

## CHAPTER 560

## DEPARTMENT OF DEVELOPMENT

SUBCHAPTER I  
GENERAL PROVISIONS

|         |   |
|---------|---|
| 560.001 | Definitions.  |
| 560.01  | Organization of the department.                           |
| 560.02  | Secretary.  |
| 560.03  | Business and industrial development.                      |
| 560.04  | Community development.                                    |
| 560.05  | Additional powers to provide facilities.                  |
| 560.06  | Housing rehabilitation.                                   |
| 560.065 | Homeownership mortgage loan program.                      |
| 560.07  | Promotion.  |
| 560.08  | Economic and community development planning and research. |

|         |   |
|---------|---|
| 560.09  | Cooperation.                                |
| 560.10  | Industrial building construction loan fund. |
| 560.11  | Plans required for aid to housing programs. |
| 560.115 | State housing plan.                         |

SUBCHAPTER II  
TOURISM PROMOTION

|        |  |
|--------|--|
| 560.21 | Definitions.                               |
| 560.23 | Duties.                                    |
| 560.25 | Offices.                                   |
| 560.27 | Regional tourism development corporations. |
| 560.29 | Cooperative marketing and advertising.     |

## SUBCHAPTER I

## GENERAL PROVISIONS

**560.001 Definitions.** In this chapter:

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

(2) "Secretary" means the secretary of the department.

**History:** 1971 c. 321; 1979 c. 361.

**560.01 Organization of the department.**

(1) **PURPOSES.** The functions of the department are of an advocacy, consultative, advisory, informational, coordinative and promotional nature. Through research, planning, consultation and through promotion of the development and maximum wise use of the natural and human resources of the state, it shall foster the growth and diversification of the economy of the state. It shall serve as the central agency and clearinghouse for developmental activities concerning the economy of the state. It shall make recommendations to the governor for the purpose of guiding a coordinated and economically efficient development of the state and shall seek closer cooperation and coordination between units of state government, educational institutions, local governments, local planning agencies, including regional planning commissions, and business and industry to foster and encourage a pattern of community development and of state-local and business relationships so that the economy of the state may continue to develop fully and meet citizen and community needs. It shall make continuing studies of the problems affecting economic and community development and recommendations for relieving those problems, and function in any other rea-

sonable manner that will accomplish the stated purposes of this chapter. The department shall also coordinate training for local government officials provided by state agencies including, but not limited to, the university of Wisconsin-extension and the vocational, technical and adult education system.

(2) **DUTIES.** The department shall develop a state economic policy. The department shall promote and provide technical assistance, consultative services and other assistance to commercial, industrial and recreational development and expansion; facilitate the establishment and retention of business enterprises in this state, including small and minority business enterprises; encourage cooperation between financial institutions and business persons to encourage commercial, industrial and recreational business expansion in this state; encourage creation of jobs throughout the state and especially in urban and rural economically depressed areas; develop and coordinate state public and private economic development plans and federal economic development assistance programs affecting local governments and business and industry; encourage the growth of tourism in the state; promote state products and industries in both foreign and domestic markets; provide informational clearinghouses for businesses and communities in their dealings with other state and federal agencies; advise the governor and legislature on the role of the state in state-local affairs; study the problems affecting local government relations as they impact on economic development and make recommendations for relieving these problems; develop a state-local relations policy to facilitate closer coordination and cooperation between state and local governments; advise the governor and the legislature regarding problems faced by local governments;

develop an improved pattern of state-local relations; and develop recommendations for legislative or administrative action as may appear necessary.

(3) **FOREIGN OFFICE AGREEMENTS.** The department may enter into agreements regarding compensation, space and other administrative matters as are necessary to operate departmental offices in other states and foreign countries. Such agreements shall be subject to the approval of the secretary of administration.

**History:** 1971 c. 321; 1977 c. 29; 1979 c. 361.

**560.02 Secretary.** The secretary shall:

(1) Direct the execution of the statutory duties and powers assigned to the department and shall advise the governor and legislature on matters regarding economic growth and development and community development in the state.

(2) Appoint the administrators for the various divisions of the department subject to s. 230.08 (4) (a). Administrators appointed under the unclassified service shall serve at the pleasure of the secretary.

(3) Delegate any of his or her powers and duties to such officers and employes of the department as he or she designates, and may authorize successive redelegations of such powers and duties.

(4) Submit and adopt all necessary plans; enter into contracts; accept gifts, grants and federal funds; make rules and do all things necessary and proper to carry out this chapter.

**History:** 1971 c. 307 s. 104; 1971 c. 321; 1977 c. 29, 418; 1979 c. 361 ss. 29, 86.

**560.03 Business and industrial development.** The department shall foster, encourage and advocate economic development programs designed to broaden and strengthen the economy of the state, and it shall provide specific leadership in the following instances among others:

(1) Support and assist the efforts of local business and industry, local government, state, regional and local development corporations, industrial committees, chambers of commerce, labor organizations and other similar public and private agencies to foster expansion of existing agricultural, commercial, industrial and mining enterprises, and initiate efforts to attract new enterprises.

(2) Identify for the governor's attention those significant business and industrial problems which may be relieved by state action.

(3) Assist in the formulation and implementation of integrated economic and community development programs for northern Wisconsin and other areas or regions of the state and

cooperate with and provide technical assistance to any organizations created for the purpose of aiding and encouraging an orderly, productive and coordinated development of the state.

(4) Assist in the formulation and development of a more intensive program to aid and expand the mining industry.

(5) Provide advice and assistance to Wisconsin business and labor.

(6) Locate and maintain information on prime industrial sites, together with recommendations for developing and preserving such sites.

(7) Perform such other functions as the governor may direct to aid in the industrial development of the state.

(8) Help local units of government to plan and initiate development projects.

