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(FORM UPDATED: 08/11/2010)

## WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

### 2011-12

(session year)

### Assembly

(Assembly, Senate or Joint)

### Committee on Rural Economic Development and Rural Affairs...

#### COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

#### INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
  - (**ab** = Assembly Bill)                      (**ar** = Assembly Resolution)                      (**ajr** = Assembly Joint Resolution)
  - (**sb** = Senate Bill)                              (**sr** = Senate Resolution)                              (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

**Assembly**

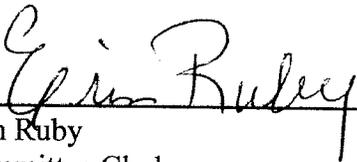
**Record of Committee Proceedings**

**Committee on Rural Economic Development and Rural Affairs**

**Clearinghouse Rule 10-113**

Relating to rural outsourcing grants and affecting small businesses.  
Submitted by Department of Commerce.

January 31, 2011	Referred to Committee on Rural Economic Development and Rural Affairs.
March 2, 2011	No action taken.

  
\_\_\_\_\_  
Erin Ruby  
Committee Clerk

DATE: January 31, 2011

TO: Erin Ruby

Committee on Rural Economic Development and Rural Affairs

FROM: Patrick E. Fuller, Assembly Chief Clerk

RE: Clearinghouse Rules Referral

The following Clearinghouse Rule has been referred to your committee.

### **CLEARINGHOUSE RULE 10-113**

AN ORDER to create chapter Comm 139, relating to rural outsourcing grants and affecting small businesses.

Submitted by **Department of Commerce.**

Report received from Agency on **January 14, 2011.**

To committee on **Rural Economic Development and Rural Affairs.**

Referred on **Monday, January 31, 2011.**

Last day for action - **Wednesday, March 2, 2011.**

Under section 227.19 (4) of the Wisconsin Statutes, your committee has 30 days to take action or get an extension. The day **after** the official referral date is day one of your review period. Therefore, the 30th day should fall four weeks and two days after the referral date. For example, for Clearinghouse Rules referred on a Monday, a Wednesday would be your 30th day. For Clearinghouse Rules referred on a Thursday or Friday, your 30th day would fall on a weekend. Therefore, your time would expire on the next working day (Monday) as provided for in s. 990.001 of the Wisconsin Statutes. Also, if the 30th day falls on a legal holiday, time would expire on the next working day.

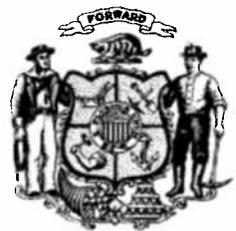
To extend your review period for an additional 30 days, your committee has one of two options. Section 227.19(4)(b) states that you can request in writing that the agency meet with the committee to review the proposed rule. Another option is to publish or post notice that the committee will hold a meeting or hearing to review the proposed rule and immediately send a copy of the notice to the agency.

Section 227.19 **requires** you to notify each member of your committee that you have received this Clearinghouse Rule. Although some committee chairs choose to do so, you are not required by law or rule to send a copy of the text of the rule to each member at this time. Instead, your notice could state that members should contact you if they wish to receive a hard copy of the rule. Another option would be to email the rule to members. Please put a copy of your official notification memo in the rule jacket.

Three copies of the Clearinghouse Rule and its accompanying documents are contained in the jacket. If you wish to have your Legislative Council attorney review the Clearinghouse Rule, send him/her a copy. I only need one copy remaining in the jacket when you report it out of committee at the end of the review period.

The identical process is happening simultaneously in the Senate. Keep track of their action on the rule.

For assistance with the Clearinghouse Rule process, please consult Kay Inabnet (6-5550) or your Legislative Council attorney. If you wish to learn more on this subject, read *Review of Administrative Rules* which is part of the Legislative Council's Wisconsin Legislator Briefing Book series, section 227.19 of the Wisconsin Statutes or part 2 of the *Administrative Rules Procedures Manual* written by the Revisor of Statutes Bureau and the Wisconsin Legislative Council staff.



