the authority at the time of approval based upon its assessment of current interest rate conditions.

Subp. 6. **Security requirements.** In addition to security interests in collateral as specified in part 8300.3012, the

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authority shall require a security interest in the product in the form of a royalty on the product and, in case of default, full rights to the product, including all patents, copyrights, mask work, trade secrets, trademarks, service marks, and any other intellectual property rights. The royalty payment must be based upon net receipts of the product not to exceed 25 percent and must be set forth in a security agreement that shall be entered into at the same time the loan is made. Royalty payments must be made to the authority in accordance with the schedule appearing in the security agreement.

The security agreement must set forth the terms and conditions applicable to all derivatives of the product, and must bind all future assignees of the product. The amount of royalty paid to the authority shall be set forth in the security agreement. Royalty terms provided in the security agreement may not extend more than seven years from the date of the loan agreement unless the authority and the eligible applicant agree to an extension. The maximum amount of royalty paid to the authority shall not exceed three times the amount of the loan principal. The security agreement must contain a provision for assignment of all product rights, including copyrights and patents to the authority upon default of the loan.

Subp. 7. **Loan servicing.** The commissioner shall be the authority's authorized agent for purposes of administration of the loan including approval of required documentation prior to disbursement, the determination of a default, and the exercise of remedies upon default. The commissioner shall monitor the repayment of the principal and interest as provided in the amortization schedule. The commissioner may restructure the loan at the request of the borrower or upon his or her own initiative if the commissioner determines that restructuring the loan will increase the probability that the loan will be repaid to the state.

If the borrower requests the commissioner to restructure the loan, the commissioner shall charge the borrower a fee in the amount of one-half percent on the outstanding principal

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amount of the loan.

Subp. 8. **Loan payments; royalties.** Loan payments must be made as provided in the amortization schedule. The first principal payment is due 12 months after issuance of the final proceeds of the loan.

The authority, in its sole discretion, may accept royalty payments in lieu of loan payments if it appears that this arrangement will increase the probability that the loan will be repaid. The amount of royalty paid in lieu of loan payments may not reduce the total amount of royalty due.

8300.4103 ELIGIBLE LOAN APPLICANTS.

A person, partnership, firm, or corporation engaged in and determined by the authority to constitute a small business as defined in the regulations of the United States Small Business Administration, Code of Federal Regulations, title 13, part 121, standard industrial code (SIC) 7372, is considered an eligible small business or an eligible applicant for a technology product loan.

8300.4104 FINANCING ELIGIBLE SMALL BUSINESSES AND TARGETED SMALL BUSINESSES.

The authority may use funds available for product loans to help finance eligible small businesses. Two-thirds of these available funds must be allocated to help finance targeted small businesses.

The authority shall make a determination as to the use of funds four months prior to the close of its fiscal year. At that time the authority may reallocate its remaining funds between the categories of eligible small businesses and targeted small businesses if it determines that by doing so participation in the program may increase.

8300.4105 LOAN DEFAULT.

If the commissioner determines the loan to be in default, the commissioner may take such actions provided in law or in equity to protect its interests. Upon default, the commissioner

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shall notify the loan recipient in writing of the default and give the loan recipient 60 days to re-establish the good standing of the loan. During this time period the commissioner may permit the borrower to sell or reassign the product rights or licenses, prepare derivative products, or undertake other measures that will increase the probability that remaining loan payments will be made. If the loan remains in default at the end of the initial 60-day time period, the commissioner may extend the time period for an additional 60 days if the loan recipient can demonstrate that the additional period of time is necessary to re-establish the good standing of the loan. If the loan remains in default at the end of the initial 60-day time period and any granted extension, all product rights as provided in the security agreement transfer automatically to the authority. The loan recipient shall also provide to the commissioner, if requested, all relevant materials including technical and user documentation, drawings, prototypes, models, test results, and source codes associated with the product.

8300.4106 DISPOSITION OF ACQUIRED PRODUCTS.

Subpart 1. **Sales.** For product rights acquired under loan default, the authority may sell the acquired product and all intellectual property rights incident to in a commercially reasonable manner to any person or business.

Subp. 2. **No product warranty.** No warranty may be expressed or implied by the authority for products distributed under subpart 1. Product recipients shall assume all risk of use. The state, the authority, and its employees may not be held liable for any damages, including any lost profits, lost savings, or other incidental or consequential damages arising out of the use or inability to use the product.

8300.4107 CERTIFICATIONS.

For products financed by the authority, the eligible loan recipient shall agree to and execute a certification statement acceptable in form and content to the commissioner. This statement must certify at least the following:

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A. that the product is original;

B. that the product does not infringe upon copyrights, patents, mask work, trade secrets, trademarks, service marks, and any other intellectual product rights;

C. that the product will substantially perform the tasks it has represented in its documentation that it will perform;

D. that the loan recipient will hold the authority harmless.

8300.4108 DATA, PUBLIC AND PRIVATE.

An applicant shall execute an acknowledgement that data provided as part of the application or loan servicing process may be considered public data. If the eligible applicant considers any part of the data to be provided to the authority to be a trade secret, and if the authority agrees that the data is a trade secret as defined in the Minnesota Government Data Practices Act, Minnesota Statutes, chapter 13, then the authority shall enter into an agreement with the eligible applicant regarding the data.

8300.4109 CONTENT OF APPLICATION.

In addition to the data required by part 8300.3011, an applicant for the technology product investment program shall provide the following information:

A. specific product descriptions and comparison data to similar or related products, projected life cycle of the product, need for the product, pricing considerations, profit margins, and future product trends;

B. market research data including a description of the targeted audience that will use and purchase the product; how the product will be packaged, promoted, and sold, including pricing considerations;

C. a market plan describing primary strategies, distribution agreements, if any, and opportunities for leverage with other products;

D. a product packaging, documentation, and

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manufacturing plan including projected cost of product and inventory levels;

E. product descriptions, sales, and profit data on other technology products under the control of the business;

F. projected financial performance of the proposed product including sales and profit projections and cash flow and return on investment analysis;

G. jobs maintained or created as a result of the loan; and

H. a description of how the product will serve the public good of the state, especially in education and training.

8300.4110 SUBMISSION AND EVALUATION CRITERIA.

Subpart 1. **Evaluation criteria.** The authority shall evaluate an application according to the standards and requirements in parts 8300.4101 to 8300.4112, the laws governing the program, and the following criteria:

A. the number of jobs created and maintained;

B. the ability of the product to attract private investment capital;

C. the projected financial success of the product;

D. the probability that royalty projections will be realized;

E. the projected return on investment to the state;

F. the degree to which the product serves the public good and reduces other state expenses; and

G. the degree to which the product can be expected to meet the needs of the marketplace.

Subp. 2. **Use of consultants.** The authority shall evaluate applications using the evaluation criteria. The commissioner may employ consultants as needed to extend the expertise of staff. The commissioner shall take steps that are reasonable to ensure that consultants are free from any conflicts of interests and that they use reasonable means to protect confidentiality of data.

Subp. 3. **Priority funding.** The commissioner may make

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priority funding recommendations to the authority based on the evaluation of the applications.

8300.4111 INTELLECTUAL PROPERTY RIGHTS.

Copyrights, patents, mask work, trade secrets, trademarks, service marks, and any other intellectual property rights in the product shall remain with the business unless specifically transferred to the authority under a mutual agreement or through loan default.

8300.4112 DERIVATIVE PRODUCTS AND SUCCESSOR BUSINESSES.

All agreements made as part of the technology product investment program, including product loan and security agreements, must contain an appropriate clause to maintain and secure the authority's financial interests in derivative products and successor businesses.

APPROVED IN THE REVISOR OF STATUTES OFFICE BY:

Office of the Revisor of Statutes

Administrative Rules

TITLE: Proposed Permanent Rules Relating to Technology Product Investment Program

AGENCY: Department of Energy and Economic Development

MINNESOTA RULES: Chapter 8300

The attached rules are approved for publication
in the State Register

Paul M. Marinac
Assistant Deputy Revisor

Minnesota Energy and Economic Development Authority

In the Matter of the Proposed Adoption of Rules of the Minnesota Energy and Economic Development Authority Governing the Technology Product Investment Program

NOTICE OF PROPOSED ADOPTION OF RULES WITHOUT A PUBLIC HEARING

Notice is hereby given that the Minnesota Energy and Economic Development Authority (hereinafter the "Authority") proposes to adopt the above-entitled rules without a public hearing following the procedures set forth in Minnesota Statutes, Sections 14.29 to 14.36. The specific statutory authority to adopt these rules is Minnesota Statute 116.M.08, Subdivision 4. The proposed rules were published at **State Register**, Volume 10, #50, on pages 2466 to 2471 [10 SR 2466-2471].

Persons interested in these rules shall have 30 days, until 4:30 p.m. on July 9, 1986, in which to submit comments in support of or in opposition to the proposed rules or any part or subpart of the rules and comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed. Any written material received by the agency by July 9, 1986 will become part of the record in this matter.

Any person may make a written request for a public hearing on the rule within this 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request. Any person requesting a public hearing should state his or her name and address, identify the portion of the proposed rule addressed, the reason for the request and any change proposed. If a public hearing is required, the Authority will proceed pursuant to Minnesota Statutes, Sections 14.131 to 14.20.

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

Rosemary T. Fruehling, Director
Office of Software Technology Development
Department of Energy and Economic Development
900 American Center Building
150 East Kellogg Boulevard
St. Paul, MN 55101
(612) 297-1554

The proposed rules may be modified if the modifications are supported by data and views and do not result in substantial change in the proposed rules as noticed.

The rules proposed for adoption relate to the Technology Product Investment Program, a program for financial assistance to software, courseware and other technology-related products. The rules establish eligibility criteria, application content and procedures, default provisions and submission and evaluation criteria for technology product investments. 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 rule has been prepared and is available from Dr. Fruehling upon request. Also, a free copy of the proposed rules is available by contacting Dr. Fruehling at the above address.

If no hearing is required, upon adoption of the rules, the rules and the required supporting documents will be delivered to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General or those who wish to receive a copy of the adopted rules may submit a written request to Dr. Fruehling.

June 9, 1986

MARK B. DAYTON, CHAIRMAN
MINNESOTA ENERGY AND ECONOMIC
DEVELOPMENT AUTHORITY

STATE OF MINNESOTA

MINNESOTA ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY

In the Matter of the Proposed Rules Governing the Technology Product Investment Program

STATEMENT OF NEED AND REASONABLENESS

I. The Minnesota Energy and Economic Development Authority (authority) presents herein facts and justifications establishing the need for and reasonableness of its proposed rules governing loan application procedures the the Technology Product Investment Program. These proposed permanent rules are similiar to the existing rules for the Technology Product Investment Program, Minnesota Rules 8300.4101 to 8300.4112 [Emergency].

II. Impact on Small Business. Under the emergency rules, the authority has approved participation in one technology product loan. The total amount of the loan participation approved by the authority is approximately $240,000. The authority's authorizing legislation directs that their powers be used for small business purposes. The authority manages several loan programs and is able to help qualified small businesses through the loan guarantees, loan participations, outright loans, or Technology Product Investment Program loans. The proposed investment program rules do not establish a regulatory compliance or reporting program with mandatory application. The rules prescribe policy and procedures for the operation of a benefit program, and the decision to participate in a financial assistance program is voluntary. A Minnesota software company can elect to participate in a financial assistance program and that decision can be made for each individual transaction.

In terms of compliance and reporting requirements, because the authority operates benefit programs rather than regulatory program, it operates on eligibility rather than compliance requirements. However, the authority has adopted the least stringent eligibility requirements consistent with statutory authorization of the programs. The proposed rules do not contain any design or operational standards.

The financial assistance programs are aimed at targeted small businesses or small businesses. All of the proposed rule requirements are promulgated with the capabilities and needs of smaller businesses in mind. The requirements adopted in the rules are those minimal and necessary to fulfillment of statutory requirements and standards; further exemptions are neither appropriate nor authorized. It should be noted that because these rules will govern a benefit program for only the software industry, the authority has made special efforts to make all known software businesses aware of the proposed rules. In addition to mailing the **Notice of Intent to Adopt Rules** to those individuals on the rulemaking notice list, the authority will also mail the Notice to approximately 500 software businesses known to the Minnesota Office of Software Technology Development.

III. Discussion of Proposed Rules. For the convenience of the reader, the proposed text of the rule is set forth and is followed by the section of the Statement of Need and Reasonableness which relates to the proposed section of the rules.

8300.4101 DEFINITIONS.

Subpart 1. Scope. For the purpose of parts 8300.4102 to 8000.4112, the following terms have the meanings given them.

Subpart 2. Product rights. "Product rights" means a product to which the rights have been acquired by the authority through purchase, lease, license, or loan default.

Subpart 3. Conceptual product. "Conceptual product" means an idea based upon a mental impression or general notion that can be documented in a technology-related product design or plan.

Subpart 4. Courseware. "Courseware" means specialized software for the delivery of education and training.

Subpart 5. Default. "Default" means the failure of the loan recipient to repay the principal and interest, to make royalty payments in accordance with the security agreement, or the breach by the loan recipient for more than ten days after mailing written notice of breach by the commissioner of any material covenant in the note, loan agreement, or in any instrument securing the loan which the commissioner determines constitutes an adverse change in the loan recipient's ability to repay the product loan. For purposes of these parts, a loan is considered in default if the principal and interest repayments and royalty payments are not received by the authority within ten days after the day specified in the security agreement.

Subpart 6. Derivative product. "Derivative product" means a product that contains or uses part of a previous product.

Subpart 7. Education. "Education" means the deliberate process of developing knowledge, mind, and character of an individual.

Subpart 8. Product. "Product" means something produced by a business and that exists in a usable form. Product includes, but is not limited to, a technology-related product, a conceptual product, or a prototype product, and all technical and user documentation, drawings, prototypes, models, test results, and source codes associated with the product.

Subpart 9. Product loan. "Product loan" means a loan made to a business for the development and for marketing of a product.

Subpart 10. Prototype product. "Prototype product" means a working model that approximates the function of a final technology-related product.

