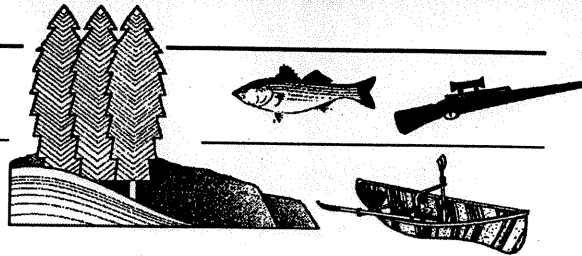


Assembly Committee on:

# Natural Resources

State Representative

DuWayne Johnsrud, Chair



## MEMORANDUM

DATE: May 12, 1995

TO: Members, Assembly Natural Resources Committee

FROM: DuWayne Johnsrud, Chair

RE: rule referral

The following Rules have been referred to our committee:

Clearinghouse Rule 95-026	Relating to commercial fishing for whitefish in Lake Michigan and Green Bay. Submitted by Department of Natural Resources.
Clearinghouse Rule 94-164	Relating to the administration of the county forest project loans. Submitted by Department of Natural Resources.

Our current review period extends through June 9, 1995. Copies of each rule summary are enclosed. Please contact my office if you would like a copy of any rule.

## REPORT TO LEGISLATURE

NR 47.20, Wis. Adm. Code  
County Forest Project Loan Program

Board Order No. FR-46-93  
Clearinghouse Rule No. 94-164

### Statement of Need

The proposed rule provides procedures for administering the project specific interest free loans to counties with lands entered under the County Forest Law. The loan program has been in existence since the early 1980's. Increased demand for limited loan dollars and statutory changes to the funding of the program in the 1993 budget has necessitated the development of the proposed administrative rule.

Project loans to county forests are authorized to allow "counties to undertake meritorious and economically productive forestry operations, including land acquisitions." The proposed rule will allow the department to formalize the application procedures, prioritize loan requests, determine funding rates and constraints, and project completion audit procedures.

The Department's forestry budget has \$400,000 available annually to loan. In addition to this amount, a portion of the monies repaid by counties through a 20% severance share on all timber revenues is also available to be reloaned. A county wishing to borrow money under this program must submit a county board resolution to the department. The proposed rule establishes loan application deadline dates. The resolution and any specific supporting documentation is examined and rates against other project loan requests by the Bureau of Forestry.

The request must be for a forestry related activity. Some examples of recently approved loans were for such items as reforestation costs, forestry equipment purchases (dozers, site preparation equipment, heavy equipment trailers, etc.), land acquisitions within the boundaries of the county forest, forestry buildings (equipment storage garages, county forestry office space), aerial photography and computers. Since the program's inception, over \$2.5 million has been loaned to counties with almost half of that amount having been already repaid.

### Modifications as a Result of Public Hearing

No modifications were made as a result of the public hearing.

### Appearances at the Hearing and Their Position

In support:

Mark Heyde, Chair, Wis. County Forests Association, Forestry Dept., 500 Forest Street, Wausau, WI 54403

In opposition - none

As interest may appear - none

**Response to Legislative Council Rules Clearinghouse Report**

The recommendations were accepted. Following are the responses to questions asked regarding the proposed rule:

2.c. - The wording is correct as originally written since a county may have more than one application.

2.n. - No there is no dollar amount limit on other loans except for the amount of available funding.

4.b. - No, the normal department audit is in policy only.

**Final Regulatory Flexibility Analysis**

The rule does not impact small businesses; therefore, a final regulatory flexibility analysis is not required.