

RESPONSE COMMENTS TO LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT

Clearinghouse comment 1. a. The Department's policy for obtaining reimbursement of grants and loans, as referenced in section 560.68 (4) of the Statutes, is partly set forth in proposed section Comm 106.40 (3) – as being determined on a case-by-case basis and then specified in the contract executed under section Comm 106.50 – and is further set forth in chapter Comm 149 (which is referenced in the Note under proposed section Comm 106.55), as imposing penalties in conjunction with grants and loans, such as by recouping payments or imposing forfeitures.

The Department prefers to set forth this policy in this manner – and prefers to not replace the statement in section Comm 106.40 (3) relating to conditions applicable to a grant or loan, with a description of those conditions and the standards for determining them – in order to retain the flexibility needed for adequately addressing the broad range of projects within the scope of this chapter, and in order to reduce the potential for the rule to become outdated and misleading as administrative and business practices evolve in conjunction with ongoing changes in the marketplace of economic development.

Clearinghouse comment 1. b. Based on Clearinghouse comment 1. b., the Department has clarified section Comm 106.45 to show that the eligible project costs are as established in the contract executed under section Comm 106.50. Since the total amount of the eligible project costs will always be greater than the amount of the grant or loan, a match of 25% of those costs will always be greater than 25% of the amount of the grant or loan. Therefore, this match will always be at least 25% of the amount of the grant or loan, which will comply with – rather than conflict with – section 560.68 (6) of the Statutes.

File reference: Comm 106/Legislative Review Clghse