Subpart 11. Royalty. "Royalty" means the proceeds paid to the authority in connection with the loan agreement or in connection with product rights. Payments can be based on but not limited to a percent of sales of the product or a specific dollar amount for each unit of the product sold.

Subpart 12. Software. "Software" means a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result, in any form of material object in which such statements or instructions may be fixed, by any method now known or hereafter developed, regardless of whether the statments or instructions are capable of being perceived by or communicated to humans. Software includes courseware.

Subpart 13. Technology-related product. "Technology-related product" means a product that results from a method or process for handling a specific technical problem. Technology-related product includes computer software and computer hardware products.

Subpart 14. Training. "Training" means the process which instructs so as to make a person proficient or qualified.

8300.4101 DEFINITIONS.

It is necessary and reasonable to inform readers of the definitions of these rules. The meanings ascribed to these definitions are reasonable and clarify the specific intent of the Act to the reader. Without these definitions, confusion could arise as to the specific meaning of the Act since many of these terms are not commonly found among other rules and regulations or defined in other existing statutes.

8300.4102 TECHNOLOGY PRODUCT INVESTMENT PROGRAM.

Subpart 1. Purpose. The authority shall make technology product loans to eligible applicants in compliance with Minnesota Statutes, chapter 116M in order to help create or retain jobs for the state. The authority shall also consider the value of the product to promote the public good of the state, especially in education and training. Loans may be made to eligible applicants for the development and marketing of technology-related products that exist as completed products, prototypes, or as conceptual products.

Subpart 1. Purpose. Parts 8300.4101 to 8300.4112 pertain to the Technology Product Investment Program under Minnesota Statutes, chapter 116.M.08, subd. 4, the authority can adopt rules. These programs' specific rules outline the parameters and requirements unique to this program. The program is defined as a provision of financial assistance by offering lower-than-conventional interest rate loans to an eligible small business for a technology product loan. By providing such loans, the authority will create and retain jobs in the software technology area for the State of Minnesota.

Under Minnesota Statutes, chapter 116.M.06, subd. 2, the authority is specifically authorized to use the economic development fund to participate in programs where technology-related products are purchased, leased or licensed. Under Minnesota Statutes, chapter 116.M.08, subd. 20, the authority may receive payments in the form of royalties, dividends or other proceeds in connection with technology-related products.

Subpart 2. Use of loan proceeds. The loan must be made to provide financial assistance for the development and marketing of a technology-related product. Proceeds of the loan may be used to pay the costs of computer and other technology-related equipment, and for working capital.

Subpart 2. Use of loan proceeds. It is necessary and reasonable to inform readers of the specific purposes for which loans may be utilized. Loans made under this program are to be specifically used for technology-related products as defined in part 8300.4101.

Subpart 3. Size of loan. The principal amount of any product loan issued by the authority may not exceed $250,000 for technology-related equipment and for working capital for any one product, provided, however, the authority may make an additional loan not to exceed $100,000 for the same product if the applicant can demonstrate that the additional loan is necessary to develop and market the product as described in the loan agreement or to modify the development and marketing plans if the authority determines that such modifications are necessary. Proceeds of the loan must be issued to the eligible applicant in accordance with an approved plan and timetable. The plan must establish significant events in the development and marketing activities of the product which, when determined by the authority to be complete, shall serve as an indicator to release subsequent loan proceeds in accordance with the plan and timetable.

Subpart 3. Size of loan. It is necessary and reasonable to inform readers of the amount of the loan and the conditions surrounding issuance of a loan. The authority has placed a limit of $250,000 for technology-related equipment and working capital for any one product. This loan amount is reasonable because $250,000 for any given product should provide adequate stimulus for a small business to develop and market a product as it is anticipated the small business will secure additional working capital as needed from regular lending sources or from venture capital firm.

The authority may make an additional loan not to exceed $100,000 for the same product. The right to grant this additional loan amount is reasonable because such additional money could determine the success or failure of the effort and, as such, protect the state's initial loan principal. This ability to provide additional loan monies typifies the funding cycle of other technology companies in their development. The proceeds of the loan must be issued to the eligible applicant in accordance with an approved plan and timetable. This timetable is needed and reasonable and is to be used as a guide by the state to monitor the progress of the business in development of its product. It is also reasonable that an agreed-upon timetable shall serve as an indicator for the release of subsequent loan proceeds.

Subpart 4. Maximum term. The maximum term of the loan may not exceed four years.

Subpart 4. Maximum term. It is necessary to establish a maximum term of the loan so that small businesses may develop their plans for use of proceeds as well as payback schedules. For example, it is reasonable to establish the term for computer and other technology-related equipment on a four-year maximum term since the useful life of this equipment is typically three to five years. It is also reasonable to establish a four-year term for working capital since working capital does not represent tangible assets. It is anticipated that products developed as a result of these loans will have a typical "sales life" of three to five years and the payback period should coincide with the revenue derived from the product.

Subpart 5. Interest rate. The interest rate of a loan is five percentage points below a full faith and credit obligation of the United States government of comparable maturity, as of five working days before closing or as determined by the authority at the time of approval based upon its assessment of current interest rate conditions.

Subpart 5. Interest rate. It is necessary to inform readers of the rules that they can expect in terms of interest rates. An interest rate that is five percentage points below a full faith and credit obligation of the United States government of comparable maturity, at the time of submission of the complete application to the authority, is reasonable because the program provides a credit product which is not currently available to the marketplace. The program thus fills a void that helps promote economic development in the state in the area of technology and also helps to fulfill the purposes of the Act. The interest rate is similar to that set for other authority programs. See Minn. Rules, pt. 8300.3033 and pt. 8300.3064.

Subpart 6. Security requirements. In addition to security interests in collateral as specified in part 8300.3012, the authority shall require a security interest in the product in the form of a royalty on the product and, in case of default, full rights to the product, including all patents, copyrights, mask work, trade secrets, trademarks, service marks, and any other intellectual property rights. The royalty payment must be based upon net receipts of the product not to exceed 25 percent and must be set forth in a security agreement that shall be entered into at the same time the loan is made. Royalty payments must be made to the authority in accordance with the schedule appearing in the security agreement.

The security agreement must set forth the terms and conditions applicable to all derivatives of the product, and must bind all future assignees of the product. The amount of royalty paid to the authority shall be set forth in the security agreement. Royalty terms provided in the security agreement may not extend more than seven years from the date of the loan agreement unless the authority and the eligible applicant agree to an extension. The maximum amount of royalty paid to the authority shall not exceed three times the amount of the loan principal. The security agreement must contain a provision for assignment of all product rights, including copyrights and patents to the authority upon default of the loan.

Subpart 6. Security requirements. It is necessary for the authority to protect its financial exposure pursuant to Minnesota Statutes, chapter 116M. 06, subd. 2. It is reasonable for the authority to acquire collateral in accordance with generally accepted commercial lending practices to protect its interest in this financial assistance program. Specified forms of acceptable collateral are generally accepted forms by commercial lending practices and standards. The discretion to require additional security in the form of a royalty is reasonable because it permits the authority to enter into various types of financial assistance agreements and to obtain the best available collateral as required pursuant to Minnesota Statutes, chapter 116.M.06, subd. 2.

Further, it is also reasonable to limit the amount of royalty to be paid to the authority to no more than 25 percent of sales and three times the loan amount. This will permit sufficient funds to be retained by the eligible small business to expand and create new business opportunities. It is also reasonable to protect the authority's interest by providing full rights to the product including all patents, copyrights, mask work, trade secrets, trademarks, service marks or any other intellectual property rights related to the project since intellectual property would have been produced as a result of the loan.

It is also reasonable for the state to protect its interest through the restriction of derivative products. In the hardware and software industry, it is relatively easy to redesign a given product into a new product; and in many situations, a new product is often based substantially upon the work which went into the original product. Therefore, loan monies used to produce a given product should be secured not only through that product's lifetime, but through other derivative products which may utilize the technology developed for the original product.

Subpart 7. Loan servicing. The commissioner shall be the authority's authorized agent for purposes of administration of the loan including approval of required documentation prior to disbursements, the determination of a default and the exercise of remedies upon default. The commissioner shall monitor the repayment of the principal and interest as provided in the amortization schedule. The commissioner may restructure the loan at the request of the borrower or upon his or her own initiative if the commissioner determines that restructuring the loan will increase the probability that the loan will be repaid to the state.

If the borrower requests the commissioner to restructure the loan, the commissioner shall charge the borrower a fee in the amount of one-half percent on the outstanding principal amount of the loan.

Subpart 7. Loan servicing. It is reasonable and necessary to designate the commissioner as the day-to-day administrator of the loan for ministerial matters which often require prompt action. Also, it is necessary for the eligible borrower to understand the servicing of the loan. Further, it is reasonable that the loan be restructured at the request of the borrower if, by doing so, the restructuring will increase the probability the loan will be repaid to the state. It is further reasonable that the commissioner may charge the borrower a fee for the restructuring if such restructuring is requested by the borrower.

Subpart 8. Loan payments; royalties. Loan payments must be made as provided in the amortization schedule. The first principal payment is due 12 months after issuance of the final proceeds of the loan.

The authority, in its sole discretion, may accept royalty payments in lieu of loan payments if it appears that this arrangement will increase the probability that the loan will be repaid. The amount of royalty paid in lieu of loan payments may not reduce the total amount of royalty due.

Subpart 8. Loan payments; royalties. It is necessary for the eligible borrower to be informed about the loan amortization schedule. It is also reasonable for the authority to delay the first principal payment until 12 months after the issuance of the final proceeds of the loan because there is a portion of time that expires between the development and marketing of a product and the time when substantial sales are realized for that product. This 12-month period is reasonable in that it would allow a company to establish its sales before it must repay the loan.

8300.4103 ELIGIBLE LOAN APPLICANTS.

A person, partnership, firm, or corporation engaged in and determined by the authority to constitute a small business as defined in the regulations of the United States Small Business Administration, Code of Federal Regulations, title 13, part 121, standard industrial code (SIC) 7372, is considered an eligible small business or an eligible applicant for a technology product loan.

8300.4103 ELIGIBLE LOAN APPLICANTS.

It is necessary and reasonable to inform readers what the eligibility criteria are for the program. The definition of an eligible borrower is a technology business as defined by the standard industrial classification (SIC) code, and is consistent with other programs which also use the same regulation. Under Minnesota Statutes, chapter 116.03, subd. 4 (1984), eligible small businesses are considered to be eligible under the regulations of the United States Small Business Administration (SBA) pursuant to United States Code, Title 15, Sections 631-647. The SIC code found at 13 CFR is a regulation of the SBA. We note that the Minnesota Supreme Court has expressly held the corporation of SBA definitions as to the eligible small business is not an unconstitutional delegation of state legislative power to the federal government. [See Minnesota Energy and Economic Development Authority vs. Printy, 351 northwest second 319, 351 (Minnesota 1984).]

8300.4104 FINANCING ELIGIBLE SMALL BUSINESSES AND TARGETED SMALL BUSINESSES.

The authority may use funds available for product loans to help finance eligible small businesses. Two-thirds of these available funds must be allocated to help finance targeted small businesses.

The authority shall make a determination as to the use of funds four months prior to the close of its fiscal year. At that time the authority may reallocate its remaining funds between the categories of eligible small businesses and targeted small businesses if it determines that by doing so participation in the program may increase.

8300.4104 FINANCING ELIGIBLE SMALL BUSINESSES AND TARGETED SMALL BUSINESSES.

It is reasonable for the authority to limit the program to those small businesses as defined in Minnesota Statutes, chapter 116.M.03, subd. 8 (1984). Targeted small businesses are defined as very small businesses. Typically these smaller technology businesses have the most difficulty in obtaining financing and are in the most need of assistance. It is, therefore, reasonable for the authority to use a greater proportion of its limited funds to assist those businesses with the greatest need. By establishing a program which provides a greater portion of the available funds for targeted small businesses, the authority is implementing the directive of the legislature in helping to assure that targeted businesses receive financial assistance from the authority instead of allocating all available funding to much larger businesses.

8300.4105 LOAN DEFAULT.

If the commissioner determines the loan to be in default, the commissioner may take such actions provided in law or in equity to protect its interests. Upon default, the commissioner shall notify the loan recipient in writing of the default and give the loan recipient 60 days to re-establish the good standing of the loan. During this time period the commissioner may permit the borrower to sell or reassign the product rights or licenses, prepare derivative products, or undertake other measures that will increase the probability that remaining loan payments will be made. If the loan remains in default at the end of the initial 60-day time period, the commissioner may extend the time period for an additional 60 days if the loan recipient can demonstrate that the additional period of time is necessary to re-establish the good standing of the loan. If the loan remains in default at the end of the initial 60-day time period and any granted extension, all product rights as provided in the security agreement transfer automatically to the authority. The loan recipient shall also provide to the commissioner, if requested, all relevant materials including technical and user documentation, drawings, prototypes, models, test results, and source codes associated with the product.

8300.4105 LOAN DEFAULT

It is necessary to establish orderly procedures to be followed if a loan is in default. The procedures established are reasonable in that they require the commissioner to notify the loan recipient in writing of the default and give the loan recipient 60 days to re-establish the good standing of the loan. Further, it is reasonable for the commissioner to have authority to protect the interests of the state by granting an additional extension to the loan recipient if that time will help re-establish the loan in good standing.

It is also reasonable that, if the loan is in default, the state's interests shall be protected. This is provided for in that all works associated with the product, including all intellectual property rights incident to the product, transfer automatically to the state. In this way, the state will receive items of value that have been developed from the loan proceeds and which could possibly be used or resold by the state to protect or recapture its initial investment.

8300.4106 DISPOSITION OF ACQUIRED PRODUCTS.

Subpart 1. Sales. For product rights acquired under loan default, the authority may sell the acquired product and all intellectual property rights incident to in a commercially reasonable manner to any person or business.

Subpart 1. Sales. It is necessary that the state have an orderly means for the disposition of a product acquired under loan default. It is reasonable that the state may sell the acquired product and its intellectual property rights in a commercially acceptable manner in order to recover part or all of its investment in the original loan. Such policies are in keeping with generally accepted business practices should a loan go into default.