## Ruby, Erin

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**From:** Rep.Ott  
**Sent:** Monday, January 31, 2011 2:18 PM  
**To:** Rep.Danou; Rep.Jorgensen; Rep.Krug; Rep.Larson; Rep.Murtha; Rep.Petrowski; Rep.Radcliffe; Rep.Ringhand; Rep.Ripp; Rep.Rivard; Rep.Roys; Rep.Steineke; Rep.Tauchen; Rep.Vruwink  
**Cc:** Adrian2, Scott; Arrowood, Craig; Bahr, Dan; Boe, Steve; Carpenter2, Dan; Ehm, Katherine; Focchi, Tim; Gau, Maggie; Gillis, George; Kelly, Tom; Kraak, Maureen; Lundgren, Doug; Malcore, Jennifer; McWilliams, Emily; Mielke, Jon; Miller, Lindsay; Plata, Christian; Pollocoff, Erin; PUNCHES, Derek; Rausch, Scott; Scherdell, Derrick; Schneider, Alicia; Shepherd-Bussan, Colette; Sweeney, Rebekah; Wenzlaff, Tyler; Volz, David J - COMMERCE; Mueller, Virginia; Rostan, Jason; Rallo, Anthony; Henning, Anna  
**Subject:** Clearinghouse Rule Referred to the Assembly Committee on Rural Economic Development & Rural Affairs  
**Attachments:** 20110131140151976.pdf

The following Clearinghouse Rule from the Department of Commerce has been referred to the Assembly Committee on Rural Economic Development and Rural Affairs for a 30 day review period:

**Clearinghouse Rule 10-113:** Relating to Rural Outsourcing Grants. (19 page document)



201101311401519  
76.pdf (936 KB)...

Please contact my office if you have any questions, need hard copies of this document, or would like to request a hearing on this rule.

The initial 30 day deadline for committee review is **Wednesday, March 2, 2011**.

**Rep. Al Ott**  
Chairman  
Assembly Committee on Rural Economic Development & Rural Affairs





Al Ott

State Representative • 3rd Assembly District

March 4, 2011

Secretary Paul Jadin  
Wisconsin Department of Commerce  
201 W. Washington Avenue  
Madison, WI 53707  
*(Transmitted via e-mail)*

Dear Secretary Jadin,

This letter is to inform you that the following clearinghouse rule has been reported out of the Assembly Committee on Rural Economic Development & Rural Affairs:

Clearinghouse Rule 10-113  
Relating to: Rural Outsourcing Grants

A public hearing was not held, and no committee action was taken on the rule.

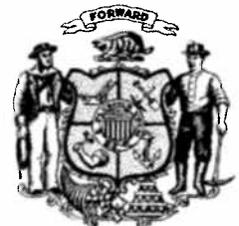
Please feel free to contact my office if you have any questions.

Sincerely,

Al Ott  
State Representative  
Chair, Assembly Committee on  
Rural Economic Development & Rural Affairs



# WISCONSIN STATE LEGISLATURE





State of Wisconsin \ Department of Commerce

# RULES IN FINAL DRAFT FORM

**Rule No.:** Chapter Comm 139

**Relating to:** Rural Outsourcing Grants

**Clearinghouse Rule No.:** 10-113

**PROPOSED ORDER OF THE  
DEPARTMENT OF COMMERCE**

**CREATING RULES**

The Wisconsin Department of Commerce proposes an order to create chapter Comm 139 relating to rural outsourcing grants, and affecting small businesses.

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**Analysis of Rules**

**1. Statutes Interpreted.**

SECTION 45 (1) of 2009 Wisconsin Act 265.

**2. Statutory Authority.**

Section 227.11 (2) (a) of the Statutes and SECTION 45 (1) of 2009 Wisconsin Act 265.

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**3. Explanation of Agency Authority.**

SECTION 45 (1) of 2009 Wisconsin Act 265 requires the Department to promulgate rules for awarding the rural outsourcing grants established in that SECTION. Section 227.11 (2) (a) of the Statutes authorizes the Department to promulgate rules interpreting the provisions of any Statute administered by the Department.

**4. Related Statute or Rule.**

The Department has rules for several other programs associated with economic and business development grants, but those programs are not targeted specifically to grants to businesses for work that is outsourced to rural municipalities.

