

CHAPTER 9205
WASTE MANAGEMENT BOARD
HAZARDOUS; INDUSTRIAL WASTE
MANAGEMENT

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9205.0600 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of parts 9205.0600 to 9205.0608, the following terms have the meanings given them in this part, unless the context requires otherwise.

Subp. 2. **Agency.** "Agency" means the Pollution Control Agency.

Subp. 3. **Commissioner.** "Commissioner" means the commissioner of the agency, or staff designated by the commissioner.

Subp. 4. **Used oil processing equipment.** "Used oil processing equipment" means machinery or devices that are designed, constructed, and used to separate, modify, convert, heat, prepare, rerefine, or otherwise process used oil so that materials, substances, or energy contained within the used oil may be recovered for subsequent use. Used oil processing equipment includes pollution control equipment needed to meet applicable pollution control standards.

Statutory Authority: *MS s 115A.06 subds 1,2*

History: *14 SR 617*

9205.0601 SCOPE.

Parts 9205.0600 to 9205.0608 implement the used oil processing equipment loan program created and described in Minnesota Statutes, section 115A.9162, by establishing the substantive criteria and procedural conditions under which the agency may award loans for used oil processing equipment.

Statutory Authority: *MS s 115A.06 subds 1,2*

History: *14 SR 617*

9205.0602 ELIGIBILITY CRITERIA.

Subpart 1. **Eligible applicants.** Individuals, partnerships, corporations, and associations engaged in or intending to become engaged in a business that processes used oil, are eligible for used oil processing equipment loans.

Subp. 2. **Eligible costs.** The cost of used oil processing equipment is eligible for funding under this program. The cost of pollution control equipment is eligible only when that equipment is part of used oil processing equipment funded under this program.

Subp. 3. **Ineligible costs.** The cost of equipment used to install used oil processing equipment, operating cost, preliminary and final design and engineering cost, overhead cost, and the cost of land or buildings is not eligible for funding.

Statutory Authority: *MS s 115A.06 subds 1,2*

History: *14 SR 617*

9205.0603 APPLICATION PROCESS.

Subpart 1. **Availability of funds.** The agency shall not accept applications until the agency has determined the amount of funds available and the type of

used oil processing equipment that will be funded and has published a notice requesting the submission of applications following the procedures in subpart 3.

Subp. 2. Agency determination. The agency shall determine the amount of funds to be expended and the type of used oil processing equipment that will be funded by considering the type of used oil processing equipment that will best assist the agency in improving the management of used oil in Minnesota and the amount of available funding. The agency shall develop a description of the type of used oil processing equipment that will be funded, including objectives for performance of that equipment.

Subp. 3. Notice. After the agency makes the determination required in subpart 2, the commissioner shall solicit applications by placing a notice in the State Register and by sending written notice to eligible applicants known to the commissioner. The notice shall state when applications must be submitted, the type of equipment that will be funded, and shall incorporate the description developed by the agency under subpart 2.

Statutory Authority: *MS s 115A.06 subds 1,2*

History: *14 SR 617*

9205.0604 APPLICATION REQUIREMENTS.

Subpart 1. Contents. Applications for used oil processing equipment loans must include the following information:

A. the name, address, and telephone number of the applicant and a contact person;

B. the total loan eligible used oil processing equipment cost;

C. the amount of the loan requested; and

D. the amount and source of funding that will be used to pay the part of the cost of the used oil processing equipment not covered by the agency loan and all other eligible and ineligible costs not covered by the agency loan.

Subp. 2. Supporting documentation. Applications for used oil processing equipment loans must include the documentation in items A to E.

A. Credit information sufficient to support a finding that the loan will be repaid. If available, credit information from private credit rating agencies should be submitted by the applicant and evaluated by the agency. For applicants that do not have a credit rating, personal credit information pertaining to individual owners or shareholders of closely held corporations shall be submitted by the applicant and evaluated by the agency. Personal credit information must include personal tax returns, personal credit reports from credit bureaus or other credit reporting agencies if available, and references from personal bankers.

B. A conceptual and technical feasibility report that includes at least the following:

(1) a detailed description of the proposed used oil processing equipment;

(2) location and description of the facility where the used oil processing equipment will be used;

(3) a description of the method of used oil processing equipment procurement;

(4) documentation substantiating that the used oil processing equipment to be procured has the capability and operating history to perform as proposed;

(5) an analysis of the quantity and source of used oil that will be processed and an explanation of what will be done with the used oil once processed; and

(6) a description of what will be done with the ash, sludge, by-products, or other residue from used oil processing.