Subpart 2. No product warranty. No warranty may be expressed or implied by the authority for products distributed under subpart 1. Product recipients shall assume all risk of use. The state, the authority, and its employees may not be held liable for any damages, including any lost profits, lost savings, or other incidental or consequential damages arising out of the use or inability to use the product.

Subpart 2. No product warranty. It is necessary to communicate to the readers of this document, as well as to any potential users of products that are acquired by the state through the default of a loan, that no warranty is expressed or implied on those products. It is reasonable that no warranty be provided because production of the product has been outside the control of the state and as such the state has no assurance of the quality of the product. The purchaser of the product should consider the benefits of the product when making a decision whether or not to purchase the product.

8300.4107 CERTIFICATIONS.

For products financed by the authority, the eligible loan recipient shall agree to and execute a certification statement acceptable in form and content to the commissioner. This statement must certify at least the following:

A. that the product is original;

B. that the product does not infringe upon copyrights, patents, mask work, trade secrets, trademarks, service marks, and any other intellectual product rights;

C. that the product will substantially perform the tasks it has represented in its documentation that it will perform;

D. that the loan recipient will hold the authority harmless.

8300.4107 CERTIFICATIONS.

It is necessary to inform the eligible loan applicant that upon issuance of a loan, the eligible applicant will be required to certify certain statements. It is reasonable to request these certifications from the eligible business to protect the interests of the state and to assure that the loan recipient has made true representation in the documents that he or she has filed in obtaining the loan.

8300.4108 DATA, PUBLIC AND PRIVATE.

An applicant shall execute an acknowledgement that data provided as part of the application or loan servicing process may be considered public data. If the eligible applicant considers any part of the data to be provided to the authority to be a trade secret, and if the authority agrees that the data is a trade secret as defined in the Minnesota Government Data Practices Act, Minnesota Statutes, chapter 13, then the authority shall enter into an agreement with the eligible applicant regarding the data.

8300.4108 DATA, PUBLIC AND PRIVATE.

The authority treats most applicant information as private data (see Minnesota Statutes, chapter 116.M.08, subd. 17 and Minnesota Statutes §13.37). However, it is necessary to inform prospective and eligible loan applicants that, upon submission of a loan application, certain information they provide in the application may in fact be considered public information. Since the Technology Product Investment Program provides funds to create new and advanced technological products, these new products may contain trade secrets, and their developers are concerned to the extent that those trade secrets may be available to the public. It is reasonable to utlize the existing Minnesota Government Data Practices Act, Minnesota Statutes, chapter 13, to govern the way in which data may be protected as a trade secret.

8300.4109 CONTENT OF APPLICATION.

In addition to the data required by part 8300.3011, an applicant for the technology product investment program shall provide the following information:

A. specific product descriptions and comparison data to similar or related products, projected life cycle of the product, need for the product, pricing considerations, profit margins, and future product trends;

B. market research data including a description of the targeted audience that will use and purchase the product; how the product will be packaged, promoted, and sold, including pricing considerations;

C. a market plan describing primary strategies, distribution agreements, if any, and opportunities for leverage with other products;

D. a product packaging, documentation, and manufacturing plan including projected cost of product and inventory levels;

E. product descriptions, sales, and profit data on other technology products under the control of the business;

F. projected financial performance of the proposed product including sales and profit projections and cash flow and return on investment analysis;

G. jobs maintained or created as a result of the loan; and

H. a description of how the product will serve the public good of the state, especially in education and training.

8300.4109 CONTENT OF APPLICATION.

It is reasonable to inform prospective applicants of the required contents of an application for funds under the Technology Product Investment Program. The information requested is similar to the information requested of all loan applicants by the authority. The contents of the application are reasonable and request information necessary for the authority to adequately evaluate the loan application.

8300.4110 SUBMISSION AND EVALUATION CRITERIA.

Subpart 1. Evaluation criteria. The authority shall evaluate an application according to the standards and requirements in parts 8300.4101 to 8300.4112, the laws governing the program, and the following criteria:

A. the number of jobs created and maintained;

B. the ability of the product to attract private investment capital;

C. the projected financial success of the product;

D. the probability that royalty projections will be realized;

E. the projected return on investment to the state;

F. the degree to which the product serves the public good and reduces other state expenses; and

G. the degree to which the product can be expected to meet the needs of the marketplace.

Subpart 1. Evaluation criteria. It is necessary to define for potential applicants the specific criteria that will be used to judge their application. The criteria are reasonable because they target the intent of the Act which is to create and maintain jobs in the high technology area in the State of Minnesota and they define standards which will reflect the intent of the Act in terms of the number of jobs created and maintained. The criteria also make the eligible applicant aware of standards that protect the state's interest for a secure loan.

Subpart 2. Use of consultants. The authority shall evaluate applications using the evaluation criteria. The commissioner may employ consultants as needed to extend the expertise of staff. The commissioner shall take steps that are reasonable to ensure that consultants are free from any conflicts of interests and that they use reasonable means to protect confidentiality of data.

Subpart 2. Use of consultants. It is reasonable for the commissioner to employ needed consultant expertise to assist his or her staff in the evaluation of submitted applications. Applications for the Technology Product Investment Program may be highly technical with computer software and hardware information. It is unlikely that the commissioner or his/her staff will have the needed expertise in the various software vertical markets and, therefore, reasonable that the commissioner may employ outside consultants to review applications using the evaluation criteria.

Subpart 3. Priority funding. The commissioner may make priority funding recommendations to the authority based on the evaluation of the applications.

Subpart 3. Priority funding. It is necessary to communicate to eligible applicants that resources for loans are limited and priority recommendations for funding may be made to the authority based on application evaluations. It is reasonable that the commissioner make priority funding recommendations to ensure the most effecient and effective use of the state's resources, to stimulate the greatest amount of economic development and to provide the greatest security for the state's interest.

8300.4111 INTELLECTUAL PROPERTY RIGHTS.

Copyrights, patents, mask work, trade secrets, trademarks, service marks, and any other intellectual property rights in the product shall remain with the business unless specifically transferred to the authority under a mutual agreement or through loan default.

8300.4111 INTELLECTUAL PROPERTY RIGHTS.

It is necessary to define intellectual property rights and it is reasonable that such property remain with the business unless it is specifically transferred to the authority under agreement or through the loan default process.

8300.4112 DERIVATIVE PRODUCTS AND SUCCESSOR BUSINESSES.

All agreements made as part of the technology product investment program, including product loan and security agreements, must contain an appropriate clause to maintain and secure the authority's financial interests in derivative products and successor businesses.

8300.4112 DERIVATIVE PRODUCTS AND SUCCESSOR BUSINESSES.

It is often easy to transform existing hardware and software products into other derivative products. Therefore, it is reasonable that the state should protect its interest in the business by requiring that the security agreement contain an appropriate clause to maintain the state's rights to loan paybacks and to the product for all derivative products which originate based on the original product for which the loan was made. It is also reasonable that the state protect its interest through an appropriate clause that successor businesses must be responsible for the loan as stated in the security agreement made with the original business, as such successor businesses will derive benefits from the original loan.

State of Minnesota

Minnesota Energy and Economic Development Authority

In the Matter of the Proposed Adoption of Rules of the Minnesota Energy and Economic Development Authority Governing the Technology Product Investment Program

AFFIDAVIT OF MAILING

STATE OF MINNESOTA)
) SS.
COUNTY OF RAMSEY)

Bette A. Hedin, being first duly sworn deposes and says:

That on the Sixth day of June, 1986, at the City of St. Paul, County of Ramsey, State of Minnesota, she served that attached Notice of intent to adopt rules without a public hearing 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 State of Minnesota for the purpose of receiving notice of the proposed adoption of rules by the Department of Energy and Economic Development and the Minnesota Energy and Economic Development Authority. This notice was also mailed to approximately 600 Minnesota software and software-related companies known to the Minnesota Office of Software Technology Development.

Bette A. Hedin

Bette A. Hedin

Subscribed and sworn to before me this

9th day of June, 1986.

Brooke L Manley

My commission expires June 28, 1988.

BROOKE L. MANLEY
NOTARY PUBLIC-MINNESOTA
RAMSEY COUNTY
My Comm. Expires June 28, 1988

Minnesota Energy and Economic Development Authority

In the Matter of the Proposed Adoption of Rules of the Minnesota Energy and Economic Development Authority Governing the Technology Product Investment Program

NOTICE OF PROPOSED ADOPTION OF RULES WITHOUT A PUBLIC HEARING

Notice is hereby given that the Minnesota Energy and Economic Development Authority (hereinafter the "Authority") proposes to adopt the above-entitled rules without a public hearing following the procedures set forth in Minnesota Statutes, Sections 14.29 to 14.36. The specific statutory authority to adopt these rules is Minnesota Statute 116.M.08, Subdivision 4. The proposed rules were published at **State Register**, Volume 10, #50, on pages 2466 to 2471 [10 SR 2466-2471].

Persons interested in these rules shall have 30 days, until 4:30 p.m. on July 9, 1986, in which to submit comments in support of or in opposition to the proposed rules or any part or subpart of the rules and comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed. Any written material received by the agency by July 9, 1986 will become part of the record in this matter.

Any person may make a written request for a public hearing on the rule within this 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request. Any person requesting a public hearing should state his or her name and address, identify the portion of the proposed rule addressed, the reason for the request and any change proposed. If a public hearing is required, the Authority will proceed pursuant to Minnesota Statutes, Sections 14.131 to 14.20.

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

Rosemary T. Fruehling, Director
Office of Software Technology Development
Department of Energy and Economic Development
900 American Center Building
150 East Kellogg Boulevard
St. Paul, MN 55101
(612) 297-1554

The proposed rules may be modified if the modifications are supported by data and views and do not result in substantial change in the proposed rules as noticed.

The rules proposed for adoption relate to the Technology Product Investment Program, a program for financial assistance to software, courseware and other technology-related products. The rules establish eligibility criteria, application content and procedures, default provisions and submission and evaluation criteria for technology product investments. 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 rule has been prepared and is available from Dr. Fruehling upon request. Also, a free copy of the proposed rules is available by contacting Dr. Fruehling at the above address.

If no hearing is required, upon adoption of the rules, the rules and the required supporting documents will be delivered to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General or those who wish to receive a copy of the adopted rules may submit a written request to Dr. Fruehling.

June 9, 1986

MARK B. DAYTON, CHAIRMAN
MINNESOTA ENERGY AND ECONOMIC
DEVELOPMENT AUTHORITY

1580.0800 PRINCIPAL AND INTEREST ASSISTANCE.

Subpart 1. **Availability of assistance.** The board may at any time enter into a written contract with the borrower to pay the lender, an amount not greater than the amount of principal and interest to become due on one or more subsequent dates, without acceleration, if the board determines that:

A. the borrower is not more than 60 days overdue in payments of principal or interest due;

B. the borrower is or may become unable to meet in full principal or interest payments, or both, that are due or to become due within a specified period;

C. it is in the public interest to permit the borrower to continue to pursue the purposes of the project;

D. the probable net financial loss to the board will be less than that which would result in the event of a default;

E. the borrower is obligated by the contract to reimburse the state for the principal or interest advanced thereunder, with interest on those amounts, upon terms and conditions satisfactory to the board in light of generally accepted commercial lending practices; and

F. adequate funds are available to make the principal and interest payments pursuant to Minnesota Statutes, section 41A.03, subdivision 4.

Subp. 2. **Terms of assistance.** All sums advanced for principal and interest assistance and interest on those amounts must be secured by the best available collateral and security interest granted by the loan agreement, but none of the advances made thereafter be repaid to the board until and unless all principal and interest currently due on the loan has been fully paid. In the event of subsequent default by the borrower, acceleration by the lender, and payment by the board of the full amount due under the loan guarantee or bonds, the board is subrogated to the rights of the lender with respect to the principal paid by it under the contract. Upon payment of the loan in full, with accrued interest, the remaining amount of the advances and interest on the advances may be paid to the board.

1580.0900 ISSUANCE OF BONDS.

Subpart 1. **Bond resolution.** If the board intends to fund the eligible financial assistance by issuing bonds for a project pursuant to Minnesota Statutes, section 41A.05, subdivision 2, the board shall first pass a preliminary resolution. The preliminary resolution must not obligate the board to issue bonds or to fund eligible financial assistance, but must constitute an expression of current intention of the board to issue bonds or to fund eligible financial assistance. If the board subsequently determines that there are no adverse changes in the financial conditions or key personnel of the applicant or borrower, market conditions, availability of bond issuance authority, and other conditions that the board considers necessary, and the board decides in conformance with Minnesota Statutes, section 41A.01, and in accordance with generally accepted commercial lending practices to make eligible financial assistance available, the board shall pass a final resolution that authorizes the issuance and sale of bonds to extend eligible financial assistance to the project. The final resolution must specify the terms and conditions under which bonds will be issued. The preliminary resolution may contain a time limit with respect to issuance of bonds, may be revoked or amended by the board at any time before the final resolution of the board without liability to the board, and may impose any conditions or requirements that the board considers desirable. The administrator shall notify the applicant of the board's approval and provide the applicant with a copy of the resolution passed. Throughout this process, if the board does not extend financial assistance, the board has no liability to the applicant or borrower.

Subp. 2. **Bond reserve.** If the board determines, in light of market conditions, that a bond reserve fund is necessary to provide additional security for the bonds, then it must require the borrower to establish a reserve for the bonds. The reserve may come out of bond proceeds, in order to provide the additional security for the bonds as market conditions may require. The amount of the reserve must not be less than one-half of the annual amount that would be required to amortize the entire amount of the bonds over the term and at the interest rate (or at the rate of yield resulting from the interest rates) provided in the bond issue resolution.

Department of Energy and Economic Development

Proposed Permanent Rules Relating to Technology Product Investment Program

Notice of Proposed Adoption of Rules without a Public Hearing

Notice is hereby given that the Minnesota Energy and Economic Development Authority (hereinafter the "Authority") proposes to adopt the above-entitled rules without a public hearing following the procedures set forth in Minnesota Statutes, Sections 14.29 to 14.36. The specific statutory authority to adopt these rules is Minnesota Statute 116.M.08, Subdivision 4. The proposed rules were published at *State Register*, Volume 10, #50, on pages 2466-2471 [10 SR 2466].