**5. Summary of Rule.**

The rules in this order address (1) the eligibility requirements for applicants and projects; (2) the documentation that must be submitted by applicants; (3) the Department's response to the submitted documentation; and (4) the Department's use of any funds that are not applied for by the end of the 2009-11 fiscal biennium.

**6. Summary of, and Comparison With, Existing or Proposed Federal Regulations.**

No similar existing or proposed federal regulations or programs were found through review of the Code of Federal Regulations and pertinent federal agency Web sites – including at the US Department of Agriculture, the US Department of Commerce, the US Economic Development Administration, and the US Small Business Administration.

## **7. Comparison With Rules in Adjacent States.**

Review of existing rules and programs in adjacent States and review of proposed state legislation through the National Conference of State Legislatures did not reveal any similar rules or programs in the adjacent States.

## **8. Summary of Factual Data and Analytical Methodologies.**

The data and methodology for developing these rules were derived from and consisted of (A) incorporating the applicable criteria in SECTION 45 (1) of 2009 Wisconsin Act 265; (B) incorporating applicable best practices the Department has developed in administering similar programs for economic and business development, and (C) reviewing Internet-based sources of related federal, state, and private-sector information.

## **9. Analysis and Supporting Documents Used to Determine Effect on Small Business or in Preparation of an Economic Impact Report.**

The primary documentation that was used to determine the effect of the rules on small business was SECTION 45 (1) of 2009 Wisconsin Act 265. This SECTION authorizes the Department to award grants to businesses for work that is outsourced to rural municipalities and requires the Department to promulgate rules for administering the program. This SECTION applies its private-sector requirements only to businesses that chose to apply for the grants.

## **10. Effect on Small Business.**

The rules are not expected to impose significant costs or other impacts on small businesses because the rules address submittal of documentation only by applicants that choose to pursue grants for work that is outsourced to rural municipalities.

## **11. Agency Contact Person.**

Mary Gage, Wisconsin Department of Commerce, Bureau of Business Finance and Compliance, P.O. Box 7970, Madison, WI, 53707-7970; telephone (608) 266-2766; e-mail Mary.Gage@Wisconsin.gov.

*File reference: Comm 139/rules, analysis-p LR*

SECTION 1. Chapter Comm 139 is created to read:

CHAPTER Comm 139, RURAL OUTSOURCING GRANTS

**Comm 139.10 Authority and purpose.** The purpose of this chapter is to set forth the criteria the department will use to administer the rural outsourcing grants established under SECTION 45 (1) of 2009 Wisconsin Act 265.

**Comm 139.20 Definitions.** In this chapter:

(1) "Department" means the department of commerce.

(2) "Eligible business" means any of the following:

(a) A for-profit company that at the time of application to the department either performs or has work performed outside of this state, but will be shifting that work to a business operation or facility located in a rural municipality in this state.

(b) A for-profit company that will be performing the shifted work described in par. (a), for the company which is shifting the work.

(3) "Rural municipality" means any of the following:

(a) A city, town or village that is located in a county with a population density of less than 150 persons per square mile.

(b) A city, town or village with a population of 6,000 or less.

**Comm 139.30 Outsourcing Grants.** (1) The department may award grants from the appropriation under s. 20.143 (1) (cp), Stats., only to the extent the unencumbered balances of the appropriations under s. 20.143 (1) (ie), (ig), (im), and (ir), Stats., are insufficient to fund the grant. The total amount of grants under this chapter may not exceed \$500,000.

(2) (a) The department may award a grant to an eligible business for a project that shifts work from being performed outside of this state, to instead be performed in a rural municipality.

(b) The grant funds may be used only for the following capital or operating expenses incurred in establishing, equipping, or maintaining a facility for the work in the rural municipality:

1. Facility-related costs.
2. Equipment purchases.
3. Employee training costs.
4. Other expenditures deemed by the department to be related to the project.

(3) Prior to receiving a grant, an eligible business shall demonstrate that it will provide a match of at least 50% from sources other than the department. Eligible match sources include costs related to the project that the business has incurred or will incur for any of the following:

- (a) Capital expenditures.
- (b) Family supporting wages.
- (c) Rent or other facility costs.
- (d) Electricity costs.
- (e) Equipment leases.
- (f) Software expenses.