(9) Establish and operate a small business ombudsman clearinghouse for business and industry to facilitate the flow of information from other state and federal agencies.

(10) Explore the feasibility of new programs which will address, but not be limited to, the following areas of concern:

(a) The capital development financing needs of business, industrial and agricultural enterprises.

(b) The creation of job opportunities in inner cities and other economically depressed areas.

(c) Credit assistance for business and economic development.

(d) Optimum utilization of federal programs designed to encourage and aid economic development.

(e) The potential of a program to promote and encourage inventions and technological innovations.

(11) Prepare and maintain comprehensive plans for the dynamic development of the economy of each area of the state in cooperation with representatives of the area.

(15) Annually, submit a report to the legislature analyzing the use of industrial revenue bond financing under s. 66.521 and accurately reporting the benefits of that use, including the effect on employment in this state including, but not limited to:

(a) The number of full-time equivalent employment positions created by each project financed; and

(b) If use of industrial revenue bond financing results in the relocation of an operation which uses the project financed, the municipality from which the relocation occurs and the number of full-time equivalent employment positions eliminated in that municipality.

**History:** 1971 c. 211 s. 126; 1971 c. 321 ss. 10, 16; 1979 c. 34; 1979 c. 361 ss. 45, 87 to 96; 1979 c. 362.

**560.04 Community development. (1)**

**PURPOSE.** The legislature determines that a pattern of state-local relations shall be established that will facilitate closer coordination and cooperation between state and local governments. The department shall recommend methods for achieving such closer coordination and cooperation in order to meet citizen needs, provide a balanced economy, pursue housing initiatives and facilitate economic and community development.

**(2) DUTIES.** The department shall:

(a) Review proposed changes in local government boundaries and evaluate and recommend to communities involved those changes which are in the best interest of the state and the communities involved.

(b) Cooperate with and provide technical assistance to county, town, village, city and regional planning commissions and their governing bodies, community development groups, and similar agencies created for the purposes of aiding and encouraging orderly, productive and coordinated economic and community development in the state and assuring a productive and coordinated state-local relationship.

(c) Encourage and, when requested, assist the efforts of local governments to develop mutual and cooperative solutions to their common problems.

(d) Administer state platting regulations in accordance with ch. 236.

(e) Consult with and encourage participation by private groups, individuals, and organizations in carrying out the purposes of the department.

(f) Assign one or more full-time equivalent positions to the function of coordinating the development and scheduling of training programs for local government officials by the university of Wisconsin-extension, the vocational, technical and adult education system, department of revenue, elections board and other state agencies in order to assure the effective delivery of training programs and to prevent duplication of effort and coordinating requests for management or personnel consultative services from government units other than the state and directing those requests to the appropriate division of the department of administration.

(g) Establish and operate a community development and local government clearinghouse to facilitate the exchange of information between other state and federal agencies and units of local government.

(h) Identify for the governor's attention those significant state-local relations problems, including economic development, which may be relieved by state action.

(i) In cooperation with the department of administration, coordinate personnel management consultative assistance to towns, villages, cities and counties and other local public bodies, boards, commissions, departments or agencies.

(j) Administer state and federal grant programs related to economic or community development, including economic development assistance programs and housing and urban development comprehensive planning grants affecting local government, business or industry, to assist and strengthen local, regional and state economic and community development and support experimental and cooperative activities and intergovernmental relations, training of local government officials and personnel, and other activities consistent with the purposes of this chapter.

**(3) HOUSING ASSISTANCE.** (a) *Grants.* The department shall establish and administer programs of grants to counties, municipalities and sponsors of low- and moderate-income housing projects. Eligible sponsors may include housing authorities under ss. 59.075, 61.73 and 66.40 to 66.404, nonstock and nonprofit corporations. Grants may be approved for the support of organizational expenses, administrative costs, social services, technical services, training expenses or costs incurred or expected to be incurred by counties, municipalities or sponsors for land and building acquisition, construction, improvements, renewal, rehabilitation, relocation or conservation under a plan to provide housing or related facilities, if the costs are not reimbursable from other private or public loan, grant or mortgage sources.

(b) *Loans.* The department may make, with or without interest or security, loans from the appropriation made under s. 20.143 (3) (f), (fa), (j), (jm) or (L) for development or construction of low- and moderate-income housing projects. No loan may be made unless the secretary may reasonably anticipate permanent financing of the project. The department shall request the state building commission to contract revenue obligations to fund loans under this paragraph. The commission shall, at the request of the department, contract under subch. II of ch. 18 \$1,000,000 in revenue obligations, excluding obligations issued to refund outstanding revenue obligations issued under this paragraph, for the purpose of funding loans under this paragraph.

(c) *Other assistance.* The department may:

1. Engage in research and disseminate information on housing.
2. Encourage research in, and demonstration projects to develop, new and better techniques and methods for increasing the supply of hous-

ing for families and persons of low and moderate income.

3. Cooperate with and encourage cooperation among all federal, state and municipal agencies, sponsors and local authorities in the planning for and financing and construction of housing for persons and families of low and moderate income.

4. Encourage community organizations to assist in initiating housing projects for persons and families of low and moderate income.

5. Provide technical assistance in the development of housing projects for persons and families of low and moderate income, and for programs to improve the quality of rural and urban life for all the people of the state.

**History:** 1971 c. 125; 1973 c. 243 s. 82; 1975 c. 39, 224; 1977 c. 2; 1979 c. 34; 1979 c. 162 s. 38 (11); 1979 c. 175; 1979 c. 361 ss. 31, 33, 35, 37, 39, 40, 48, 98, 113; 1981 c. 349.

