



Ohio Administrative Code

Rule 3706-2-01 Issuance of grants from the office of the ombudsman for the small business stationary source technical and environmental compliance assistance program under the air quality grant assistance program.

Effective: July 1, 2020

The Ohio air quality development authority's("Authority") office of the ombudsperson for the small businessstationary source technical and environmental compliance assistance program(the "ombudsperson") shall issue grants from the small businessassistance fund pursuant to division (E) of section 3706.19 of the Revised Codeunder the following terms and conditions.

(A) The authority, to provide financial assistance to eligible small businesses upon advice of the ombudsperson, has created the air quality assistance program, which shall be administered by the ombudsperson and which shall:

(1) Provide financial assistance through the issuance of grants and air quality revenue bonds for the benefit of eligible small businesses throughout the state that are having difficulty complying with the Clean Air Act

(2) Promote the conservation of the air as a natural resource and prevent or abate the pollution thereof.

(3) Assist in removing financial obstacles to small business compliance with the Clean Air Act by taking any and all steps necessary to implement the air quality grant assistance programs, including leveraging of future small business assistance fund moneys.

(4) Make grants to eligible small businesses of up to twenty per cent or a maximum of twenty thousand dollars, whichever is less, of the total cost of a Clean Air Act compliance strategy that includes the financing of an air quality facility.

(B) As used in this rule:

(1) "Air Pollution" means the presence in the ambient air of one or more air contaminants in



sufficient quantity and of such characteristics and duration as to injure human health or welfare, plant or animal life, or property, or that unreasonably interferes with the comfortable enjoyment of life or property.

(2) "Air Quality Facility" means an air quality facility as defined in division (G) of section 3706.01 of the Revised Code.

(3) "Authority" means the Ohio air quality development authority as defined in section 3706.02 of the Revised Code.

(4) "Clean Air Act" refers to the federal Clean Air Act of 1970 as codified in 42 U.S.C. 7401 et seq. and revisions, such as the Clean Air Act Amendments of 1990, as promulgated in 104 Stat. 2399, 42 U.S.C. 7401, and the regulations adopted thereunder.

(5) "Eligible Small Business" means any individual, firm, partnership, limited liability company, association, or corporation, or any combination thereof operating a business having all of the following characteristics:

(a) Principal place of business in the state;

(b) Maintains offices or operating facilities in the state;

(c) Employs one hundred or fewer employees;

(d) A small business concern as defined in the Small Business Act;

(e) Demonstrates financial difficulty; and

(f) Has not been issued a grant from the small business assistance fund during the previous two years from the submission date of new application forms.

(6) "Financial Difficulty" shall mean having financial difficulty with complying with air pollution regulations, including the Clean Air Act, as determined by the ombudsperson.



(7) "Ombudsperson" shall have the same meaning as in division (B) of section 3706.19 of the Revised Code and may be served by the highest-ranking managerial employee of the authority, or a designee of the authority during any temporary vacancy of the appointed position.

(8) "Small Business Act" shall mean the Public Law (P.L.) 85536, enacted July 18, 1958, as codified in 15 U.S.C. 631 et seq.; 72 Stat. 384 et seq. and as amended through P.L. 11692, enacted December 20, 2019, and regulations adopted thereunder.

(9) "Small Business Assistance Fund" shall have the same meaning as in division (E) of section 3706.19 of the Revised Code.

(C) Each eligible small business seeking financial assistance from the ombudsperson under the air quality assistance program shall:

(1) Apply for financial assistance under the air quality assistance program through submission of application forms which, upon approval by the authority, shall become part of the agreement(s) between the authority and the eligible small business. Each agreement entered into by the eligible small business shall include those requirements necessary to carry out the purposes of the air quality grant assistance program and shall include provisions for the payment of eligible costs.

(2) Certify that:

(a) It is an eligible small business:

(b) It will:

(i) Secure a loan from a lender or other entity, which will purchase air quality revenue bonds issued by the authority in a principal amount equal to the loan, to provide the necessary capital to fund the air quality facility;

(ii) Enter into a loan agreement with the authority to pay principal, interest, and any premium on the air quality revenue bonds, which will be assigned to the lender as the holder of the air quality



revenue bonds; and

(iii) Assist in the coordination with the lender, who is willing and able to execute on the loan agreement(s) in conjunction with the agreement(s) prescribed by the authority for the issuance of air quality revenue bonds:

(c) The grant will not exceed twenty per cent or a maximum of twenty thousand dollars, whichever is less, of the total cost of the approved air quality facility, and will be used exclusively to pay:

(i) Legal fees, closing fees, authority fees and other fees associated with the authority's bond financing for acquisition of air quality facilities that are necessary for the eligible small business to comply with the Clean Air Act; and

(ii) The principal portion of the loan incurred in connection with financing an air quality facility that is necessary for the eligible small business to comply with the Clean Air Act amendments.

(d) It has financial difficulty in complying with the Clean Air Act and the grant funds are being requested solely as financial assistance related to the acquisition of an air quality facility.

(D) The ombudsperson may accept or reject an application or any portion thereof, based upon the ombudsperson's evaluation of the eligible small business' request and the amount of small business assistance funds available. When evaluating the eligible small business, the ombudsperson shall give priority to the federal air quality compliance needs of the county where the small business is located and shall also consider any reports, statements, or plans applicable to the eligible small business as the ombudsperson considers appropriate.

(E) Any grants or assistance made under the air quality assistance program shall be in the form and conditioned upon terms as the ombudsperson deems appropriate.

(F) Upon award of the grant request, or any portion thereof, the ombudsperson shall set aside the grant amount within the small business assistance fund and reduce the amount of funds available for grant assistance by such amount.



(G) The portion of the grant used for legal fees, closing fees, authority fees and other fees associated with the authority's bond financing shall be funded after the Clean Air Act compliance strategy loan closing and as a reimbursement to the eligible small business.

(H) The portion of the grant used for the principal payment of the loan related to the Clean Air Act compliance strategy shall be funded no later than six months after the air quality facility is installed and operational.

(I) Grants made under the air quality assistance program and the small business assistance fund shall, in all instances, be in conjunction with the provisions of section 3706.19 of the Revised Code provided that, at the time of grant approval, the combined amount of financial assistance provided under division (E) of section 3706.19 of the Revised Code is not more than one hundred per cent of the moneys credited to the small business assistance fund pursuant to division (K) of section 3745.11 of the Revised Code or other sources of assistance. The ombudsperson shall give priority to the investment, liquidity, and cash flow needs of the small business assistance fund when deciding whether to consider and process an application for approval by the authority for a grant to an eligible small business.

(J) The ombudsperson shall take any and all steps necessary to implement the air quality assistance program.

(K) The ombudsperson shall, when leveraging future small business fund moneys, give priority to the repayment of such loans or other moneys when considering future grants made under the air quality assistance program.