

## Chapter Comm 116

### RURAL ECONOMIC DEVELOPMENT PROGRAM

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**Note:** Chapter DOD 16 was renumbered chapter Comm 116 under s. 13.93 (2m) (b) 1., Stats., and corrections made under s. 13.93 (2m) (b) 6. and 7., Stats., Register, June, 1997, No. 498.

**Comm 116.01 Purpose.** The purpose of this chapter is to establish a procedure for the administration of rural economic development grants and loans by the department as provided in s. 560.17, Stats.

**History:** Cr. Register, June, 1990, No. 414, eff. 7-1-90.

**Comm 116.02 Definitions.** In this chapter:

(1) "Board" has the meaning contained in s. 560.17 (1) (a), Stats.

(1m) "Brownfields" has the meaning given in s. 560.60 (1v), Stats.

(2) "Business" means a for-profit organization engaged in trade, commerce or industry and includes cooperatives organized under ch. 185, Stats., whether or not operated for profit.

(2m) "Dairy farm" has the meaning given in s. 97.22 (1) (a), Stats.

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

(3h) "Financing is unavailable from any other source on reasonably equivalent terms" means the maturity, rate or the amount of available financing or requirements related to the financing, such as collateral, equity, closing costs, service charges and repayment schedules offered on such financing are materially different from the financing available from the rural economic development program.

(3m) "Job" has the meaning given in s. 560.60 (10), Stats.

(4) "Management assistance" has the meaning given in s. 560.17 (1) (br), Stats.

(5) "Professional services" has the meaning contained in s. 560.17 (1) (c), Stats.

(6) "Rural municipality" has the meaning contained in s. 560.17 (1) (d), Stats.

**History:** Cr. Register, June, 1990, No. 414, eff. 7-1-90; cr. (1m), (2m), (3h) and (3m), r. and recr. (4), Register, November, 1998, No. 515, eff. 12-1-98; **correction in (4) made under s. 13.93 (2m) (b) 7., Stats.**

**Comm 116.03 Grants and loans for professional services.** (1) Rural economic development grants made under this section may be for up to \$15,000. A cash match, from a source other than the state, of not less than 25% of the eligible project cost is required.

(2) To be eligible to apply for funding under this section, a business, together with any affiliate, subsidiary or parent entity shall have fewer than 50 employees, shall be located in a rural municipality and shall be in the process of starting or expanding operations.

(3) The proceeds of a grant made under this section may be used only for professional services related to the startup or expansion of a business or, for management assistance required for the continued operation of a business and only in accordance with the terms of the contract required under s. Comm 116.06.

(4) The terms and conditions of each grant made under this section shall be determined by the board after considering the circumstances of the business for which application has been made.

**History:** Cr. Register, June, 1990, No. 414, eff. 7-1-90; am., Register, January, 1994, No. 457, eff. 2-1-94; am. Register, November, 1998, No. 515, eff. 12-1-98.

**Comm 116.035 Loans and grants for working capital, employee relocation costs or fixed asset financing.**

(1) Loans and grants made under this section may be for up to \$100,000. A cash match, from a source other than the state, of not less than 25% of the eligible project cost is required.

(2) To be eligible to apply for funding under this section, a business shall meet the requirements of s. Comm 116.03 (2), shall have successfully demonstrated the feasibility of the business, and shall not be able to obtain financing from any other source on reasonably equivalent terms.

(3) The proceeds of a loan or grant made under this section may be used only for working capital, employee relocation costs or fixed asset financing related to the start up or expansion of the business for which application has been made and only in accordance with the terms of the contract required under s. Comm 116.06.

(4) The terms and conditions of each grant and loan made under this section, including repayment terms, shall be determined by the board after considering the circumstances of the business for which application has been made.

**History:** Cr. Register, January, 1994, No. 457, eff. 2-1-94; am (3), Register, January, 1996, No. 481, eff. 2-1-96; am. (1), (2) and (3), Register, November, 1998, No. 515, eff. 12-1-98.

**Comm 116.037 Grants for dairy farm or other agricultural business projects.** (1) Grants made under this section may be made for dairy farm or other agricultural business projects. A cash match, from a source other than the state, of not less than 25% of the eligible project cost is required.

(2) The proceeds of a grant made under this section may be used only for professional services related to the start-up, modernization or expansion of the dairy farm or other agricultural business; or for management assistance, as defined in s. 560.17 (1) (br), Stats., continuing after the completion of the start-up, modernization or expansion of the dairy farm or other agricultural business; and only in accordance with the terms of the contract required under s. Comm 116.06.