**560.05 Additional powers to provide facilities.** (1) As used in this section unless the context requires otherwise:

(a) "Existing building" in relation to any conveyance, lease or sublease made under sub. (2) means all administrative buildings, all storage facilities and garages, all buildings used for exhibition or promotional events for agricultural, industrial, educational, recreational or athletic purposes and such other buildings, structures, facilities and permanent improvements as in the judgment of the department are needed or useful and all equipment therefor and all improvements and additions thereto which were erected, constructed or installed prior to the making of such conveyance, lease or sublease.

(b) "New building" in relation to any conveyance, lease or sublease made under sub. (2) means all administrative buildings, all storage facilities and garages, all buildings used for exhibition or promotional events for agricultural, industrial, educational, recreational or athletic purposes and such other buildings, structures, facilities and permanent improvements as in the judgment of the department are needed or useful and all equipment therefor and all improvements and additions thereto which are erected, constructed or installed after the making of such conveyance, lease or sublease.

(c) The term "corporation" in relation to any conveyance, lease or sublease made under sub. (2) means a nonstock, nonprofit corporation organized under ch. 181 or any law amendatory thereof or supplemental thereto.

(2) In order to provide new buildings and to enable the construction and financing thereof, to refinance indebtedness hereafter created by a corporation for the purpose of providing new buildings or additions or improvements thereto

which are located on land owned by or owned by the state and held for the department or by a corporation or for any one or more of said purposes but for no other purpose unless authorized by law, the department has the following powers and duties:

(a) Without limitation by reason of any other provisions of the statutes, the power to sell and to convey title in fee simple to a corporation any land and any existing buildings thereon owned by or owned by the state and held for the department for such consideration and upon such terms and conditions as in the judgment of the department are in the public interest.

(b) The power to lease to a corporation for terms not exceeding 50 years each any land and any existing buildings thereon owned by or owned by the state and held for the department upon such terms and conditions as in the judgment of the department are in the public interest.

(c) The power to lease or sublease from a corporation and to make available for public use any such land and existing buildings conveyed or leased to such corporation under pars. (a) and (b) and any new buildings erected on such land or on any other land owned by such corporation, upon such terms, conditions and rentals, subject to available appropriations, as in the judgment of the department are in the public interest.

(d) The duty to submit the plans and specifications for all such new buildings and all conveyances, leases and subleases made under this section to the department of administration and the governor for written approval before they are finally adopted, executed and delivered.

(e) The power to pledge and assign all or any part of the revenues derived from the operation of such new buildings as security for the payment of rentals due and to become due under any lease or sublease of such new buildings under par. (c).

(f) The power to covenant and agree in any lease or sublease of such new buildings made under par. (c) to impose fees, rentals or other charges for the use and occupancy or other operation of such new buildings in an amount calculated to produce net rentals sufficient to pay the rentals due and to become due under such lease or sublease.

(g) The power to covenant and agree in any lease or sublease made under par. (c) to impose fees, rentals or other charges for the use and occupancy or other operation of existing buildings in an amount calculated to produce net rentals sufficient to pay the rentals due and to become due under such lease or sublease.

(h) The power and duty, upon receipt of notice of any assignment by a corporation of any lease or sublease made under par. (c), or of any

of its rights under any such sublease, to recognize and give effect to such assignment, and to pay to the assignee thereof rentals or other payments then due or which may become due under any such lease or sublease which has been so assigned by such corporation.

(3) The state shall be liable for accrued rentals and for any other default under any lease or sublease made under sub. (2) (c) and may be sued therefor on contract as in other contract actions under ch. 775, except that it shall not be necessary for the lessor under any such lease or sublease or any assignee of such lessor or any person or other legal entity proceeding on behalf of such lessor to file any claim with the legislature prior to the commencement of any such action.

(4) Nothing in this section empowers the department to incur any state debt.

(5) All conveyances, leases and subleases made pursuant to this section shall be made, executed and delivered in the name of the department and shall be signed by the secretary.

(6) All laws conflicting with this section are, insofar as they conflict with this section and no further, superseded by this section.

(7) The department may not convey or lease under sub. (2) (a) or (b) on or after September 1, 1980.

**History:** 1979 c. 32 s. 92 (5); 1979 c. 361 ss. 58, 103.

**560.06 Housing rehabilitation. (1) DEFINITIONS.** In this section:

(a) "Authority" means the Wisconsin housing finance authority.

(b) "Authorized lender" means any lender authorized under sub. (2) (a) 4 to make or service housing rehabilitation loans but does not include a person licensed under s. 138.09.

(c) "Eligible beneficiary" means any person or family who or which falls within the income limits specified in par. (f).

(d) "Eligible rehabilitation" means additions, alterations or repairs of housing to maintain it in a decent, safe and sanitary condition or to restore it to that condition, to reduce the cost of owning or occupying dwelling units, to conserve energy and to extend the economic or physical life of structures, but does not include any of the following:

1. New garage construction.
2. Construction of fireplaces, except for necessary repairs or the addition of permanently attached energy efficient equipment to an existing fireplace.
3. Construction of porches, except existing porches may be repaired or winterized and entryways may be constructed for the purpose of energy conservation.
4. Decks, patios, fencing or landscaping.

5. Sidewalks and the paving of driveways, except for repairs to existing sidewalks or driveways.

6. Home appliances.

(e) "Housing" means a residential structure having not more than 4 dwelling units in which at least one unit is occupied by the owner as a principal residence and:

1. The structure was first occupied as a residence at least 10 years before a housing rehabilitation loan for the property is granted; or

2. The structure is not subject to rules adopted under s. 101.63 or 101.73, if a housing rehabilitation loan is granted for the property to implement energy conservation improvements.