Persons interested in these rules shall have 30 days, until 4:30 p.m. on July 9, 1986, in which to submit comments in support of or in opposition to the proposed rules or any part or subpart of the rules and comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed. Any written material received by the agency by July 9, 1986 will become part of the record in this matter.

Any person may make a written request for a public hearing on the rule within this 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request. Any person requesting a public hearing should state his or her name and address, identify the portion of the proposed rule addressed, the reason for the request and any change proposed. If a public hearing is required, the Authority will proceed pursuant to Minnesota Statutes, Sections 14.131 to 14.20.

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

Rosemary T. Fruehling, Director
Office of Software Technology Development
Department of Energy and Economic Development
900 American Center Building
150 East Kellogg Boulevard
St. Paul, MN 55101
(612) 297-1554

The proposed rules may be modified if the modifications are supported by data and views and do not result in substantial change in the proposed rules as noticed.

The rules proposed for adoption relate to the Technology Product Investment Program, a program for financial assistance to software, courseware and other technology-related products. The rules establish eligibility criteria, application content and procedures, default provisions and submission and evaluation criteria for technology product investments. 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 rule has been prepared and is available from Dr. Fruehling upon request. Also, a free copy of the *proposed* rules is available by contacting Dr. Fruehling at the above address.

If no hearing is required, upon adoption of the rules, the rules and the required supporting documents will be delivered to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General or those who wish to receive a copy of the *adopted* rules may submit a written request to Dr. Fruehling.

9 June 1986

Mark B. Dayton, Chairman
Minnesota Energy and Economic
Development Authority

Rules as Proposed (all new material)

8300.4101 DEFINITIONS.

Subpart 1. **Scope.** For the purpose of parts 8300.4102 to 8300.4112, the following terms have the meanings given them.

Subp. 2. **Product rights.** "Product rights" means a product to which the rights have been acquired by the authority through purchase, lease, license, or loan default.

Subp. 3. **Conceptual product.** "Conceptual product" means an idea based upon a mental impression or general notion that can be documented in a technology-related product design or plan.

Subp. 4. **Courseware.** "Courseware" means specialized software for the delivery of education and training.

Subp. 5. **Default.** "Default" means the failure of the loan recipient to repay the principal and interest, to make royalty payments in accordance with the security agreement, or the breach by the loan recipient for more than ten days after mailing written notice of breach by the commissioner of any material covenant in the note, loan agreement, or in any instrument securing the loan which the commissioner determines constitutes an adverse change in the loan recipient's ability to repay the product loan. For purposes of these

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parts, a loan is considered in default if the principal and interest repayments and royalty payments are not received by the authority within ten days after the day specified in the security agreement.

Subp. 6. **Derivative product.** "Derivative product" means a product that contains or uses part of a previous product.

Subp. 7. **Education.** "Education" means the deliberate process of developing knowledge, mind, and character of an individual.

Subp. 8. **Product.** "Product" means something produced by a business and that exists in a usable form. Product includes, but is not limited to, a technology-related product, a conceptual product, or a prototype product, and all technical and user documentation, drawings, prototypes, models, test results, and source codes associated with the product.

Subp. 9. **Product loan.** "Product loan" means a loan made to a business for the development and for marketing of a product.

Subp. 10. **Prototype product.** "Prototype product" means a working model that approximates the function of a final technology-related product.

Subp. 11. **Royalty.** "Royalty" means the proceeds paid to the authority in connection with the loan agreement or in connection with product rights. Payments can be based on but not limited to a percent of sales of the product or a specific dollar amount for each unit of the product sold.

Subp. 12. **Software.** "Software" means a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result, in any form of material object in which such statements or instructions may be fixed, by any method now known or hereafter developed, regardless of whether the statements or instructions are capable of being perceived by or communicated to humans. Software includes courseware.

Subp. 13. **Technology-related product.** "Technology-related product" means a product that results from a method or process for handling a specific technical problem. Technology-related product includes computer software and computer hardware products.

Subp. 14. **Training.** "Training" means the process which instructs so as to make a person proficient or qualified.

8300.4102 TECHNOLOGY PRODUCT LOAN PROGRAM.

Subpart 1. **Purpose.** The authority shall make technology product loans to eligible applicants in compliance with Minnesota Statutes, chapter 116M in order to help create or retain jobs for the state. The authority shall also consider the value of the product to promote the public good of the state, especially in education and training. Loans may be made to eligible applicants for the development and marketing of technology-related products that exist as completed products, prototypes, or as conceptual products.

Subp. 2. **Use of loan proceeds.** The loan must be made to provide financial assistance for the development and marketing of a technology-related product. Proceeds of the loan may be used to pay the costs of computer and other technology-related equipment, and for working capital.

Subp. 3. **Size of loan.** The principal amount of any product loan issued by the authority may not exceed $250,000 for technology-related equipment and for working capital for any one product, provided, however, the authority may make an additional loan not to exceed $100,000 for the same product if the applicant can demonstrate that the additional loan is necessary to develop and market the product as described in the loan agreement or to modify the development and marketing plans if the authority determines that such modifications are necessary. Proceeds of the loan must be issued to the eligible applicant in accordance with an approved plan and timetable. The plan must establish significant events in the development and marketing activities of the product which, when determined by the authority to be complete, shall serve as an indicator to release subsequent loan proceeds in accordance with the plan and timetable.

Subp. 4. **Maximum term.** The maximum term of the loan may not exceed four years.

Subp. 5. **Interest rate.** The interest rate of a loan is five percentage points below a full faith and credit obligation of the United States government of comparable maturity, as of five working days before closing, or as determined by the authority at the time of approval based upon its assessment of current interest rate conditions.

Subp. 6. **Security requirements.** In addition to security interests in collateral as specified in part 8300.3012, the authority shall require a security interest in the product in the form of a royalty on the product and, in case of default, full rights to the product, including all patents, copyrights, mask work, trade secrets, trademarks, service marks, and any other intellectual property rights. The royalty payment must be based upon net receipts of the product not to exceed 25 percent and must be set forth in a security agreement that shall be entered into at the same time the loan is made. Royalty payments must be made to the authority in accordance with the schedule appearing in the security agreement.

The security agreement must set forth the terms and conditions applicable to all derivatives of the product, and must bind all future assignees of the product. The amount of royalty paid to the authority shall be set forth in the security agreement. Royalty terms provided in the security agreement may not extend more than seven years from the date of the loan agreement unless the authority and the eligible applicant agree to an extension. The maximum amount of royalty paid to the authority shall not exceed three times the

amount of the loan principal. The security agreement must contain a provision for assignment of all product rights, including copyrights and patents to the authority upon default of the loan.

Subp. 7. **Loan servicing.** The commissioner shall be the authority's authorized agent for purposes of administration of the loan including approval of required documentation prior to disbursement, the determination of a default, and the exercise of remedies upon default. The commissioner shall monitor the repayment of the principal and interest as provided in the amortization schedule. The commissioner may restructure the loan at the request of the borrower or upon his or her own initiative if the commissioner determines that restructuring the loan will increase the probability that the loan will be repaid to the state.

If the borrower requests the commissioner to restructure the loan, the commissioner shall charge the borrower a fee in the amount of one-half percent on the outstanding principal amount of the loan.

Subp. 8. **Loan payments; royalties.** Loan payments must be made as provided in the amortization schedule. The first principal payment is due 12 months after issuance of the final proceeds of the loan.

The authority, in its sole discretion, may accept royalty payments in lieu of loan payments if it appears that this arrangement will increase the probability that the loan will be repaid. The amount of royalty paid in lieu of loan payments may not reduce the total amount of royalty due.

8300.4103 ELIGIBLE LOAN APPLICANTS.

A person, partnership, firm, or corporation engaged in and determined by the authority to constitute a small business as defined in the regulations of the United States Small Business Administration, Code of Federal Regulations, title 13, part 121, standard industrial code (SIC) 7372, is considered an eligible small business or an eligible applicant for a technology product loan.

8300.4104 FINANCING ELIGIBLE SMALL BUSINESSES AND TARGETED SMALL BUSINESSES.

The authority may use funds available for product loans to help finance eligible small businesses. Two-thirds of these available funds must be allocated to help finance targeted small businesses.

The authority shall make a determination as to the use of funds four months prior to the close of its fiscal year. At that time the authority may reallocate its remaining funds between the categories of eligible small businesses and targeted small businesses if it determines that by doing so participation in the program may increase.

8300.4105 LOAN DEFAULT.

If the commissioner determines the loan to be in default, the commissioner may take such actions provided in law or in equity to protect its interests. Upon default, the commissioner shall notify the loan recipient in writing of the default and give the loan recipient 60 days to re-establish the good standing of the loan. During this time period the commissioner may permit the borrower to sell or reassign the product rights or licenses, prepare derivative products, or undertake other measures that will increase the probability that remaining loan payments will be made. If the loan remains in default at the end of the initial 60-day time period, the commissioner may extend the time period for an additional 60 days if the loan recipient can demonstrate that the additional period of time is necessary to re-establish the good standing of the loan. If the loan remains in default at the end of the initial 60-day time period and any granted extension, all product rights as provided in the security agreement transfer automatically to the authority. The loan recipient shall also provide to the commissioner, if requested, all relevant materials including technical and user documentation, drawings, prototypes, models, test results, and source codes associated with the product.

8300.4106 DISPOSITION OF ACQUIRED PRODUCTS.

Subpart 1. **Sales.** For product rights acquired under loan default, the authority may sell the acquired product and all intellectual property rights incident to in a commercially reasonable manner to any person or business.

Subp. 2. **No product warranty.** No warranty may be expressed or implied by the authority for products distributed under subpart 1. Product recipients shall assume all risk of use. The state, the authority, and its employees may not be held liable for any damages, including any lost profits, lost savings, or other incidental or consequential damages arising out of the use or inability to use the product.

8300.4107 CERTIFICATIONS.

For products financed by the authority, the eligible loan recipient shall agree to and execute a certification statement acceptable in form and content to the commissioner. This statement must certify at least the following:

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A. that the product is original;

B. that the product does not infringe upon copyrights, patents, mask work, trade secrets, trademarks, service marks, and any other intellectual product rights;

C. that the product will substantially perform the tasks it has represented in its documentation that it will perform;

D. that the loan recipient will hold the authority harmless.

8300.4108 DATA, PUBLIC AND PRIVATE.

An applicant shall execute an acknowledgement that data provided as part of the application or loan servicing process may be considered public data. If the eligible applicant considers any part of the data to be provided to the authority to be a trade secret, and if the authority agrees that the data is a trade secret as defined in the Minnesota Government Data Practices Act, Minnesota Statutes, chapter 13, then the authority shall enter into an agreement with the eligible applicant regarding the data.

8300.4109 CONTENT OF APPLICATION.

In addition to the data required by part 8300.3011, an applicant for the technology product investment program shall provide the following information:

A. specific product descriptions and comparison data to similar or related products, projected life cycle of the product, need for the product, pricing considerations, profit margins, and future product trends;

B. market research data including a description of the targeted audience that will use and purchase the product; how the product will be packaged, promoted, and sold, including pricing considerations;

C. a market plan describing primary strategies, distribution agreements, if any, and opportunities for leverage with other products;

D. a product packaging, documentation, and manufacturing plan including projected cost of product and inventory levels;

E. product descriptions, sales, and profit data on other technology products under the control of the business;

F. projected financial performance of the proposed product including sales and profit projections and cash flow and return on investment analysis;

G. jobs maintained or created as a result of the loan; and

H. a description of how the product will serve the public good of the state, especially in education and training.

8300.4110 SUBMISSION AND EVALUATION CRITERIA.

Subpart 1. **Evaluation criteria.** The authority shall evaluate an application according to the standards and requirements in parts 8300.4101 to 8300.4112, the laws governing the program, and the following criteria:

A. the number of jobs created and maintained;

B. the ability of the product to attract private investment capital;

C. the projected financial success of the product;

D. the probability that royalty projections will be realized;

E. the projected return on investment to the state;

F. the degree to which the product serves the public good and reduces other state expenses; and

G. the degree to which the product can be expected to meet the needs of the marketplace.

Subp. 2. **Use of consultants.** The authority shall evaluate applications using the evaluation criteria. The commissioner may employ consultants as needed to extend the expertise of staff. The commissioner shall take steps that are reasonable to ensure that consultants are free from any conflicts of interests and that they use reasonable means to protect confidentiality of data.

Subp. 3. **Priority funding.** The commissioner may make priority funding recommendations to the authority based on the evaluation of the applications.

8300.4111 INTELLECTUAL PROPERTY RIGHTS.

Copyrights, patents, mask work, trade secrets, trademarks, service marks, and any other intellectual property rights in the product shall remain with the business unless specifically transferred to the authority under a mutual agreement or through loan default.

8300.4112 DERIVATIVE PRODUCTS AND SUCCESSOR BUSINESSES.

All agreements made as part of the technology product investment program, including product loan and security agreements, must

contain an appropriate clause to maintain and secure the authority's financial interests in derivative products and successor businesses.

Department of Human Rights

Proposed Rules Relating to Discrimination Complaints

Notice of Hearing

Notice is hereby given that a public hearing will be held pursuant to Minnesota Statutes, § 14.14, subdivision 1, in the above-entitled matter in the Hubert H. Humphrey Institute, Auditorium, 301 19th Avenue South, Minneapolis, Minnesota on July 17, 1986, commencing at 9:00 a.m. and continuing until all persons or representatives of associations or other interested groups have had an opportunity to be heard concerning adoption of the proposed rules captioned above by submitting either oral or written data, statements, or arguments. Statements or briefs may be submitted without appearing at the hearing. The proposed rules may be modified as a result of the hearing process, therefore, all interested parties are encouraged to attend.

Following the Department's presentation at the hearing, all interested or affected parties will have an opportunity to participate by asking questions and making comments. Statements may be made orally and written material may be submitted. In addition, whether or not appearance is made at the hearing, written statements or material may be submitted to Peter C. Erickson, Administrative Law Judge, Office of Administrative Hearings, 4th floor Summit Bank Building, 310 Fourth Avenue South, Minneapolis, 55415, Telephone (612) 341-7606 before the hearing or within five working days after the hearing ends. This comment period may be extended for a longer period, not to exceed 20 calendar days, if ordered by the Administrative Law Judge at the hearing.