(4) In addition to submitting the demonstration information in sub. (3), the applicant shall submit information enabling the department to consider the factors addressed in subs. (2) (b) and (5) (b).

(5) (a) Due to the \$500,000 maximum available under this program for awards during the 2009-2011 fiscal biennium, the department may allocate the grant funds in a manner that the department believes is most likely to promote economic development.

(b) In determining the allocation of grant funds under par. (a), the department shall consider all of the following:

1. The jobs created by the project.
2. The salaries, wages and other employee benefits of the jobs created by the project.
3. The impact of the project on the rural municipality.
4. The extent to which the area served by the project is economically distressed.
5. The amount of new, eligible capital investment in the project.
6. The impact of the project on business in Wisconsin.
7. Any previous assistance from the department.

**Comm 139.40 Remaining allocation.** If after July 1, 2011, the department has not received completed applications and made awards totaling \$500,000, the department may use the remaining funds, but not more than \$250,000, for other eligible uses under s. 20.143 (1) (c), Stats.

Note: See chapter Comm 149 for additional requirements relating to (1) contracts between the Department and recipients of economic-development grants; (2) submittal of statements for such grants; and (3) penalties for submitting false or misleading information, or for failing to comply with the terms of a contract..

(END)

\*\*\*\*\*

EFFECTIVE DATE

Pursuant to s. 227.22 (2) (intro.), Stats., these rules shall become effective on the first day of the month commencing after publication in the Wisconsin administrative register.

\*\*\*\*\*F

*file reference: Comm 139/rules p LR*

# RULE REPORT

## Department of Commerce

Clearinghouse Rule No.: 10-113

Rule No.: Chapter Comm 139

Relating to: Rural Outsourcing Grants

<i>Contact person for substantive questions:</i>		<i>Contact person for internal processing:</i>	
Name	<u>Sam Rockweiler</u>	Name	<u>(same)</u>
Title	<u>Code Development Consultant</u>	Title	<u></u>
Telephone Number	<u>266-0797</u>	Telephone Number	<u></u>

1. Basis and purpose of the proposed rule.

These rules would implement a program for allocating grants to businesses for work that is outsourced to rural municipalities.

2. How the proposed rule advances relevant statutory goals or purposes.

The rules would implement the provisions in SECTION 45 (1) of 2009 Wisconsin Act 265, that are intended to encourage outsourcing of work to rural municipalities in Wisconsin.

3. Changes to the rule analysis or fiscal estimate that was prepared for public hearing.

The rule analysis was revised to be consistent with expanding the definition of "eligible business" so that grants can be awarded to companies to perform work which is shifted by another company, from outside Wisconsin to a rural municipality in Wisconsin.

FISCAL ESTIMATE  
DOA-2048 (R06/99)

ORIGINAL  
 CORRECTED

UPDATED  
 SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.  
Chapter Comm 139  
Amendment No. if Applicable

**Subject**

Rural Outsourcing Grants

**Fiscal Effect**

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

- Increase Existing Appropriation       Increase Existing Revenues
- Decrease Existing Appropriation       Decrease Existing Revenues
- Create New Appropriation

- Increase Costs - May be Possible to Absorb Within Agency's Budget       Yes     No
- Decrease Costs

Local:  No local government costs

1.  Increase Costs
- Permissive     Mandatory

3.  Increase Revenues
- Permissive     Mandatory

5. Types of Local Governmental Units Affected:

- Towns     Villages     Cities
- Counties     Others \_\_\_\_\_
- School Districts     WTCS Districts

2.  Decrease Costs
- Permissive     Mandatory

4.  Decrease Revenues
- Permissive     Mandatory

**Fund Sources Affected**

- GPR     FED     PRO     PRS     SEG     SEG-S

**Affected Ch. 20 Appropriations**

**Assumptions Used in Arriving at Fiscal Estimate**

Although the rules will newly result in review of documentation relating to issuing grants to businesses for outsourcing work to rural municipalities, the number of these reviews and grants is expected to be too small to result in significant changes in the Department's costs for administering its business development programs. Therefore, the proposed rules are not expected to have any significant fiscal effect on the Department.