(f) "Housing rehabilitation loan" means a loan to finance eligible rehabilitation. The maximum amount of any such loan outside of designated reinvestment neighborhoods or areas as defined in s. 66.465 may not exceed \$7,500 for a structure with one dwelling unit and \$5,000 per dwelling unit for a structure with 2 to 4 dwelling units, and the maximum amount of any such loan in designated reinvestment neighborhoods or areas may not exceed \$10,000 for a structure with one dwelling unit and \$7,500 per dwelling unit for a structure with 2 to 4 dwelling units, except that the department may increase such limits in any calendar year after May 19, 1978 by an amount not exceeding a 10% annual rate of increase. On and after August 7, 1981, the maximum amount of a housing rehabilitation loan may not exceed \$15,000. The term of any loan to finance eligible rehabilitation, the repayment of which is made in monthly or other periodic instalments, may not exceed 15 years. Housing rehabilitation loans include:

1. "Deferred payment loans" which are secured loans bearing no interest which are repayable upon transfer of the property. The property is not transferred if it is inherited by a member of the immediate family of the owner and if the person inheriting the property occupies it as a principal residence and meets the income eligibility requirements for a deferred payment loan. No deferred payment loan may be made to a person or family whose income exceeds 50% of median income in the person's or family's county of residence for a family of 4, except that the department may increase or decrease the income limit by no more than 5% of median income for each person more or less than 4.

2. "Low interest loans" which are loans that meet or exceed the rate of interest required to pay the costs incurred by the authority for making and servicing such loans, but do not exceed the rate of interest specified in sub. (2) (a) 6. No low interest or other loan may be made to a person or family whose income exceeds 120% of the median income for a family

of 4 in the person's or family's county of residence, except that in a designated reinvestment neighborhood or area as defined in s. 66.465 no low interest loan at the highest rate of interest authorized by this subdivision may be made to a person or family whose income exceeds 140% of the median income for a family of 4 in the person's or family's county of residence, and except that the department may increase or decrease the income limit for low interest loans by no more than 10% of the limit for each person more or less than 4.

3. "Negative interest loans" which are loans that bear a rate of interest, including a zero rate, less than the rate required to pay the costs incurred by the authority for making and servicing such loans. No negative interest loan may be made to a person or family whose income exceeds the median income in the person's or family's county of residence for a family of 4, except that the department may increase or decrease the income limit by no more than 10% of the limit for each person more or less than 4.

(g) "Median income" means median family income as determined annually by the U.S. department of housing and urban development for each county in the state.

(h) "Owner" means the holder of the title or the vendee of a land contract of housing which is otherwise eligible for a housing rehabilitation loan.

(i) "Sponsor" means any town, city, village or county in this state, or any community action agency or housing authority under s. 59.075, 66.395 or 66.40. A community action agency or housing authority may be a sponsor for the unincorporated area of a county if the board of supervisors of that county adopts a resolution authorizing it to be a sponsor. A community action agency or housing authority may be a sponsor for an incorporated municipality if the governing body of the municipality adopts a resolution authorizing it to be a sponsor.

(2) POWERS OF DEPARTMENT. (a) The department has the following powers for the purpose of implementing this section, in addition to all other powers granted by this chapter:

1. To make grants to sponsors for the purpose of making deferred payment loans and paying reasonable administrative costs incurred in making such loans out of the grant received from the appropriations under s. 20.143 (3) (d) and (e). Grants shall be made to sponsors so that the total dollars granted in any uniform state district established by executive order number 22, August 24, 1970, are equal to that percentage of funds appropriated under s. 20.143 (3) (d) and (e) that the number of owners eligible for deferred payment loans in

any such district bears to the total number of eligible owners in the state.

2. To certify to the authority that a housing rehabilitation loan was or will be made by an authorized lender, to an eligible beneficiary, for an eligible rehabilitation, at an approved rate of interest and otherwise on acceptable terms, and whether or not such a loan is in a designated reinvestment neighborhood or area. Such certification shall be in such form as the department and the authority may agree. The authority is entitled to rely upon such a certification as conclusive as to the facts and standards underlying such certification. The certification is valid notwithstanding any defects or irregularities, however patent, other than constitutional, including without limitation any procedures or findings pursuant to s. 66.465.

3. To maintain a current list of lenders who are authorized to make or service housing rehabilitation loans. The department shall establish standards governing the performance of authorized lenders in making and servicing housing rehabilitation loans and shall periodically monitor such performance.

4. To designate as an authorized lender any bank, savings and loan institution, mortgage banker or credit union which has a demonstrated history or potential of ability to adequately make and service housing rehabilitation loans.

5. To enter into contracts with the authority or authorized lenders, or both, authorizing the authority or authorized lenders to process applications and service housing rehabilitation loans. The contracts may include the responsibilities of the authority or authorized lenders with respect to credit evaluations, financial eligibility determinations, valuation of the housing for which the loan is to be made, collection procedures in the event of delinquent loan repayments and other functions which the department may require. Such contracts may provide for the payment of a fee for originating such loans or for servicing such loans.

6. To enter into contracts or agreements with authorized lenders, sponsors, and the authority providing for the maximum and minimum acceptable rates of interest to be charged for various classifications of housing rehabilitation loans, including a zero rate, in accordance with sub. (1) (f). In no event may the stated rate of interest on any housing rehabilitation loan under this section exceed the greater of 8% per year or 3% plus the rate necessary to fully repay interest and principal on housing rehabilitation loan program bonds issued pursuant to s. 234.50.

7. To enter into contracts or agreements with authorized lenders, sponsors and the authority

providing for the maximum acceptable amount, duration and other terms of housing rehabilitation loans in accordance with sub. (1) (f).

8. To adopt rules and forms necessary to effectuate the rehabilitation program or to facilitate the marketing of bonds issued under s. 234.50.