The rule hearing procedure is governed by Minnesota Statutes, §§ 14.14 to 14.20, and by Minnesota Rules, part 1400. Questions about the hearing procedure may be directed to the Administrative Law Judge at the Office of Administrative Hearings.

The adoption of the rules is authorized by Minnesota Statutes § 363.05 subd. 1 (8), which gives the commissioner power to adopt suitable rules and regulations for the purpose of effectuating the statute. A copy of the proposed rules is attached to this notice and at least one free copy may be obtained by writing or calling:

David Nelson
Minnesota Department of Human Rights
500 Bremer Tower
7th Place and Minnesota Street
St. Paul, MN 55101
(612) 296-5678

Additional copies of the Rules will be available at the door on the date of the hearing.

Notice is hereby given that a Statement of Need and Reasonableness is available for review at the Department and will be available 25 days prior to the hearing at the Office of Administrative Hearings. This Statement of Need and Reasonableness will include a summary of all evidence and argument which the Department anticipates presenting at the hearing justifying both the need for and the reasonableness of the proposed rules. Copies of the Statement of Need and Reasonableness may also be obtained from the Office of Administrative Hearings at a minimal charge.

The Administrative Law Judge will allow the Department and other interested persons three working days after the close of the hearing record to respond in writing to any new information submitted. During the three day period, the Department may indicate in writing whether there are any amendments suggested by other persons which the Department is willing to adopt. Additional evidence may not be submitted during the three day period. The written responses shall be added to the rulemaking record.

NOTICE: Any person may request notification of the date on which the administrative law judge's report will be available, after which date the agency may not take any final action on the rules for a period of five working days. If you desire to be so notified, you may so indicate at the hearing. After the hearing, you may request notification by sending a written request to the administrative law judge. Any person may request notification of the date on which the rules were adopted and filed with the secretary of state. The notice must be mailed on the same day that the rules are filed. If you want to be so notified you may so indicate at the hearing or send a request in writing to the agency at any time prior to the filing of the rules with the secretary of state.

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MEEDA RESOLUTION NO. 86-586

MINNESOTA ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY
STATE OF MINNESOTA
ST. PAUL, MINNESOTA

In the Matter of the Adoption of Noncontroversial Rules of the Minnesota Energy and Economic Development Authority Governing the Technology Product Investment Program

Certificate of the Authority's Authorizing Resolution to Adopt Noncontroversial Rules

I, Mark B. Dayton, do hereby certify that I am a member and the Chairman of the Minnesota Energy and Economic Development Authority, an authority duly authorized under the laws of the State of Minnesota, and that the following is a true, complete and correct copy of a resolution adopted at a meeting of the Authority duly and properly called and held on the 29th day of July, 1986, that a quorum was present at said meeting, that a majority of those present voted for the resolution and that said resolution is set forth in the minutes of said meeting and has not been rescinded or modified.

> "Resolved, that the proposed rules governing the Technology Product Investment Program be and hereby are approved and adopted pursuant to the authority vested in me by M.S. Section 116M.07 and M.S. Section 116M.08, subd. 4 and that Mark B. Dayton, Chairman of the Minnesota Energy and Economic Development Authority, Lyn Burton, Vice Chair, and David Printy, Secretary, be and hereby are authorized to sign the findings of fact, conclusions and order adopting these rules and further are authorized to perform the necessary acts to provide that these rules shall have the force and effect of law."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 29th day of July, 1986.

Mark B. Dayton, Chairman
Minnesota Energy and Economic
Development Authority

ATTEST:

Member of the Authority

MEEDA RESOLUTION NO. 86-585

MINNESOTA ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY
STATE OF MINNESOTA
ST. PAUL, MINNESOTA

In the Matter of the Proposed Adoption of Rules of the Minnesota Energy and Economic Development Authority Relating to the Technology Product Investment Program

Findings of Fact, Conclusions and Order Adopting Noncontroversial Rules

The Notice of Intent to Adopt Rules without a Public Hearing regarding the above-entitled matter was published in the **State Register** on June 9, 1986 at 10 SR 2466-2471 and was mailed on June 6, 1986 to all persons who had registered their names with the Authority or the Department of Energy and Economic Development as well as to approximately 500 software businesses known to the Minnesota Office of Software Technology Development. The Notice offered interested parties 30 days in which to submit comments to the Authority to request a public hearing on the proposed rules or to request notification of the submission of final rules to the Attorney General.

The Authority received one comment during that period, no requests for a public hearing and no requests for notification of the submission of the final rules to the Attorney General.

After affording interested parties an opportunity to submit comments and to request a public hearing on the proposed rules, and receiving one written comment, the Authority makes the following:

1. The Authority received a letter with comments from Mr. Gary Stoltz, partner with Pathfinder Venture Capital Funds of Minneapolis, Minnesota.

   The primary concern of this letter was that the Authority may be restricting the ability of the company to raise additional capital because of the payments that have to be made to the Authority according to the contract. It would be the preference of Mr. Stoltz to defer payments until the company's operations had become profitable.

   Our response is that if the company is not performing and the royalty is becoming a detriment to the ongoing operations of the company or its ability to raise additional equity, the contract between the Authority and the company could be modified to defer the payments in return for some other concession. In summary, the rules appear to be appropriate for initiating the loan by the Authority. If unusual circumstances occur that require modification of the contract, the Authority should be in a position to react to the events that are presented.

2. At the June 25, 1986 Authority meeting, member Robert J. Anderson questioned Subpart 5 of the rules, page 5, which stated in part "The interest rate of a loan is five percentage points below a full faith and credit obligation . . ." He suggested a change of "500 basis points" which would be easier to understand and more correct financial terminology. Mr. Anderson also suggested it would be appropriate to establish a "floor" as to the lowest possible interest rate applicable to this program in light of the recent drop in interest rates. Board member Lyn Burton expressed support for this concept.

   Staff suggest the base rate of 3 percent as an appropriate minimum rate because this figure is 50 percent below the conventional Minnesota Fund loan rate established by the Authority recognizing, of course, that a certain amount of risk is inherent to the Technology Product Investment Program.

   Further, board members Lyn Burton and Robert Anderson suggested Subpart 5, page 5, be amended to read:

   > "Subpart 5. Interest rate. The interest rate of a loan is ~~five percentage~~ **500 basis** points below a full faith and credit obligation of the United State government of comparable maturity, as of five working days before closing or as determined by the Authority at the time of approval based upon its assessment of current interest rate conditions~~.~~**, provided that in no event shall the interest rate be lower than 3 percent."**

   The modifications (as underlined above) do not constitute substantial changes because the rules as published put the public on notice that the Authority is setting an interest rate as well as determining the minimum interest rate applicable to this program. This is reasonable in light of rapidly declining interest rates.

Conclusions

1. The Authority gave proper notice of its intent to adopt the proposed rules.

2. The Authority has fulfilled the procedural requirements of Chapter 14 and all other procedural requirements of law or rule.

3. The Authority has statutory authority to adopt the proposed rules and has fulfilled all other substantive requirements of the law or rule within the meaning of the Administrative Procedures Act.

4. The Authority has determined that the amendments to the rules as originally proposed and published do not constitute substantial changes from the rules as originally proposed and published in the **State Register**.

Order

NOW, THEREFORE, IT IS ORDERED that these rules identified as Rules Governing the Technology Product Investment Program, Parts 8300.4101 to 8300.4112 are adopted as modified herein this 29th day of July, 1986 pursuant to the authority vested in me by M.S. 116M.08, subd. 4 and M.S. 116M.07.

State of Minnesota

Mark B. Dayton, Chairman
Minnesota Energy and Economic
Development Authority

Dated: this 29th day of July, 1986

State of Minnesota

Minnesota Energy and Economic Development Authority

In the Matter of the Proposed Permanent Rules of the Minnesota Energy and Economic Development Authority Relating to the Technology Product Investment Program

ORDER FOR NOTICE OF PROPOSED ADOPTION OF RULES WITHOUT A PUBLIC HEARING

IT IS ORDERED this sixth day of June, 1986, that a Notice of Proposed Adoption of Rules Without a Public Hearing in the above-entitled matter be given to all persons who have registered their names with the Department of Energy and Economic Development on behalf of the Minnesota Energy and Economic Development Authority for that purpose and be published in the **State Register.**

STATE OF MINNESOTA

MARK B. DAYTON, CHAIRMAN
MINNESOTA ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

CERTIFICATE

In the Matter of the Proposed Adoption of the permanent rules for the Minnesota Energy and Economic Development Authority and the Department of Energy and Economic Development governing the Technical Products Investment Program.

I hereby certify that the list of persons, associations and other interested groups who have requested, pursuant to Minnesota Statute 14.14 subd. 1, that their names be placed on file with and maintained by the State Department of Energy and Economic Development for both the Department and the Energy Economic Development Authority for the purpose of receiving notice of the proposed adoption of rules by both the Energy and Economic Development Authority and the Department of Energy and Economic Development is accurate and complete as of Thursday, this 5 day of June, 1986.

Mary Anderson

Record#	FIRST	LAST	COMPANY	ADDRESS	CITY	STATE	ZIP	CODE
876	BETSY L	SAHAGUN	STATE SERV GROUP	1015 15TH ST NW	WASHINGTON	DC	20005	RULES
877	JAMES E	SLATER JR	BECHTEL POWER COMPANY	15740 SHADY GROVE RD	GAITHERSBURG	MD	20877	RULES
878	JACK C	STROBEL	JENOS INC	100 LIVE OAK GARDENS-BOX 200	CASSELBERRY	FL	32707	RULES
879	SHELBY	PETTRY	NATIONAL HOMES MFG CO	BOX 7680	LAFAYETTE	IN	47903	RULES
880	JOSEPH	TAKATS	COMMONWEALTH ASSOC	209 WASHINGTON AVE E	JACKSON	MI	49201	RULES
881	RICHARD	HAUBENSAK	PEOPLES NAT GAS CO	25 MAIN PLACE	COUNCIL BLUFFS	IA	51501	RULES
882	AL D	CORDES	INTERSTATE POWER CO	1000 MAIN ST	DUBUQUE	IA	52001	RULES
883	JOHN P	LEIFER	DAIRYLAND POWER COOPERATIVE	2615 EAST AVE S	LACROSSE	WI	54601	RULES
884	ALBERT D	DIAL	DAIRYLAND POWER COOPERATIVE	BOX 817	LACROSSE	WI	54601	RULES
885	ALFRED J	ROSS		6356 WARE RD	LINO LAKES	MN	55014	RULES
886	CRAIG R	RAPP	CIRCLE PINES UTILITIES	9201 LEXINGTON AVE N	CIRCLE PINES	MN	55014	RULES
887	LEO C	FITZPATRICK		8138 HENSLOWE AVE S	COTTAGE GROVE	MN	55016	RULES
888	CHARLES	KROEGER	Q S S INC	BOX 838	FARIBAULT	MN	55021	RULES
889	DIANA	HERING	FARIBAULT AREA CHAMBER OF COMMERCE	228 CENTRAL AVE-BOX 434	FARIBAULT	MN	55021	RULES
890	FRANK	GERLOCK	HASTINGS CITY OF	100 SIBLEY ST	HASTINGS	MN	55033	RULES
891	GUNNAR	ISBERG	ISBERG & ASSOC	BOX 115	NORTHFIELD	MN	55057	RULES
892	DAVID	MARONEY	NORTHFIELD CITY OF	801 WASHINGTON ST	NORTHFIELD	MN	55057	RULES
893	DAVID M	MARTIN	OWATONNA PUBLIC UTILITIES	208 WALNUT AVE S-BOX 800	OWATONNA	MN	55060	RULES
894	MARK	ALFERS		2496 145TH ST W	ROSEMOUNT	MN	55068	RULES
895	WILLIAM A	KEMP	WASHINGTON CO HRA/N A H R O-MINN CH	900 THIRD ST	ST PAUL PK	MN	55071	RULES
896	ROGER C	MILLER	LEVANDER GILLEN MILLER & MAGNUSON	633 CONCORD ST-RM 402-BOX 298	S ST PAUL	MN	55075	RULES
897	RICHARD A	OLSEN	SOUTH ST PAUL CHAMBER OF COMMERCE	LIVESTOCK EXCH BLDG-RM 217	S ST PAUL	MN	55075	RULES
898	RUSTY	MITCHELL	INVER HILLS COMM COLLEGE	8445 COLLEGE TR	INVER GROVE HTS	MN	55075	RULES
899	DENNIS	ODONNELL	WASHINGTON CO PLANNING DEPT	14900 61ST ST N	STILLWATER	MN	55082	RULES
900	ROBERT	LOCKYEAR		14900 61ST ST N	STILLWATER	MN	55082	RULES
901	GEORGE	VITALIS	VITALIS THOMAS & CO	344 BENCH ST	TAYLORS FLS	MN	55084	RULES
902	JAMES L	SMITH	U S DEPT OF INTERIOR-FISH &WILDLIFE	333 SIBLEY ST-RM 570	ST PAUL	MN	55101	RULES
903	PAT	WESTHOFF	MINN TAXPAYERS ASSOC	480 CEDAR ST-STE 175	ST PAUL	MN	55101	RULES
904	RUSS	BJORHUS	U S DEPT OF AG-FARMERS HOME ADM	316 ROBERT ST N-RM 252	ST PAUL	MN	55101	RULES
905	JAMES	SOLEM	MINN HOUSING FINANCE AGENCY	400 SIBLEY ST-STE 300	ST PAUL	MN	55101	RULES
906	CARL	MICHAND	METRO COUNCIL	121 SEVENTH ST E-RM 300	ST PAUL	MN	55101	RULES
907	RANDY	MORRIS	MINN RETAIL MERCHANTS ASSN	121 SEVENTH ST E-STE 180	ST PAUL	MN	55101	RULES
908	EDWARD E	SLETTOM	MINN COOPERATIVES ASSN OF	480 CEDAR ST-RM 380	ST PAUL	MN	55101	RULES
909	DRU	OSTERUD	MINN COACT-LEGAL SERV ADVOC PROJ	60 FOURTH ST E-RM 300	ST PAUL	MN	55101	RULES
910	JOHN A	KNAPP	WINTHROP WEINSTINE & SEXTON	444 CEDAR ST-STE 1800	ST PAUL	MN	55101	RULES
911	VERNON	PETERSON	METRO MUNICIPAL ASSN	183 UNIVERSITY AVE E	ST PAUL	MN	55101	RULES
912	JOHN	RUTFORD	METRO COUNCIL	121 SEVENTH ST E	ST PAUL	MN	55101	RULES
913	RUSS	HARJU	ST PAUL PUBLIC HOUSING AUTHORITY	419 ROBERT ST N-RM 380	ST PAUL	MN	55101	RULES
914	CHRISTIE B	ELLER		BREMER TOWER-RM 1100	ST PAUL	MN	55101	RULES
915	JEAN	ORSELLO	MINN BOARD OF AGING	121 SEVENTH ST E-RM 204	ST PAUL	MN	55101	RULES
916	ALAN W	INGRAM	NATIONAL SOCIAL WORKERS ASSN	614 PORTLAND AVE	ST PAUL	MN	55102	RULES
917	FRANK A	MUCKENHIRN	ST PAUL T V I	235 MARSHALL ST	ST PAUL	MN	55102	RULES
918	DARREL	BUNGE	MINN PETROLEUM COUNCIL	386 WABASHA ST N-RM 1025	ST PAUL	MN	55102	RULES
919	JUDY	KARON	RAMSEY CO COMM BOARD	COURTHOUSE-STE 316	ST PAUL	MN	55102	RULES
920	GLENN A	ERICKSON	ST PAUL CITY OF	25 FOURTH ST W-RM 445	ST PAUL	MN	55102	RULES
921	KENNETH	DZUGAN	ST PAUL PORT AUTHORITY	25 FOURTH ST W-STE 1305	ST PAUL	MN	55102	RULES
922	WILLIAM L	PHILLIPS	PHILLIPS LEGISLATIVE SERVICE INC	459 RICE ST	ST PAUL	MN	55103	RULES
923	JAMES C	SHIPMAN	MINN COUNTIES ASSN OF	555 PARK ST-STE 300	ST PAUL	MN	55103	RULES
924	BERNARD L	BROMMER	A F L-C I O	175 AURORA AVE	ST PAUL	MN	55103	RULES
925	LOUIS W	CLAESON JR	MINN AUTO DEALERS ASSN	277 UNIVERSITY AVE	ST PAUL	MN	55103	RULES
926	W A	HALLMAN	ASSOCIATED MOTOR CARRIERS	1745 UNIVERSITY AVE	ST PAUL	MN	55104	RULES
927	PAUL	HUBER	HUBER LTD	1821 UNIVERSITY AVE	ST PAUL	MN	55104	RULES
928	MARILYNNE K	ROBERTS	HAMLINE UNIV SCHOOL OF LAW	1536 HEWITT AVE	ST PAUL	MN	55104	RULES
929	BARBARA W	KAUFMAN	MINN VOLUNTARY SOC SERV ASSN OF	1821 UNIVERSITY AVE-RM 141S	ST PAUL	MN	55104	RULES
930	CRAIG	SALLSTROM	MINN PLANT FOOD & CHEM ASSN	1821 UNIVERSITY AVE-RM 253	ST PAUL	MN	55104	RULES
931	ABE	ROSENTHAL	MINN TRANSPORT SERV ASSN	1821 UNIVERSITY AVE-RM 310N	ST PAUL	MN	55104	RULES
932	MARY E	STANTON	MINN STATE UNIV SYSTEM	555 PARK ST-STE 230	ST PAUL	MN	55105	RULES
933	FRANK	FRISON	N E C A	200 ROBERT ST S-RM 305	ST PAUL	MN	55107	RULES
934	JOHN F	EDMAN	ENRIGHT & ASSOC	220 ROBERT ST S	ST PAUL	MN	55107	RULES
935	GERALD	HEIL	MINN DEPT OF AGRICULTURE	90 PLATO BLVD W	ST PAUL	MN	55107	RULES
936	ROBERT W	SNYDER	U OF M	1994 BUFORD AVE-RM 248C	ST PAUL	MN	55108	RULES
937	BERNARD J	LEWIS	U OF M-FORESTRY DEPT	GREEN HALL-RM 10	ST PAUL	MN	55108	RULES