The proposed rules are not expected to impose any significant costs on the private sector, because the rules address only voluntary submittal of documentation relating to grants for outsourcing work to rural municipalities.

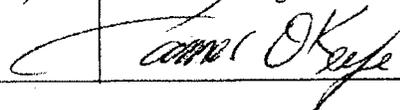
**Long-Range Fiscal Implications**

None known.

Agency/Prepared by: (Name & Phone No.)

Commerce/Jim O'Keefe 264-7837

Authorized Signature/Telephone No.



Date

6/24/10

**FISCAL ESTIMATE WORKSHEET**  
Detailed Estimate of Annual Fiscal Effect  
DOA-2047(R06/99)

ORIGINAL  
 CORRECTED

UPDATED  
 SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.  
Chapter Comm 139

Amendment No.

**Subject**

Rural Outsourcing Grants

**I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**

None known.

II. Annualized Costs:	Annualized Fiscal Impact on State funds from:	
	Increased Costs	Decreased Costs
<b>A. State Costs By Category</b>		
State Operations - Salaries and Fringes	\$0	-\$0
(FTE Position Changes)	( 0.00 FTE)	( - 0.00 FTE)
State Operations - Other Costs	\$0	-\$0
Local Assistance	\$0	-\$0
Aids to Individuals or Organizations	\$0	-\$0
<b>TOTAL State Costs By Category</b>	\$0	-\$0
<b>B. State Costs By Source of Funds</b>	<b>Increased Costs</b>	<b>Decreased Costs</b>
GPR	\$0	-\$0
FED	\$0	-\$0
PRO/PRS	\$0	-\$0
SEG/SEG-S	\$0	-\$0
<b>III. State Revenues- Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>	<b>Increased Rev.</b>	<b>Decreased Rev.</b>
GPR Taxes	\$0	-\$0
GPR Earned	\$0	-\$0
FED	\$0	-\$0
PRO/PRS	\$0	-\$0
SEG/SEG-S	\$0	-\$0
<b>TOTAL State Revenues</b>	\$0	-\$0

**NET ANNUALIZED FISCAL IMPACT**

	STATE	LOCAL
NET CHANGE IN COSTS	\$ 0	\$ 0
NET CHANGE IN REVENUES	\$ 0	\$ 0

Agency/Prepared by: (Name & Phone No.)

Commerce/ Jim O'Keefe 264-7837

Authorized Signature/Telephone No.

*James O'Keefe*

Date

6/24/10

# FINAL REGULATORY FLEXIBILITY ANALYSIS

## Department of Commerce

CLEARINGHOUSE RULE NO.: 10-113

RULE NO.: Chapter Comm 139

RELATING TO: Rural Outsourcing Grants

Final regulatory flexibility analysis not required. (Statement of determination required.)

1. Reason for including or falling to include the following methods for reducing impact of the rule on small businesses: Less stringent compliance or reporting requirements; less stringent schedules or deadlines for compliance or reporting requirements; simplification of compliance or reporting requirements; establishment of performance standards to replace design or operational standards; exemption from any or all requirements.

Less stringent application requirements are not proposed for small-business applicants because uniform application criteria are expected to result in maximizing the fairness and effectiveness of the allocation of the grants.

2. Issues raised by small businesses during hearings, changes in proposed rules as a result of comments by small businesses and reasons for rejecting any alternatives suggested by small businesses.

No issues were raised by small businesses.

3. Nature and estimated cost of preparation of any reports by small businesses.

The reporting that would be required for businesses which choose to participate in this grant program is essentially the same as the Department currently requires in conjunction with administering other economic development grants – and therefore is not expected to impose any significant new costs on small businesses.

4. Nature and estimated cost of other measures and investments required of small businesses.

The rules are not expected to impose significant costs on small businesses for other measures because the rules address submittal of documentation, and other activities, only by applicants that choose to participate in this grant program.

5. Additional cost to agency of administering or enforcing a rule which includes any of the methods in 1. for reducing impact on small businesses.

None of the methods listed in 1. for reducing small-business impacts are included in the proposed rules.

6. Impact on public health, safety and welfare caused by including any of the methods in 1. for reducing impact on small businesses.