9. To specify a rate of interest for a housing rehabilitation loan which is lower than the ordinary current rate for housing rehabilitation loans, if a substantial portion of the loan proceeds will be used for any of the following:

- a. Energy conservation improvements.
- b. The repair or replacement of a heating system, electrical system, plumbing system, foundation or roof.
- c. Other necessary structural repairs.
- d. The authentic renovation of a building listed in the register as defined in s. 44.22 (2) (d), if the building is located on its original site.

(b) In implementing this section, the department shall:

1. Require that any sponsor receiving a grant use moneys received upon repayment of loans for funding additional deferred payment housing rehabilitation loans or for funding other housing-related activities if the sponsor is not actively involved in housing rehabilitation at the time the loan is repaid.

2. Require that sponsors receiving grants assist beneficiaries of deferred payment loans in determining needed repairs and that sponsors inspect housing upon completion of the rehabilitation paid for under this section to assure that repairs have been satisfactorily completed.

3. Inspect a representative sample of housing for which housing rehabilitation loans have been provided under this section.

4. Promulgate such rules as may be necessary for the administration of deferred payment loans.

(c) In addition to the powers specified in par. (a), the department has all those powers necessary to implement this subsection.

(3) This section does not apply after June 30, 1985, or the general effective date of the 1985 biennial budget act, whichever is later. The application of this subsection does not affect the validity and continuance of the pledge and agreement of the state under s. 234.19, or any agreements or contracts of the department in respect to or in connection with any outstanding housing rehabilitation loan.

History: 1977 c. 418; 1979 c. 110 s. 60 (13); 1979 c. 361 s. 59; 1981 c. 21, 314.

**560.065 Homeownership mortgage loan program. (1) DEFINITIONS.** In this section:

(a) "Authorized lender" means a bank, savings and loan association, credit union or mortgage banker.

(c) "Eligible borrower" means a person and the person's spouse having a combined income from all sources:

1. Not exceeding 125% of the median income in the person's county of residence if the person or the person's spouse has not had an ownership interest in a principal residence during the previous 3 years; or

2. Not exceeding 100% of the median income in the person's county of residence if the person or the person's spouse has had an ownership interest in a principal residence during the previous 3 years.

(d) "Eligible property" means any of the following:

1. A residential structure having a single dwelling unit, if the structure is or will be the principal residence of an eligible borrower.

2. A residential structure having no more than 2 dwelling units, if one of the units is or will be the principal residence of an eligible borrower and the structure is an existing dwelling first occupied at least 5 years before execution of a homeownership mortgage loan secured by the dwelling.

3. A dwelling unit in a condominium or cooperative, together with an interest in common areas, if the unit is or will be the principal residence of an eligible borrower.

(e) "Existing dwelling" means a previously occupied dwelling.

(f) "Homeownership mortgage loan" means a loan to finance the construction, long-term financing or qualified rehabilitation of an eligible property by an eligible borrower.

(g) "Median income" means median family income as determined by the U.S. department of housing and urban development.

(h) "Mortgage banker" means a person engaged in the business of making loans secured by a mortgage on real estate, but does not include a person licensed under s. 138.09.

(i) "New dwelling" means a dwelling which has never been occupied.

(j) "Principal residence" means an eligible property in this state which an eligible borrower maintains as a full-time residence, but does not use as a vacation home or for trade or business purposes.

(2) **POWERS AND DUTIES OF THE DEPARTMENT.** The department shall establish and administer a homeownership mortgage loan program to encourage and to facilitate the acquisition or rehabilitation of eligible property by eligible borrowers. To implement the program, the department:

(a) May enter into contracts permitting an authorized lender to make or service homeownership mortgage loans or both.

(b) May reallocate proceeds of bonds or notes issued under s. 234.60 if the proceeds are unencumbered by a homeownership mortgage loan and have been held at least 12 months.

(c) Shall maintain a current list of authorized lenders.

(e) May enter into agreements to insure or provide additional security for homeownership mortgage loans or bonds or notes issued under s. 234.60.

(f) May adopt rules to facilitate the marketing of bonds or notes issued under s. 234.60 or to prevent them from becoming mortgage subsidy bonds as defined in 26 USC 103A (b).

**(3) LOAN CONDITIONS** (a) The amount of a homeownership mortgage loan may not exceed the lesser of 95% of the purchase price of the eligible property or 250% of the eligible borrower's annual income.

(e) A homeownership mortgage loan may not be made to finance the acquisition or replacement of an existing mortgage given by an eligible borrower. This paragraph does not apply to any of the following:

1. A construction loan.
2. Temporary initial financing.
3. A loan made to finance a rehabilitation.

**History:** 1981 c. 349.

**NOTE:** Chapter 349, laws of 1981, which created this section, has a lengthy "Legislative declaration" in section 1.

**560.07 Promotion.** The department shall provide coordinating services to aid state and local groups in the promotion of economic enterprises and shall conduct such publicity and promotional activities as are desirable to stimulate all facets of the economy and to this end it shall specifically:

**(1)** Collect and disseminate information regarding the advantages of developing business and industrial enterprises in this state.

**(2)** Stimulate and foster the development of the private industry of this state.

**(3)** Serve as the state's official liaison agency between persons interested in locating new economic enterprises in Wisconsin, and state and local groups seeking new enterprises. In this respect the department shall aid communities in organizing for and obtaining new business or expanding existing business and shall process requests which reflect interest in locating economic enterprises in the state.

**(4)** Collect and disseminate information regarding the ports of the state and promote the advantages of developing new business for the ports of the state.

**(5)** Study, promote and implement means of expanding foreign and domestic markets for products of this state.

**(6)** The secretary shall annually meet with the secretary of agriculture, trade and consumer protection to mutually agree on any joint program efforts.