938	GEOFF	OLSON		1380 FROST AVE	MAPLEWOOD	MN	55109	RULES
939	CLIFF	AICHINGER	MOSTCA INC	2225 WHITE BEAR AVE	MAPLEWOOD	MN	55109	RULES
940	RAYMOND E	OCONNELL	MINN COMMERCE & INDUSTRY ASSN OF	480 CEDAR ST-RM 300	ST PAUL	MN	55109	RULES
941	ROBERT	WISCHMANN	LAKEWOOD COMM COLLEGE	3401 CENTURY AVE N	WHITE BEAR LK	MN	55110	RULES
942			WHITE BEAR LAKE CITY OF	1281 HAMMOND RD	WHITE BEAR LK	MN	55110	RULES
943	ROBERT S	BUTLER	BUTLER RESEARCH & ENG CO INC	1306 CO RD F W	ST PAUL	MN	55112	RULES
944	BARRY C	SCHADE	MINN POLLUTION CONTROL AGENCY	1935 CO RD B2 W	ROSEVILLE	MN	55113	RULES
945	JAN	VANDERWALL	IND SCHOOL DIST 623	1251 CO RD B2 W	ROSEVILLE	MN	55113	RULES
946	ROBERT	PFEFFERLE	BONNESTRO & ASSOCIATES	2335 HWY 36 W	ST PAUL	MN	55113	RULES
947	BRIAN	ETTESVOLD	MINN SERVICE STATION ASSN	2700 RICE ST	ST PAUL	MN	55113	RULES
948	RALPH T	KEYES		1631 BROOKS AVE W	ST PAUL	MN	55113	RULES
949	JAMES	ANDRE	ROSEVILLE CITY OF	2024 CLEVELAND AVE N	ROSEVILLE	MN	55113	RULES
950	SANDRA S	GARDENBRING	MINN POLLUTION CONTROL AGENCY	1935 CO RD B2 W	ROSEVILLE	MN	55113	RULES
951	JOSEPH J	FLAIM	CHAMPION INTL CORP	2250 WABASHA ST-BOX 43260	ST PAUL	MN	55114	RULES
952	JAMES A	SMITH	DONOVAN COMPANIES INC	1080 MONTREAL AVE	ST PAUL	MN	55116	RULES
953	CLARENCE P	LINDBERG		750 PLAZA DR S	MENDOTA HTS	MN	55118	RULES
954	DALE S	PETERSON	EAGAN BLDG INSPEC DEPT	3795 PILOT KNOB RD-BOX 21 199	EAGAN	MN	55121	RULES
955	THOMAS L	HEDGES	EAGAN CITY OF	3830 PILOT KNOB RD	EAGAN	MN	55123	RULES
956	DWIGHT W	PICHA	WOODBURY CITY OF	2100 RADIO DR	WOODBURY	MN	55125	RULES
957	WILLIAM J	LANGLOIS	3 M COMPANY	2501 HUDSON RD-BOX 225 2N06	ST PAUL	MN	55144	RULES
958	DOROTHY M	HANSON	MINN DEPT OF REVENUE	CENTENNIAL BLDG	ST PAUL	MN	55145	RULES
959	JEAN	DAWSON	MINN GOVERMENT REPORT	STATE CAPITAL BLDG-PRESS RM B2	ST PAUL	MN	55155	RULES
960	MARYANNE V	HRUBY	MINN LEGIS COMM TO REVIEW ADMIN RUL	STATE OFFICE BLDG-RM 55	ST PAUL	MN	55155	RULES
961	THOMAS F	CATANIA	MINN ATTORNEY GEN OFC-ANTITRUST DIV	117 UNIV AVE-SECOND FLR	ST PAUL	MN	55155	RULES
962	ALLAN	BAUMGARTEN	MINN LEGIS AUDITOR	VETERANS SERVICE BLDG-RM 122	ST PAUL	MN	55155	RULES
963	DONALD J	FRANK		STATE CAPITOL BLDG-RM G28	ST PAUL	MN	55155	RULES
964	MARLENE	SWANSON	MINN DEPT OF TRANS-DRIVER&SERV	JOHN IRELAND BLVD-RM 161	ST PAUL	MN	55155	RULES
965	SANDRA J	HALE	MINN DEPT OF ADMIN	50 SHERBURNE AVE-RM 200	ST PAUL	MN	55155	RULES
966	ROBERT	KIRCHNER	ANOKA CITY HALL	2015 FIRST AVE	ANOKA	MN	55303	RULES
967	SCOTT A	MARTIN	CHANHASSEN CITY OF	690 COULTER DR	CHANHASSEN	MN	55317	RULES
968	VIRGINIA	HARRIS	CARVER CO OFFICES	600 FOURTH ST E	CHASKA	MN	55318	RULES
969	BRUCE	HAUSCHULZ	UNITED POWER ASSN		ELK RIVER	MN	55330	RULES
970	REYNOLD S	RAHKO	UNITED POWER ASSN	HWY 10 E	ELK RIVER	MN	55330	RULES
971	JUDY	JANICKE	LYMAN BLUEPRINT THE	BOX 40	EXCELSIOR	MN	55331	RULES
972	GREGORY F	TROSKA		804 11TH ST E	GLENCOE	MN	55336	RULES
973	WILLIAM	PRICE	SUBURBAN ENGINEERING INC	12350 RIVER RIDGE BLVD	BURNSVILLE	MN	55337	RULES
974	WILLIAM H	HENNEMUTH	RIEKE CARROLL MULLER ASSOC	1011 FIRST ST S-BOX 130	HOPKINS	MN	55343	RULES
975	GREGORY B	LIE	HOPKINS ENVIRONMENT & ENERGY DEPT	320 WASHINGTON AVE S	HOPKINS	MN	55343	RULES
976	DAVID G	WINTER	HENNEPIN CO PUBLIC WORKS	320 WASHINGTON AVE S	HOPKINS	MN	55343	RULES
977	ADE	MUSSELL	COOPERATIVE POWER ASSN	14615 LONE OAK RD	EDEN PRAIRIE	MN	55344	RULES
978	ROBERT P	AMBROSE	COOPERATIVE POWER ASSN	14615 LONE OAK RD	EDEN PRAIRIE	MN	55344	RULES
979	CHRIS	ENGER	EDEN PRAIRIE CITY OF	8950 EDEN PRAIRIE RD	EDEN PRAIRIE	MN	55344	RULES
980	THOMAS	ELDEM	MONTICELLO CITY OF	250 BROADWAY ST E	MONTICELLO	MN	55362	RULES
981	MICHAEL	HOFF	DONOHUE & ASSOC INC	7200 HEMLOCK LN W	MAPLE GROVE	MN	55369	RULES
982	ZACK	JOHNSON	CONSULTING ENGINEERS DIVERSIFIED	7200 HEMLOCK LN N-STE 200	MAPLE GROVE	MN	55369	RULES
983	MICHAEL A	SCHOENECKER	CONSULTING ENGINEERS DIVERSIFIED	7200 HEMLOCK LANE-STE 200	MAPLE GROVE	MN	55369	RULES
984			SCOTT CO HOUSING & REDEVEL AUTH	16049 FRANKLIN TR SE-RM 104	PRIOR LAKE	MN	55372	RULES
985	DAVID	FRICKE	MINN TOWNSHIPS ASSN OF	BOX 246	ST MICHAEL	MN	55376	RULES
986	WILLIAM F	BROOKS JR		405 SECOND AVE S-RM 900	MPLS	MN	55401	RULES
987	JOSEPH D	BIZZANO JR	NORTHERN STATES POWER	414 NICOLLET MALL	MPLS	MN	55401	RULES
988	G V	WELK	NORTHERN STATES POWER	414 NICOLLET MALL	MPLS	MN	55401	RULES
989			MPLS PUBLIC LIBRARY-ENVIRON CONSERV	300 NICOLLET MALL	MPLS	MN	55401	RULES
990	ROGER	OLSON	U S HOUSING & URBAN DEVEL	220 SECOND ST S	MPLS	MN	55401	RULES
991	RAYMOND A	HAIK	N S P	414 NICOLLET MALL	MPLS	MN	55401	RULES
992	GLENN A	MATSON	U S DEPT OF COMMERCE	110 FOURTH ST S-RM 108	MPLS	MN	55401	RULES
993	JOHN E	DRAWZ		120 SIXTH ST S-RM 2000	MPLS	MN	55402	RULES
994	MICHAEL J	AHERN	MOSS FLAHERTY CLARKSON & FLETCHER	200 SIXTH ST S-STE 1200	MPLS	MN	55402	RULES
995			MINNEGASCO	201 SEVENTH ST S	MPLS	MN	55402	RULES
996	RICHARD G	PEPIN JR	DAYTON HERMAN GRAHAM & GETTS	10 FIFTH ST S-STE 930	MPLS	MN	55402	RULES
997	LUKE R	KOMAREK	MINNEGASCO	201 SEVENTH ST S	MPLS	MN	55402	RULES
998	JAMES C	DIRACLES		80 EIGHTH ST S-RM 4040	MPLS	MN	55402	RULES
999	JEFFREY J	STRAND	LEFEUERE LAW FIRM	120 SIXTH ST S-RM 2000	MPLS	MN	55402	RULES
1000	ROBERT S	BURK	POPHAM HAIK SCHNOBRICH KAUFMN&DOTY	80 EIGHTH ST S-RM 4344	MPLS	MN	55402	RULES
1001	HAROLD [illegible]	SODERBERG	HES[illegible]N MCKASY & SODERBERG	IDS CTR-STE 4700	MPLS	MN	[illegible]402	RULES
1002	ARTHUR [illegible]	OLOFSON	MPLS [illegible]BLDG OWNERS & MGRS ASSN	105 FIFTH ST S-RM 927	MPLS	MN	55402	RULES
1003	JOSEPH T	PIETRUS	EXPERIENCE INC	527 MARQUETTE AVE-RM 1930	MPLS	MN	55402	RULES