None of the methods listed in 1. for reducing small-business impacts are included in the proposed rules.



**DEPARTMENT OF COMMERCE**  
**SUMMARY OF PUBLIC HEARING COMMENTS AND AGENCY RESPONSE**

Clearinghouse Rule Number: 10-113		Hearing Location: Madison, Wisconsin	
Rule Number: Chapter Comm 139		Hearing Date: October 13, 2010	
Relating to: Rural Outsourcing Grants			
Comments: Oral or Exhibit No.	Presenter, Group Represented, City and State	Comments/Recommendations	Agency Response
Oral and Exhibit 1	Mark Knickelbine Senator Julie Lassa Stephens Point Wisconsin	Comm 139.20 (2): Submits letter from Senator Lassa asking the Department to revise the definition of "eligible business" so that grants could be awarded to companies to perform work which is shifted by another company, from outside Wisconsin to a rural municipality in Wisconsin. Explains that these grants, as established in 2009 Wisconsin Act 265, are intended to foster creation of centers in rural Wisconsin that could compete for work which is currently being outsourced overseas or out-of-state. For both economic and value-added reasons, these centers could perform this work cost-effectively. However, the current definition in the rules excludes these centers from being eligible for these grants, because it limits the grants to companies that are performing the outsourcing. In addition, the amount of the grant funding is likely too low to induce these companies to establish facilities in rural Wisconsin for then shifting this work to. Consequently, unless the definition is changed as recommended, this grant program is likely to have very little, if any, economic development impact in Wisconsin. Indicates the rules otherwise follow the intent of Act 265.	Agree. The rules have been revised as recommended.

File reference: Comm 139/Hearing summary



LCRC  
FORM 2

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## WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

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**Ronald Sklansky**  
*Clearinghouse Director*

**Richard Sweet**  
*Clearinghouse Assistant Director*

**Terry C. Anderson**  
*Legislative Council Director*

**Laura D. Rose**  
*Legislative Council Deputy Director*

### CLEARINGHOUSE REPORT TO AGENCY

[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

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#### CLEARINGHOUSE RULE 10-113

AN ORDER to create chapter Comm 139, relating to rural outsourcing grants and affecting small businesses.

Submitted by **DEPARTMENT OF COMMERCE**

09-15-2010 RECEIVED BY LEGISLATIVE COUNCIL.

10-11-2010 REPORT SENT TO AGENCY.

RS:SG

**LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT**

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]  
Comment Attached      YES       NO
2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]  
Comment Attached      YES       NO
3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]  
Comment Attached      YES       NO
4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS [s. 227.15 (2) (e)]  
Comment Attached      YES       NO
5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]  
Comment Attached      YES       NO
6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL REGULATIONS [s. 227.15 (2) (g)]  
Comment Attached      YES       NO
7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]  
Comment Attached      YES       NO



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## WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

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Ronald Sklansky  
*Clearinghouse Director*

Richard Sweet  
*Clearinghouse Assistant Director*

Terry C. Anderson  
*Legislative Council Director*

Laura D. Rose  
*Legislative Council Deputy Director*

### CLEARINGHOUSE RULE 10-113

#### Comments

**[NOTE:** All citations to “Manual” in the comments below are to the Administrative Rules Procedures Manual, prepared by the Legislative Reference Bureau and the Legislative Council Staff, dated September 2008.]

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#### 1. Statutory Authority

a. In the analysis of the rule, the department specifies that it interprets SECTION 45 (1) of 2009 Wisconsin Act 265 and cites par. (b), in part, as its statutory authority. Since SECTION 45 (1) (b) refers to emergency rules, the department should revise SECTIONS 2 to 3 of the analysis to refer simply to SECTION 45 (1).

b. In s. Comm 139.40, the department refers to a deadline of the 12<sup>th</sup> month beginning after the effective date of the rules. 2009 Wisconsin Act 265 specified a deadline of the 12<sup>th</sup> month beginning after the effective date of the related emergency rules. The department should delete the reference to the 12-month deadline and insert a date certain based on the effective date of the emergency rules.