**(7)** Encourage public and private agencies or bodies to publicize the facilities and attractions of the state.

**History:** 1971 c. 321 ss. 11, 16; 1979 c. 361 ss. 97, 99, 106.

**560.08 Economic and community development planning and research.** **(1) PURPOSE.** The legislature determines that the proper development of the state as an attractive place to live and work will be enhanced through the development and expansion of comprehensive economic and community development planning programs and research programs undertaken by the department in order to accomplish the stated purposes of this chapter.

**(2) DUTIES.** The department shall:

(a) Study the impact of the St. Lawrence Seaway on the economy of the state, conduct research on port development and new businesses for port communities, communicate the results of such studies to appropriate port, public and business agencies and formulate, coordinate and direct a program of port development for the state. The department shall serve as a liaison agency between local port authorities, state and federal agencies and individuals or private agencies who need or request information relative to the ports of the state. The department shall appear before federal, state and local agencies, whenever it deems such action advisable, in the matter of the welfare of the ports of the state.

(b) Assemble and correlate information relating to all facets of the state's economic resources, including without limitation, the labor supply, markets for Wisconsin products, power development, highways, watersheds, waterways, waterfront and harbor developments, water freight rates, tariffs, demurrage charges and state and federal regulations affecting ports, river basins, flood prevention, parks, reservations, river valleys, forests, wildlife refuges, aviation facilities, drainage and sanitary systems, waste disposal, waterworks, soil conservation, railroad rights-of-way, power transmission facilities, urban development, food, housing and water supplies, and factors which influence the development of new economic enterprises such as taxes and the regulation of industry.

(c) Assess the economic resources of each area of the state, including its human resources, natural resources, and economic strengths and problems and advance proposals to develop its strength and solve its problems.

(d) Identify gaps in government services as they relate to economic and community development in each area of the state and recommend specific actions to the local and state agencies concerned.

(e) Coordinate its comprehensive economic development plans with local and regional economic planning and economic development agencies, both governmental and nongovernmental, and assist these agencies to implement agreed upon economic development plans.

(f) Carry out continuing studies and analyses of the economic and community development problems faced by Milwaukee and other urban areas within the state and develop such recommendations as appear necessary. In carrying out such studies and analyses, particular attention should be paid to the development of financing methods and programs which will effectively supplement local effort.

(g) Carry out continuing studies and analyses of the problems faced by local governments within the state and develop such recommendations for administrative or legislative action as appear necessary.

(h) Study existing legal provisions that affect the structure and financing of local government and those state activities which involve significant relations with local government units; recommend such changes in these provisions and activities as appear necessary to strengthen local government, encourage economic and community development and facilitate closer state-local relations.

(i) Encourage, assist and advise regional, county and local agencies or bodies responsible for planning and zoning in the programs they administer or may wish to initiate.

(j) Assist planning for metropolitan or regional areas, or areas where rapid urbanization or decline has resulted or is expected to result, including areas extending into adjoining states.

**History:** 1971 c. 125; 1979 c. 361 ss. 32, 43, 44, 47, 88, 92

**560.09 Cooperation.** (1) **LIAISON WITH STATE AND FEDERAL AGENCIES.** The department shall assist, cooperate with and seek information and advice from other state agencies, federal agencies, organizations of elected officials in the state, units of local government, local business and industry, and other appropriate agencies or organizations in carrying out its assigned functions and duties. Appropriate units of the university of Wisconsin system-extension shall coordinate their activities with the department, and the department shall cooperate by providing information necessary to the conduct of research and professional advice. Particularly, the university of Wisconsin system-extension and the department shall develop processes which will

## DEPARTMENT OF DEVELOPMENT 560.10

enhance coordination and cooperation in relation to the small business development centers and business advisory service programs and recreation related programs.

(2) **RESEARCH.** The department shall utilize and coordinate with research programs of other state agencies and shall make such agreements as may be necessary to effectuate its own research program. It shall initiate research and economic planning and shall seek to make full use of and strengthen the research resources of state agencies, including the university or such other institutions of higher education as will enhance the work of the department.

(3) **COMMUNICATIONS.** The department shall establish strong lines of communication among all state agencies concerned with the economic and community development of the state to assure that all factors in such programs are given adequate consideration.

(4) **PUBLICATIONS.** The department may issue pamphlets and bulletins pertaining to the economy and the resources of the state and activities of the department. The department may make charges for its pamphlets and bulletins as prescribed in s. 20.908.

**History:** 1971 c. 321 ss. 13, 16; 1979 c. 34; 1979 c. 361 ss. 100, 102, 107.

**560.10 Industrial building construction loan fund.** (1) The industrial building construction loan fund is created to consist of all federal grants made for the purpose of this section as provided in sub. (2). All principal and interest payments for loans made under this section shall be deposited in this fund. The industrial building construction loan fund shall be invested under s. 25.17.

(2) The purpose of this section and the industrial building construction loan fund is to assist and advance the general prosperity and economic welfare of the people of this state and to improve their standard of living and improve employment opportunities in the state by making loans to regional and local development corporations to enable the construction of industrial buildings where such construction would not otherwise occur. In carrying out the purposes and exercising the powers granted by this section the department shall be regarded as performing an essential governmental function.

(3) The department shall administer this section and make loans for the purpose provided under sub. (2) to regional or local corporations. The department may determine the terms and conditions of any such loan, and may charge interest on such loans lower than the going market rate.

**History:** 1977 c. 418; 1979 c. 361 s. 105.

**560.11 Plans required for aid to housing programs.** (1) The department shall submit to the governor on the date designated by the department of administration for submittal of information under s. 16.42 a plan for expending the money appropriated for that budget period under s. 20.143 (3) (b). The plan shall indicate the functional categories of projects to be funded under the appropriations and shall include, but not be limited to, the following:

- (a) Functional category titles;
- (b) Brief descriptions of the functional categories including the problems to be alleviated or objectives to be achieved;
- (c) Types of projects to be funded; and
- (d) The amount allocated to each functional category.