(3) The terms and conditions of each grant made under this section shall be determined by the board after considering the circumstances of the business for which application has been made.

**History:** Cr. Register, November, 1998, No. 515, eff. 12-1-98; **correction in (2) made under s. 13.93 (2m) (b) 7., Stats.**

**Comm 116.04 Application procedures.** (1) A business which is eligible for funding according to s. Comm 116.03, 116.035 or 116.037, may make application to the department at any time.

(2) The department shall prepare an application manual which it may update as needed. The manual shall contain the application

procedures, requirements and instructions for funding under this chapter.

**Note:** Written instructions for applications may be obtained at no charge from the Department of Commerce, Bureau of Business Finance, P. O. Box 7970, Madison, Wisconsin 53707, telephone 608/266-1018.

**History:** Cr. Register, June, 1990, No. 414, eff. 7-1-90; am. (1), (2) (intro.), (h); cr. (3), Register, January, 1994, No. 457, eff. 2-1-94; r. and recr. (1) and (2), r. (3), Register, November, 1998, No. 515, eff. 12-1-98.

**Comm 116.05 Board determination.** (1) The board shall render a determination on an application at its next regularly scheduled meeting after the department determines that the application is complete.

(2) Before awarding a loan or grant under s. Comm 116.03, the board shall consider each of the items in s. 560.17 (4), Stats.

(3) Before awarding a loan under s. Comm 116.035, the board shall consider each of the items in s. 560.17 (4), Stats.

(4) Before awarding a grant under s. Comm 116.037, the board shall make the determinations in s. 560.17 (5c) (a), Stats.

(5) The board shall give priority to grants and loans under this chapter for projects related to brownfields development.

**History:** Cr. Register, June, 1990, No. 414, eff. 7-1-90; am. (1), (2) (intro.), cr. (3), Register, January, 1994, No. 457, eff. 2-1-94; r. and recr. (2) and (3), cr. (4) and (5), Register, November, 1998, No. 515, eff. 12-1-98.

**Comm 116.06 Contracts.** Successful applicants shall be required to enter into a contract with the department for the purposes of implementing the proposed grant or loan. The contract shall be signed by the secretary of the department and the person or persons authorized by the applicant to enter into a contract. The contract shall contain default provisions relating to nonperformance of the provisions of the contract. Amendments to these contracts may be adopted by the written consent of both parties.

**History:** Cr. Register, June, 1990, No. 414, eff. 7-1-90; am. Register, November, 1998, No. 515, eff. 12-1-98.

**Comm 116.07 Reporting.** Each successful applicant will be required to provide the department periodic reimbursement

documentation and program reports. The reimbursement documentation and program reports shall be submitted to the department by a date specified in the contract. The reimbursement documentation and program reports become the property of the department and are open to public inspection.

**History:** Cr. Register, June, 1990, No. 414, eff. 7-1-90; am. Register, November, 1998, No. 515, eff. 12-1-98.

**Comm 116.08 Administration.** The department shall for solicit applications, review applications, make recommendations to the board on the disposition of grant and loan applications, enter into contracts with successful applicants, authorize payments and otherwise implement contractual obligations entailed in grants or loans made under the terms of this chapter, monitor project activities, receive and review the reimbursement documentation and program reports submitted under s. Comm 116.07, and collect any repayments of grants and loans from successful applicants.

**History:** Cr. Register, June, 1990, No. 414, eff. 7-1-90; am. Register, November, 1998, No. 515, eff. 12-1-98.

**Comm 116.09 Board operations.** The board shall consider the recommendations of the department relating to grants and loans. The board shall approve an application before the department can enter into a contract for a grant or loan. The department shall maintain records of the board's proceedings and provide staff support as may be necessary to the board.

**History:** Cr. Register, June, 1990, No. 414, eff. 7-1-90; am., Register, January, 1994, No. 457, eff. 2-1-94.; am. Register, November, 1998, No. 515, eff. 12-1-98.

**Comm 116.10 Application manual.** The department shall prepare an application manual which it may update as needed. The manual shall contain the application procedures, requirements and instructions for funding under this chapter.

**Note:** Written instructions for rural economic development grant and loan applications may be obtained at no charge from the Department of Commerce, Bureau of Development Finance, P.O. Box 7970, Madison, WI 53707.

**History:** Cr. Register, June, 1990, No. 414, eff. 7-1-90.