C. A financial plan that contains:

(1) the method of financing costs for used oil processing equipment, and all other costs to be incurred by the applicant in procuring, installing, and operating the equipment;

(2) estimated annual operating and maintenance costs; and

(3) projections of total costs and revenues for the applicant's business over the term of the loan.

D. A report on the status of permits required by permitting agencies.

E. An estimate of the time necessary for equipment installation and operation and when these events will take place.

Subp. 3. **Additional information.** The applicant shall supply additional information needed for the agency to approve applications; when requested by the commissioner.

Statutory Authority: *MS s 115A.06 subs 1,2*

History: *14 SR 617*

9205.0605 REVIEW AND EVALUATION OF APPLICATIONS.

Subpart 1. **Determination of eligibility and completeness.** Upon receipt of an application, the commissioner or a designee shall determine the eligibility of the applicant, the eligibility of the costs identified in the application, the eligibility of the equipment described in the application, and the completeness of the application. Applicants are encouraged to contact the commissioner to arrange for a preapplication review of the proposed equipment.

Subp. 2. **Notice of determination of eligibility and completeness.** The commissioner shall notify the applicant of the commissioner's determinations of eligibility and completeness. If the commissioner determines that the applicant or the equipment is ineligible, the commissioner shall reject the application, return it to the applicant, and notify the applicant of the reasons for the rejection. If the commissioner determines that any part of the equipment costs is ineligible or that the application is incomplete, the commissioner shall notify the applicant of the ineligible portion of the costs or of the deficiency. The applicant has 30 days after receiving the notice to correct any inadequacies identified by the commissioner. If the inadequacies are not corrected within the time allowed, the application is rejected, and the applicant must submit a new application to be considered again.

Subp. 3. **Agency approval.** The agency shall approve applications and award loans for used oil processing equipment. The agency shall award loans to those applicants whose applications best demonstrate that the used oil processing equipment proposed to be purchased meets the description developed by the agency under part 9205.0603, subpart 2.

No application shall be approved for funding unless the agency determines that the applicant has the ability to repay the loan, including all interest.

Statutory Authority: *MS s 115A.06 subs 1,2*

History: *14 SR 617*

9205.0606 AWARD OF LOANS.

Subpart 1. **Loan limit.** The maximum loan is 50 percent of the eligible cost of the used oil processing equipment or \$500,000, whichever is less.

Subp. 2. **Interest rate.** The interest rate of a loan from the used oil processing equipment loan program shall not be less than an annual percentage rate of three percent. Interest payments on the loan are due annually and begin to accrue from the date the loan is disbursed by the agency. The first payment toward the principal amount of the loan is due one year after the equipment becomes operational or two years after the date the loan agreement is executed by the agency, whichever is earlier. The agency shall consider the equipment operational at the point where the equipment meets all vendor guaranteed operating specifications.

Statutory Authority: *MS s 115A.06 subds 1,2*

History: *14 SR 617*

9205.0607 LOAN AGREEMENT.

The agency shall disburse loan funds only after a loan agreement containing the terms of this part has been executed by the agency and the recipient of a loan award. A loan agreement must:

A. incorporate by reference the final application submitted to the agency;

B. establish the term of the loan, which is determined by considering the expected life of the equipment funded;

C. establish a schedule for repayment of principal and interest;

D. provide that any costs incurred in the acquisition of equipment over the amount of the loan are the sole responsibility of the loan recipient;

E. provide that the agency will not accept any amendments or supplementary applications requesting that additional loan funds be awarded to the loan recipient;

F. require that the recipient provide periodic reports to the agency on the developmental and operational history of the equipment so that knowledge and experience gained may be made available to others; and

G. provide for procedures to be followed in the event of a default as provided in part 9205.0608 or for failure to make payments of principal and interest.

Statutory Authority: *MS s 115A.06 subds 1,2*

History: *14 SR 617*

9205.0608 AMENDMENTS.

If the used oil processing equipment funded by a loan under this part is not installed or operated in accordance with the terms and conditions of the loan agreement, the agency shall determine the reason the equipment was not installed or operated as required. If the agency finds that the recipient could not install or operate the equipment as required due to forces beyond the control of the recipient but that an amendment to the agreement can be negotiated that will allow the purposes of the loan to be fulfilled, the agency shall amend the loan agreement. If an amendment cannot be negotiated that will allow the purposes of the loan to be fulfilled, the agency shall declare default and require the loan funds to be repaid following the procedures established in the loan agreement.

Statutory Authority: *MS s 115A.06 subds 1,2*

History: *14 SR 617*