1005	BECKY A	COMSTOCK	DORSEY WINDHRST HANNAFRD WHITNY&HAL	220 SIXTH ST S-RM 2300	MPLS	MN	55402	RULES
1006	CARL A	SMITH	PILLSBURY CO	200 SIXTH ST S	MPLS	MN	55402	RULES
1007	G ROBERT	JOHNSON	POPHAM HAIK SCHNOBRICH KAUFMN&DOTY	80 EIGHTH ST S-RM 4344	MPLS	MN	55402	RULES
1008	CHARLES K	DAYTON	DAYTON HERMAN GRAHAM & GETTS	10 FIFTH ST S-STE 930	MPLS	MN	55402	RULES
1009	JOHN H	HERMAN	DAYTON HERMAN GRAHAM & GETTS	10 FIFTH ST S-STE 930	MPLS	MN	55402	RULES
1010	ERNEST K	LEHMANN	LEHMANN & ASSOC INC	1409 WILLOW ST-RM 300	MPLS	MN	55403	RULES
1011	KEITH H	WIETECKI	NORTHERN STATES POWER CO	414 NICOLLET MALL	MPLS	MN	55403	RULES
1012	JOHN H	LAMPERT	MINNEGASCO	700 LINDEN AVE W	MPLS	MN	55403	RULES
1013	HENRY	FIELDSETH	NORTHERN SUN ALLIANCE	1519 FRANKLIN AVE E	MPLS	MN	55404	RULES
1014	GORDON	JOHNSON	LUTHERAN SOCIAL SERVICE	2414 PARK AVE	MPLS	MN	55404	RULES
1015			PROJECT ENVIRONMENT FOUNDATION	2929 FOURTH AVE S	MPLS	MN	55408	RULES
1016	JOHN	GOSTOVICH	MINN PUBLIC INTEREST RESEARCH GROUP	2412 UNIVERSITY AVE SE	MPLS	MN	55414	RULES
1017	MARTHA	GREENWALD		2222 ELM ST SE	MPLS	MN	55414	RULES
1018	SAM	RUHLE	MPLS ADMIN HEARING OFFICE	310 FOURTH AVE-RM 400	MPLS	MN	55415	RULES
1019	PHILIP G	MEININGER	MPLS CITY COORDINATORS OFFICE	350 FIFTH ST S-RM 210	MPLS	MN	55415	RULES
1020	FRANK F	HARTRANFT	MICHAUD COOLEY ERICKSON & ASSOC INC	625 FOURTH AVE S-STE 1325	MPLS	MN	55415	RULES
1021	WILLIAM	WEBER	BENNET RINGROSE WOLSFELD INC	700 THIRD ST	MPLS	MN	55415	RULES
1022	WILLIAM	THIBAULT	ST LOUIS PARK CITY OF	5005 MINNETONKA BLVD	ST LOUIS PK	MN	55416	RULES
1023	DALE	MCMICHAEL	HENNINGSON DURHAM & RICHARDSON	5401 GAMBLE DR-RM 300	MPLS	MN	55416	RULES
1024	JOHN	HORNER	MINN MULTI HOUSING ASSN	4740 PARK GLEN RD	MPLS	MN	55416	RULES
1025	TODD M	STUTZ	COLUMBIA HTS HOUSING & REDEVEL AUTH	590 40TH AVE	COLUMBIA HTS	MN	55421	RULES
1026	RICHARD	JOPKE	RICHFIELD CITY OF	6700 PORTLAND AVE	RICHFIELD	MN	55423	RULES
1027	ROD	BRANNON	EDINA COMMUNITY ED	5701 NORMANDALE RD	MPLS	MN	55424	RULES
1028	MARTHA	KESSLER	BUREAU OF NATIONAL AFFAIRS	420 FORD RD-RM 318	ST LOUIS PK	MN	55426	RULES
1029	LLOYD G	BECKER	GOLDEN VALLEY CITY OF	7800 GOLDEN VALLEY RD	GOLDEN VALLEY	MN	55427	RULES
1030	MICHAEL	OSMUNDSON		240 GEORGIA AVE W	MPLS	MN	55427	RULES
1031	DANIEL J	DONAHUE	NEW HOPE CITY OF	4401 XYLON AVE N	NEW HOPE	MN	55428	RULES
1032	JOHN M	BROEKER	BROEKER HARTFELDT HEDGES & GRANT	2850 METRO DR-STE 800	BLOOMINGTON	MN	55429	RULES
1033	GARY	BERG	BROOKLYN PARK CITY OF	5800 85TH AVE N	BROOKLYN PK	MN	55430	RULES
1034	JAN P	GASTERLAND	BLOOMINGTON BLDG & INSPECT DIV	2215 OLD SHAKOPEE RD W	BLOOMINGTON	MN	55431	RULES
1035	HERBERT W	MEYER	BLOOMINGTON CITY MGRS OFFICE	2215 OLD SHAKOPEE RD W	BLOOMINGTON	MN	55431	RULES
1036	JAMES R	HILL	HILL ASSOCIATION	8200 HUMBOLDT AVE S	BLOOMINGTON	MN	55431	RULES
1037	JIM	ROBINSON	FRIDLEY CITY OF	6431 UNIVERSITY AVE NE	FRIDLEY	MN	55432	RULES
1038	LESLIE M	JOHNSON	BLAINE CITY OF	9150 CENTRAL AVE NE	BLAINE	MN	55434	RULES
1039	VIRGINIA	BODINE	EDINA CHAMBER OF COMMERCE	5200 73RD ST W	EDINA	MN	55435	RULES
1040	ROLAND E	OLSON		5416 70TH ST W-RM 2	EDINA	MN	55435	RULES
1041	DANIEL D	FOTH	ASSOC BLDRS & CONTRACTORS INC	6989 WASHINGTON AVE S-STE 200	EDINA	MN	55435	RULES
1042	LEON	BARNIER	MINN RURAL ELECTRIC ASSN	4901 77TH ST W	MPLS	MN	55435	RULES
1043	THOMAS M	DAILEY	HENKEL CORP	7900 78TH ST W	MPLS	MN	55435	RULES
1044	FRANCINE	CREME	BARR ENGINEERING CO	6800 FRANCE AVE S	MPLS	MN	55435	RULES
1045			MINN DEPT OF HEALTH-COMM DEVEL	717 DELAWARE ST SE	MPLS	MN	55440	RULES
1046	JANE	BELAU	CONTROL DATA CORP	8100 34TH AVE S	MPLS	MN	55440	RULES
1047	WILLIAM T	TAYLOR	GENERAL MILLS INC	BOX 1113	MPLS	MN	55440	RULES
1048	MARK	SKUBIC	MINN DEPT OF HEALTH-COMM DEVEL OFF	717 DELAWARE ST SE	MPLS	MN	55440	RULES
1049	W C	VIITALA	HONEYWELL INC	HONEYWELL PLAZA-BOX 524	MPLS	MN	55440	RULES
1050	MARK	KOEGLER	VAN DOREN HAZARD STALLINGS	3030 HARBOR LN N-STE 104	PLYMOUTH	MN	55441	RULES
1051	FRANCIS X	MCGRATH	DEVAC INC	10130 HWY 55	MPLS	MN	55441	RULES
1052	FRANK W	HETMAN	DEVAC INC	10130 HWY 55	MPLS	MN	55441	RULES
1053	VIET	NGO	E W A INC	12800 INDUS PK BLVD	PLYMOUTH	MN	55441	RULES
1054	GIL A	DULLINGER	BROOKLYN PARK CITY OF	5800 85TH AVE N	BROOKLYN PK	MN	55443	RULES
1055	LUTHER D	NELSON	HENNEPIN CO ENVIRON & ENERGY OFFICE	HENNEPIN CO GOVERNMENT CTR	MPLS	MN	55487	RULES
1056	A J	LEE	HENNEPIN CO OFFICES	300 SIXTH ST S-RM A2307	MPLS	MN	55487	RULES
1057	JOHN G	MCMILLAN	HENNEPIN CO OFFICES	300 SIXTH ST S-RM A2208	MPLS	MN	55487	RULES
1058	TIMOTHY	KENNEDY	GRAND MARAIS CITY OF	COURTHOUSE	GRAND MARAIS	MN	55604	RULES
1059	WILLIAM	SCHLENVOGT	CLOQUET CITY OF	508 CLOQUET AVE	CLOQUET	MN	55720	RULES
1060	P JEROME	TURNQUIST	CARLTON COUNTY OFFICES	COURTHOUSE-BOX 316	CLOQUET	MN	55720	RULES
1061			BASS BROOK TOWN OF	BOX 146	COHASSET	MN	55721	RULES
1062	W J	LICKE	BLANDIN PAPER CO	115 FIRST ST SW	GRAND RAPIDS	MN	55744	RULES
1063			GRAND RAPIDS CHAMBER OF COMMERCE	WELCOME HOUSE	GRAND RAPIDS	MN	55744	RULES
1064	HERBERT K	ANDERSON		418 EIGHTH ST S	VIRGINIA	MN	55792	RULES
1065	JOHN	POWERS	ARROWHEAD REG DEVEL COMM	330 FIRST AVE SE	DULUTH	MN	55802	RULES
1066	MARK	JOHNSON	ST LOUIS CO PLANNING & ZONING OFF	COURTHOUSE	DULUTH	MN	55802	RULES
1067	MICHELE	MATEGKO	CHAMBER OF COMMERCE	325 HARBOR DR	DULUTH	MN	55802	RULES
1068	DONALD B	CRASSWELLER	DONOVAN MCCARTHY CRASSWELLR LARSN&M	ALWORTH BLDG-RM 1000	DULUTH	MN	55802	RULES
1069	BRUCE T	ROWE	DULUTH COMM HEALTH SERV	325 LAKE AVE S-STE 604	DULUTH	MN	55802	RULES