#### 2. Form, Style and Placement in Administrative Code

a. In SECTION 8 of the rule analysis, the department should refer to SECTION 45 (1) of Act 265 rather than SECTION 45.

b. In s. Comm 139.20 (1), the notation “ss.” should be replaced by the notation “s.”

c. In s. Comm 139.30 (2) (b), the department appears to refer to “eligible uses” by example in a manner that conflicts with the definition of “eligible uses” in s. Comm 139.20 (3). The department should reconcile these sections. Is it necessary to define “eligible uses” in s. Comm 139.20? Where is the term used in the substantive portion of the proposed rule? Would

it be appropriate to revise s. Comm 139.30 (2) (b) (intro.) to read: "The grant funds may be used for capital or operating expenses incurred in establishing, equipping, or maintaining a facility for the work in the rural municipality:?" The use of "only" in the current (intro.) section is awkward when subd. 4. refers to "Other expenditures...."

d. In s. Comm 139.40 Note, the department should replace "chapter" with "ch."

**5. Clarity, Grammar, Punctuation and Use of Plain Language**

a. In s. Comm 139.20 (2), the department should clarify the use of the word "outsources" in the definition of "eligible business." Similarly, it is unclear from the rule whether the use of the phrase "outsources work to outside of this state" is intended as a limitation that would limit rural outsourcing grants to businesses already operating in Wisconsin at the time of application to the department. The department should clarify whether an out-of-state business that utilizes outsourcing would be able to apply to the department if it begins operations in the state that were previously "outsourced."

b. The department should provide more information on the actual process by which grant funds will be allocated, rather than simply referring to "a manner that the department believes is most likely to promote economic development." For example, are there opportunities for appeals of department decisions or opportunities for reconsideration?

# RESPONSE TO LEGISLATIVE COUNCIL CLEARINGHOUSE REPORT

## Department of Commerce

CLEARINGHOUSE RULE NO.: 10-113

RULE NO.: Chapter Comm 139

RELATING TO: Rural Outsourcing Grants

Agency contact person for substantive questions.

Name: Sam Rockweiler

Title: Code Development Consultant

Telephone No. 266-0797

Legislative Council report recommendations accepted in whole.

Yes

No

1. Review of statutory authority [s. 227.15(2)(a)]

a.  Accepted

b.  Accepted in part

c.  Rejected

d.  Comments attached

2. Review of rules for form, style and placement in administrative code [s. 227.15(2)(c)]

a.  Accepted

b.  Accepted in part

c.  Rejected

d.  Comments attached

3. Review rules for conflict with or duplication of existing rules [s. 227.15(2)(d)]
- a.  Accepted
  - b.  Accepted in part
  - c.  Rejected
  - d.  Comments attached
4. Review rules for adequate references to related statutes, rules and forms [s. 227.15(2)(e)]
- a.  Accepted
  - b.  Accepted in part
  - c.  Rejected
  - d.  Comments attached
5. Review language of rules for clarity, grammar, punctuation and plainness [s. 227.15(2)(f)]
- a.  Accepted
  - b.  Accepted in part
  - c.  Rejected
  - d.  Comments attached
6. Review rules for potential conflicts with, and comparability to, related federal regulations [s. 227.15(2)(g)]
- a.  Accepted
  - b.  Accepted in part
  - c.  Rejected
  - d.  Comments attached
7. Review rules for permit action deadline [s. 227.15(2)(h)]
- a.  Accepted
  - b.  Accepted in part
  - c.  Rejected
  - d.  Comments attached

## RESPONSE COMMENTS TO LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT

Clearinghouse comment 2. c. The Department prefers to retain “only” in s. Comm 139.30 (2) (b) in order to make the subsequently listed expenses prescriptive rather than permissive.

Clearinghouse comment 2. d. The Department prefers to not abbreviate “chapter” in the Note under s. Comm 139.40 because the purpose of Notes is to be informative, and abbreviations may be less than fully informative to some readers of these rules.

Clearinghouse comment 5. b. The Department prefers to not prescribe the grant-allocation process under s. Comm 139.30 (5) in further detail in order to retain the flexibility needed for adequately addressing the range of circumstances that may be associated with these grants, and in order to reduce the potential for the rules to become outdated and misleading as administrative and business practices evolve.

*File reference: Comm 139/Legislative Review Clghse*