(2) The governor shall review the plan submitted under sub. (1) and shall include the plan, with his or her modifications, in the executive budget bill or bills for the budget period for which the plans were submitted. Funds which are appropriated under s. 20.143 (3) (b) may be encumbered or expended only in accordance with the applicable plan adopted by the legislature, except, notwithstanding any other law:

(a) The department may transfer not more than 5% of the amount allocated to a functional category in a plan to any other functional category in that plan; and

(b) The department may transfer an amount which is greater than 5% of the amount allocated to a functional category in a plan from the category to any other functional category in the plan if prior to the transfer the department:

1. Obtains written approval of the transfer from the department of administration; and
2. Gives written notice of the proposed transfer to the cochairpersons of the joint committee on finance.

(3) The department of administration may release funds appropriated under s. 20.143 (3) (b) only after the plan for the appropriation for that period has been approved as provided by this section.

(4) The department shall, at least once each 2 calendar years, submit a report to the governor and the joint committee on finance which shall, for the period which has expired since the previous report was submitted, list projects funded under s. 20.143 (3) (b) and describe the problems alleviated or objectives achieved.

**History:** 1979 c. 34; 1979 c. 361 s. 50; 1981 c. 20 ss. 1735 to 1737, 2202 (10) (a).

**560.115 State housing plan.** (1) The department shall prepare a comprehensive state housing plan. The plan shall be developed in cooperation with local and regional housing and

planning agencies and other agencies of the state as well as with the private housing industry.

(2) The state housing plan shall incorporate a statement of housing goals, policies and objectives, and shall include all of the following:

(a) An evaluation and summary of housing conditions throughout the state. The evaluation shall include an analysis of the existing distribution of housing by type, size, rent or sales price, and, to the extent data is available, the existing distribution of households by income, size and other determinants of housing needs. The evaluation shall include an analysis of housing conditions in metropolitan, nonmetropolitan and rural areas of the state.

(b) Housing development goals for the current fiscal biennium and the 4 following fiscal years. The goals shall include the minimum number of housing units to be built and rehabilitated to provide sufficient housing to house all residents of the state in standard, uncrowded housing units at reasonable cost and in suitable locations.

(c) Goals for the provision of housing assistance for the current fiscal biennium and the 4 following fiscal years thereafter. The goals shall include the minimum number of households to be assisted to achieve a substantial reduction in the number of persons and families of low and moderate income who cannot obtain adequate housing at a reasonable cost in suitable locations.

(d) Goals for the development of housing alternatives, including nonprofit housing cooperatives, mixed-income housing, congregate housing, self-help housing and housing for the chronically disabled.

(e) An identification of market constraints and obstacles to achieving the goals under pars. (b) to (d) and specific recommendations for their elimination.

(f) Recommendations for public and private action which will contribute to the attainment of housing goals established in the plan.

(g) The authorized use of the housing development fund under s. 234.05.

(3) The department shall biennially revise the state housing plan. Each revision shall evaluate achievement of previous goals, recommend revised goals for the next 5 fiscal years and revise recommendations for public and private action to achieve the goals.

(4) (a) The department shall submit a state housing plan prepared or revised under subs. (1) to (3) to the governor on the date designated by the department of administration for submittal of information under s. 16.42.

(b) The governor may modify the plan and shall submit the plan as modified to the presid-

ing officer of each house of the legislature, who shall refer the plan to appropriate standing committees within 7 days, exclusive of Saturdays, Sundays and legal holidays.

(c) The standing committee review period extends for 30 days after the plan is referred to it. If within the 30-day period a standing committee requests the department to meet with it to review the plan, the standing committee review period is continued until 30 days after the request. If a standing committee and the governor agree to modifications in the plan, the review period for all standing committees is continued until 10 days after receipt by the committees of the modified plan.

(d) The plan or modified plan is approved if no standing committee objects to the plan or modified plan within its review period. If a standing committee objects to the plan or modified plan, it shall refer the parts to which objection was made to the joint committee on finance.

(e) The joint committee on finance shall meet in executive session within 30 days after referral by a standing committee, but may take action any time after referral. Joint committee on finance action shall consist of concurrence in standing committee objections, modifications to the parts referred to it which are approved by the governor or approval of the plan or modified plan notwithstanding standing committee objections.

(f) The plan is not effective until approved or modified under this subsection.

History: 1981 c. 349.

NOTE: Chapter 349, laws of 1981, which created this section, has a lengthy "Legislative declaration" in section 1.

## SUBCHAPTER II

### TOURISM PROMOTION

**560.21 Definitions.** In this subchapter:

(1) "Corporation" means a regional tourism development corporation under s. 560.27.

(2) "Council" means the council on tourism created under s. 15.157 (2).

(3) "Region" means a tourism region under s. 560.27 (2).

History: 1975 c. 39, 163, 200; 1981 c. 349 s. 32.

**560.23 Duties.** (1) **GENERAL DUTIES.** The department shall:

(a) Stimulate, promote, advertise and publicize tourism to the state by those who live in other states and foreign countries.

(b) Promote travel by citizens of this state to this state's scenic, historic, natural, agricultural, educational and recreational attractions.

(c) Create an accurate national and international image of the state.

(d) Encourage all tourism-related businesses to participate in available education programs.

(e) Encourage and cooperate with communities, groups and individuals in the state in pursuing the tourism promotion objectives of the department.

(f) Coordinate and stimulate the orderly and ecologically sound development of commercial tourist facilities throughout the state.

(g) Promote the growth of the tourism and recreation industry through research, planning and assistance.

(h) Annually report to the senate natural resources committee and the assembly committee on tourism the activities, receipts and disbursements of the division of tourism for the previous fiscal year.