1070	JAMES A	ROBERTS	MINN POWER CO	30 SUPERIOR ST W	DULUTH	MN	55802 RULES
1071	CONRAD M	FREDIN	JOHNSON FREDIN KILLEN THIBODEAU&SEI	NORWEST CTR-RM 811	DULUTH	MN	55802 RULES
1072	ROBERT J	REICHERT	PLANNING & DEVEL CONST	ALWORTH BLDG-RM 505	DULUTH	MN	55802 RULES
1073	DOUGLAS	NELSON	DULUTH CITY OF	CITY HALL-RM 409	DULUTH	MN	55802 RULES
1074	DAVID	JERONIMUS		4808 TIOGA ST	DULUTH	MN	55802 RULES
1075	ELAINE	DEBEIR	MINN POWER CO	30 SUPERIOR ST W	DULUTH	MN	55802 RULES
1076	DAVID A	RAIMO	DULUTH CHAMBER OF COMMERCE	325 HARBOR DR	DULUTH	MN	55802 RULES
1077	ALFRED E	FRANCE	LAKE SUPERIOR INDUSTRIAL BUREAU	NORWEST CTR-RM 828	DULUTH	MN	55802 RULES
1078	JACK D	SALO	SALO INC	15 FIRST ST E	DULUTH	MN	55802 RULES
1079	LEN	HANSMEYER	MINN POWER CO	30 SUPERIOR ST W	DULUTH	MN	55802 RULES
1080	THERESA	VIRKUS		1031 SIXTH ST E	DULUTH	MN	55805 RULES
1081	ERIC	FURE	GREATER DULUTH COACT	2904 THIRD ST W	DULUTH	MN	55806 RULES
1082	HELMER A	RUTH	HERMANTOWN CITY OF	3161 MAPLE GROVE RD	HERMANTOWN	MN	55811 RULES
1083	JOHN C	GREEN	U OF M-GEOLOGY DEPT	10550 OLD NORTH SHORE RD	DULUTH	MN	55812 RULES
1084	DR DALE	OLSEN	U OF M-DULUTH POLITICAL SCIENCE DEP	HOME EC BLDG-RM 242	DULUTH	MN	55812 RULES
1085	JON G	OHMAN		1732 LONDON RD	DULUTH	MN	55812 RULES
1086	DR DONALD W	IRELAND	U OF M-SCHL OF BUSINESS & ECON		DULUTH	MN	55812 RULES
1087	GORDON I	SATHER	ROCHESTER BLDG & SAFETY DEPT	1605 CASCADE ST NW	ROCHESTER	MN	55901 RULES
1088	THOMAS O	MOORE	OLMSTED CO PLANNING DEPT	1421 THIRD AVE SE	ROCHESTER	MN	55901 RULES
1089	MARY ELLEN	LANDWEHR	SOUTHERN MINN MUNI POWER AGENCY	21 FIRST ST SW-STE 400	ROCHESTER	MN	55902 RULES
1090	LLOYD	WELTY	ROCHESTER CHAMBER OF COMMERCE	212 FIRST ST SW	ROCHESTER	MN	55902 RULES
1091			YAGGY ASSOCIATES	717 THIRD AVE SE	ROCHESTER	MN	55904 RULES
1092	E J	KLAMPE	SUN CONTROL PRODUCTS	431 FOURTH AVE SE	ROCHESTER	MN	55904 RULES
1093	JAMES D	FLANNERY	AUSTIN COMM COLLEGE	1600 EIGHTH AVE NW	AUSTIN	MN	55912 RULES
1094	DOUGLAS	HAHN	HORMEL & CO	BOX 800	AUSTIN	MN	55912 RULES
1095	RICHARD	FRANK	HOUSTON CO OFFICES	COURTHOUSE	CALEDONIA	MN	55921 RULES
1096	STEPHAN	JILK	LACRESCENT CITY OF	315 MAIN ST	LACRESCENT	MN	55947 RULES
1097	LONI	KEMP	MINN PROJECT-S E OFFICE	BOX 4	PRESTON	MN	55965 RULES
1098	JAMES	JENSEN		BOX 459	RUSHFORD	MN	55971 RULES
1099	ROBERT	WEBBER	KLEINSCHMIDT & WEBBER INC	4240 FIFTH ST	WINONA	MN	55987 RULES
1100	SUSAN	EDEL		86 HILLSDALE COURT	WINONA	MN	55987 RULES
1101	DAVID L	MOCOL	WINONA CITY HALL	FOURTH & LAFAYETTE ST-BOX 378	WINONA	MN	55987 RULES
1102			MANKATO AREA CHAMBER OF COMMERCE	BOX 999	MANKATO	MN	56001 RULES
1103	CRAIG	WALDRON	REGION NINE REG DEVEL COMM	410 FIFTH ST S-BOX 3367	MANKATO	MN	56001 RULES
1104	THOMAS	MELENA	MANKATO COMM DEVEL OFFICE	202 JACKSON ST E	MANKATO	MN	56001 RULES
1105	JAMES	JACK	MANKATO STATE UNIV	BOX 36	MANKATO	MN	56001 RULES
1106	PETER	LANSDOWNE	SOUTHERN MINN REG LEGAL SERVICES	MEDICAL ARTS BLDG-RM 310	ALBERT LEA	MN	56007 RULES
1107	LARRY A	READ	ZENK ENGINEERING	BOX 689	ALBERT LEA	MN	56007 RULES
1108	DAVID J	UNMACHT		420 MAIN ST E	BELLE PLAINE	MN	56011 RULES
1109			FRUNDT FRUNDT & JOHNSON	117 FIFTH ST W-BOX 95	BLUE EARTH	MN	56013 RULES
1110	WAYNE	FLOHRS		COURTHOUSE-RM 105	FAIRMONT	MN	56031 RULES
1111	CINDI JO	TRAHMS	JANESVILLE CITY OF	219 MAIN ST N	JANESVILLE	MN	56048 RULES
1112	WINFIELD	FORSBERG	FORSBERG AGRIC SERV	518 SUMMIT AVE	NEW ULM	MN	56073 RULES
1113	LAWRENCE D	HANSEN	WATERVILLE CITY OF	BOX 9	WATERVILLE	MN	56096 RULES
1114	FARLEY	GRUNIG	COTTONWOOD CO OFFICES	COURTHOUSE	WINDOM	MN	56101 RULES
1115	MARY	GUHIN	LUVERNE CITY OF	203 MAIN ST E	LUVERNE	MN	56156 RULES
1116	STEVEN L	PERKINS	REGION EIGHT REG DEVEL COMM	214 SECOND ST NW	PIPESTONE	MN	56164 RULES
1117	BRIAN	SHORTEN	SOUTHWEST REG DEVEL COMM	2524 BROADWAY AVE-BOX 265	SLAYTON	MN	56172 RULES
1118	H EUGENE	HIPPE	REGION SIX EAST REG DEVEL COMM	311 SIXTH ST W	WILLMAR	MN	56201 RULES
1119	RICHARD C	HOGLUND	WILLMAR CITY OF	333 SIXTH ST SW-BOX 755	WILLMAR	MN	56201 RULES
1120	HELEN J	REARDON	WEST CENTRAL COMM SERV CTR INC	1125 SIXTH ST SE-BOX 787	WILLMAR	MN	56201 RULES
1121	DENNIS L	WILDE	WILLMAR AVTI	BOX 1097	WILLMAR	MN	56201 RULES
1122	OTTO	SCHMID	UPPER MINN VALLEY REG DEVEL COMM	323 SCHLIEMAN AVE W	APPLETON	MN	56208 RULES
1123	EDWARD J	SHUKLE JR	BENSON CITY OF	1411 PACIFIC AVE	BENSON	MN	56215 RULES
1124	JERRY	HOLIEN	YELLOW MEDICINE PLANNING OFFICE	BOX 675	CLARKFIELD	MN	56223 RULES
1125	JACK	HAWK	GRANITE FALLS AVTI	HWY 212 W	GRANITE FALLS	MN	56241 RULES
1126	R BEN	BIFOSS	MONTEVIDEO CITY OF	BOX 676	MONTEVIDEO	MN	56265 RULES
1127			WEST CENTRAL INDUS IMPROVEMENT CORP	STEVENS CO COURTHOUSE	MORRIS	MN	56267 RULES
1128	ROBERT	BIXBY	ST CLOUD STATE UNIV	STEWARD HALL-RM 301	ST CLOUD	MN	56301 RULES
1129	KENNETH	HOPKE	STEARNS CO OFFICES	BOX 604	ST CLOUD	MN	56301 RULES
1130	GLENN	CARLSON	ST CLOUD AREA CHAMBER OF COMMERCE	20 FOURTH AVE S-BOX 487	ST CLOUD	MN	56302 RULES
1131	CLYDE A	WEIVODA	ALBANY CITY OF		ALBANY	MN	56307 RULES
1132	JAMES	TADDEL	ALEXANDRIA CITY OF	114 SEVENTH AVE W-BOX 369	ALEXANDRIA	MN	56308 RULES
1133	BERNARD	DEML		BOX 76	CARLOS	MN	56319 RULES
1134	AL	BARTHELEMY	BENTON CO LAND USE TECH	COURTHOUSE	FOLEY	MN	56329 RULES
1135	MARK G	SEXTON	TRI COUNTY COMM ACTION PROG	404 SECOND AVE NE	LITTLE FALLS	MN	56345 RULES

1136	RALPH K	HESTER	MILACA CITY OF	145 CENTRAL AVE S	MILACA	MN	56353	RULES
1137	CURT	BREKKE JR	BRAINERD COMM DEVEL ADMIN	CITY HALL	BRAINERD	MN	56401	RULES
1138	WALTER	SJOLUND	BRAINERD LIGHT & WATER DEPT	501 LAUREL ST-BOX 373	BRAINERD	MN	56401	RULES
1139	DOUGLAS	FRAZIOR	BRAINERD AREA CHAMBER OF COMMERCE	SIXTH & WASHINGTON STS	BRAINERD	MN	56401	RULES
1140			TROMMALD CITY OF	RT 3-BOX 160	CROSBY	MN	56441	RULES
1141	LARRY	KNOSALLA	REGION FIVE REG DEVEL COMM	611 IOWA AVE	STAPLES	MN	56479	RULES
1142	PAUL D	KINN	WADENA AVTI	405 COLFAX AVE SW-BOX 566	WADENA	MN	56482	RULES
1143	RICHARD	GRABOW	DETROIT LAKES CITY OF	10225 ROOSEVELT AVE-BOX 647	DETROIT LAKES	MN	56501	RULES
1144	M D	CASPER	BRECKENRIDGE CITY OF	420 NEBRASKA AVE	BRECKENRIDGE	MN	56520	RULES
1145	STANLEY	WIEBER	FERGUS FALLS CHAMBER OF COMMERCE	202 COURT ST S-BOX 724	FERGUS FALLS	MN	56537	RULES
1146	JAY D	MYSTER	OTTERTAIL POWER CO	215 CASCADE ST S	FERGUS FALLS	MN	56537	RULES
1147	JOHN	LANZ	WHITE EARTH RESERVATION	BOX 418	WHITE EARTH	MN	56591	RULES
1148			BEMIDJI CHAMBER OF COMMERCE	BOX 850	BEMIDJI	MN	56601	RULES
1149			BEMIDJI CHAMBER OF COMMERCE	BOX 806	BEMIDJI	MN	56601	RULES
1150	JOHN	OSTREM	HEADWATERS REGIONAL DEVEL COMM	722 15TH ST NW-BOX 906	BEMIDJI	MN	56601	RULES
1151	BRUCE	BARKER	BOISE CASCADE WOODLAND	BOX 1152	INTL FALLS	MN	56649	RULES
1152	JOHN	QUINLIVAN	THIEF RIVER FALLS CITY OF	CITY HALL-BOX 528	THIEF RIVER FLS	MN	56701	RULES
1153	THOMAS	JORGENS	NORTHWEST REG DEVEL COMM	425 WOODLAND AVE	CROOKSTON	MN	56716	RULES
1154	PAT	SCHARMER	NORTHWEST REG DEVEL COMM	425 WOODLAND AVE	CROOKSTON	MN	56716	RULES
1155			UNION OIL OF CALIFORNIA	1650 GOLF RD E	SCHAUMBURG	IL	60196	RULES
1156	ERIC	LANNES	WHYT WATER HEATERS	BOX 60129	RENO	NV	89506	RULES

In the Matter of the Proposed Adoption of the Rule of the Minnesota Energy and Economic Development Authority Governing the Technology Product Investment Program

CERTIFICATE OF COUNSEL

I, Christie B. Eller, Special Assistant Attorney General, do hereby declare that I have examined the above-captioned rule, and the rulemaking record, and that, based on my examination, the Administrative Procedure Act and the rules of the Attorney General have been followed. Any exceptions are noted below

Dated: August 20, 1986

Christie B Eller

CHRISTIE B. ELLER
Special Assistant
Attorney General

Under Minn. Rule pt. 2000.0400, subp. 1D a certificate of board's authorizing resolution is required as one of the documents necessary for review of noncontroversial rules. In reviewing the rule file and the minutes of the Authority in this matter it appears that the Minnesota Energy and Economic Development Authority did not pass a resolution authorizing the chairman of the board to sign an order authorizing that notice be given of the proposed rules in the State Register and to those persons who have registered to receive notice of proposed rules. The Authority was under the impression that it had in fact passed such an authorizing resolution as indicated by Resolution No. 85-430 dated September 25, 1985 which extended the emergency rules in this

matter. That resolution recites that notice has been published to authorize the publication of proposed permanent rules. While the certificate of the board's authorizing resolution ordering notice is clearly required, its omission amounts to harmless error as the Minnesota Energy and Economic Development Authority has clearly explicitly ratified that action by adopting the rules. Additionally, Resolution No. 85-430 is a clear indication that the Authority thought that it had in fact authorized the publication of permanent rules.

RESOLUTION NO. 85-430
MINNESOTA ENERGY AND ECONOMIC
DEVELOPMENT AUTHORITY

State of Minnesota
St. Paul, Minnesota

WHEREAS, the Minnesota Energy and Economic Development Authority (the "Authority") has adopted Minn. Rules pts. 8300-4101 to 8300.4112 [Emergency] relating to the technology product loan program; and

WHEREAS, Minn. Rules pts. 8300.4101 to 8300.4112 [Emergency] became effective on April 3, 1985 and are effective for a period of 180 days as stated in the notice of intent to adopt the emergency rules; and

WHEREAS, under Minn. Stat. § 14.35 emergency rules may be continued in effect for an additional period of up to 180 days if the agency gives notice of continuation by publishing notice in the State Register and mailing the same notice to all persons registered with the Authority to receive notice of any rulemaking proceedings; and

WHEREAS, the Authority has authorized the publication of notice of intent to adopt permanent rules, such permanent rules may not become effective prior to the expiration of the effective date of Minn. Rules pts. 8300.4101 to 8300.4112 [Emergency].

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby authorizes the Chairman, Vice Chairman or Secretary to give notice, as required under Minn. Stat. § 14.35, of continuation of Minn. Rules pts. 8300.4101 to 8300.4112 [Emergency], for an additional period of up to 180 days or when replaced by permanent rules, whichever date is earlier.

IN WITNESS WHEREOF, members of the Authority hereby approve this resolution and authorize the Chairman, Vice Chair, Secretary and/or Deputy Commissioner for Financial Management to prepare and sign all necessary documents required.

DATED: this 25th day of September

BY: _____
Chair, Vice Chair, or Secretary

ATTEST: _____
Member of the Authority

MEEDA RESOLUTION NO. 85- 272
MINNESOTA ENERGY AND ECONOMIC
DEVELOPMENT AUTHORITY
STATE OF MINNESOTA
ST. PAUL, MINNESOTA

In the Matter of the Proposed Adoption of Emergency Rules of the Minnesota Energy and Economic Development Authority Governing the Technology Product Loan Program.

Certificate of Authority's Authorizing Resolution For Emergency Rules

I, Mark B. Dayton, do hereby certify that I am a member and the Chairman of the Minnesota Energy and Economic Development Authority, a board duly authorized under the laws of the State of Minnesota, and that the following is a true, complete, and correct copy of a resolution adopted at a meeting of the Energy and Economic Development Authority duly and properly called and held on the 10th day of January, 1985, that a quorum was present at said meeting, that a majority of those present voted for the resolution and that said resolution is set forth in the minutes of said meeting and has not been rescinded or modified.

> "RESOLVED, that Mark B. Dayton, Chairman, Lyn Burton, Vice Chair or David Printy, Secretary of the Energy and Economic Development Authority, be and they hereby are granted the authority and directed to sign an Order of the Minnesota Energy and Economic Development Authority directing the publication in the State Register of proposed emergency rules governing the Technology Product Loan Program, as well as perform any and all acts incidental thereto."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 10th day of January, 1985.

BY: _____
Chair, Vice Chair or Secretary

ATTEST: _____
Member

SF-00006-03

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO: MARTY CASSERLY
Special Assistant Attorney General

DATE: August 20, 1986

FROM: CHRISTIE B. ELLER CBE
Special Assistant Attorney General

PHONE: 296-9200

SUBJECT: PROPOSED RULES OF THE MINNESOTA ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY GOVERNING THE TECHNOLOGY PRODUCT INVESTMENT PROGRAM

Enclosed please find copies of documents necessary for review of the above-entitled rules.

In my certificate of counsel I note that one document required pursuant to Minn. Rule pt. 2000.0400 is not included. That omission in explained in the certificate. I also note that the Order for Notice of Proposed Adoption of Rules was initially signed by Liz Anderson who is authorized to sign all documents for Mark Dayton which relate to his duties as Commissioner of the Department of Energy and Economic Development. As you can see, Mark Dayton did sign the order after Ms. Anderson had signed the order.

If you have any questions regarding this matter, please do not hesitate to contact me.

CBE/smo
Enclosures

p 3 Line 14-16 Vague?

The authority may make additional loans not to exceed $100,000 for the same product if the applicant can demonstrate that the ~~additional~~ additional loan is necessary.

Line 18 .. if The authority determines...

After reading Statement of Need + Reasonableness, they will use the plan + time table in deciding if additional money will be loaned, ⇒ so I think its ok

P 3 Line 27

"May" Although shall would be a better word, I dont think it is a problem

The word "may" appears several times throughout the rule but I ~~decided~~ dont see any problems.

pg 3 Line 8?

pg 4 Line 31

pg Line 1, 6, 10, 23,