(2) **SALES.** The department shall annually formulate for review by the council a plan for marketing and promotion of the facilities and attractions of the state for the ensuing year, and shall implement the plan. The department shall cooperate with the commercial recreation industry to assure coordination with private plans and programs, and may assist in the development and marketing of combined recreational opportunities such as package tours, convention and trade show facilities and special transportation arrangements.

(3) **SERVICES.** The department shall assist the consumers and the suppliers of recreational opportunities in the state. The department may:

(a) Collect and disseminate information as to the facilities, advantages and attractions of the state, including historic, scenic and other points of interest.

(b) Provide timely information regarding weather, transportation facilities, hunting, fishing, boating, motoring, snowmobiling and skiing conditions and other subjects of interest to those seeking recreational opportunities in the state.

(c) Establish, manage and operate permanent or temporary tourist information centers along major highways into the state.

(d) Provide advice and service to persons or groups engaged in the recreation industry.

(e) Conduct research into the status and needs of the recreation industry.

(f) Operate a reservations service for recreational facilities in the state.

(g) Provide planning and coordinating assistance to tour operators, convention and trade show managers.

(4) **ADVERTISING.** The department shall plan and conduct a program of advertising and promotion designed to attract interested persons to this state and to stimulate the enjoyment of its recreational opportunities by residents and non-residents alike. Any contracts engaging a pri-

vate agency to conduct an advertising or promotion program under this subsection shall reserve to the department the right to terminate the contract if the service is unsatisfactory to the department. The department shall encourage and coordinate the efforts of public and private organizations to publicize the facilities and attractions of the state for the purpose of stimulating their enjoyment by residents and tourists.

**History:** 1975 c. 39, 163, 200.

**560.25 Offices.** The department may establish tourism offices, within or without the state, as necessary to carry out its duties. Wisconsin residency may not be required of classified employees staffing tourism offices located outside the state.

**History:** 1975 c. 39, 163, 200.

**560.27 Regional tourism development corporations. (1)** A regional tourism development corporation is a nonprofit corporation organized under ch. 181 to promote the tourism and commercial recreation industry of a tourism region.

**(2)** The department shall, upon review by the council, adopt rules dividing the state into not less than 6 nor more than 10 tourism regions, each consisting of one or more entire counties.

**(3)** No more than one corporation may represent a tourism region. If 2 or more corporations, each meeting the requirements of this section, seek to do so, the department, upon advice of the council, shall select the corporation judged most effective and representative.

**(4)** Membership in a corporation shall be open to all counties, cities, villages and towns in the region, to all persons residing or doing substantial business in the region for any significant portion of the year and to all associations or groups of such persons. The articles or bylaws of the corporation may set forth classes of members for the purpose of determining equitable membership fees and each member shall have equal voting and other rights with all other members of such class. The department may promulgate rules establishing additional requirements in order to ensure that each corporation is open to maximum participation by all segments of the recreation industry in the region it represents. Each corporation shall select a descriptive name for the region it represents and submit such name for review and approval by the secretary.

**(5)** A corporation which receives funding under s. 560.29 shall keep its books and records in the manner required by departmental rules. The books and records shall be open to the public and subject to inspection and copying by

the staff of the legislative audit bureau and legislative fiscal bureau.

**History:** 1975 c. 39, 163, 200; 1979 c. 361 s. 112.

**560.29 Cooperative marketing and advertising. (1) ALLOCATION FORMULA.** The department shall promulgate rules allocating cooperating advertising funds equitably among the tourism regions. Such rules shall provide that not less than one-third of the funds set aside for the execution of functions under this section shall be allocated for qualified projects initiated by corporations. If any region or corporation fails to initiate sufficient projects to exhaust its allocation, the department may distribute such funds to other applicants in such manner as it deems equitable.

**(2) ELIGIBILITY.** Any public or private organization not organized or incorporated for profit may apply to the department for cooperative advertising funds under this section. Prior to applying for such funds, each prospective applicant shall have submitted, at the time and in the manner provided by departmental rule, a plan and budget specifying the media to be used, the market to be approached, the facilities and attractions to be promoted and the applicant's estimated expenditures and receipts for the various projects within the plan. If such plan is coordinated with the statewide marketing strategy, the department shall approve it and the submitting organization shall be eligible to apply for cooperative funds under this section.

**(3) WRITTEN AGREEMENTS.** Each cooperative promotion project shall be implemented by a written agreement between the department and the corporation or other organization, which shall specify at a minimum:

(a) The name, address and contact person for the applicant and its advertising agency, if any.

(b) A description of the project, including the media to be used, the date or inclusive dates and the geographic market to be reached.

(c) An itemized statement of the estimated total costs of the project.

(d) An itemized statement of the revenues accruing to the applicant from the project through advertising, contributions and other sources.

**(4) LIMITATIONS.** (a) No state funds may be released for a project which is not included within an advertising plan and budget submitted by a corporation or other organization and approved by the department.

(b) No funds may be released prior to the satisfactory completion of the project in accordance with the agreement concluded under sub. (3).

(c) Funds released in any given project may not exceed 50% of the total project costs, less

that portion of the amounts recovered by the applicant through the sale of advertising or other promotional considerations in connection with the project which exceeds 50% of the total project costs.

(d) No funds may be used to compensate any officer or employe of the applicant for salaries or expenses.

(e) No name or picture of any living state or local public official or candidate for public office may be used in any project for which state funds are received under this section.

(f) No payments may be released except upon presentation of receipted vouchers for project expenditures by the applicant, together with such other documentary evidence substantiating payments and the purposes for which the payments were made as the departmental rules require.

(g) The department may promulgate rules imposing additional requirements to ensure that public funds are used to promote the maximum number of attractions and facilities.

**History:** 1975 c. 39, 163, 200.