

**Committee Name:**  
**Assembly Committee – Rural Affairs**  
**(AC–RA)**

**Appointments**

95hr\_AC–RA\_Appt\_pt00

**Committee Hearings**

95hr\_AC–RA\_CH\_pt00

**Committee Reports**

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**Clearinghouse Rules**

95hr\_AC–RA\_CRule\_95–

**Executive Sessions**

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**Hearing Records**

95hr\_ab0000

95hr\_sb0000

**Misc.**

**95hr\_AC–RA\_Misc**

**Record of Committee Proceedings**

95hr\_AC–RA\_RCP\_pt00

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ORDER OF THE DEPARTMENT OF DEVELOPMENT  
AMENDING SECTIONS DOD 15.05 (1) and 15.06 (1) and (2)  
and  
CREATING SECTION DOD 15.045  
WISCONSIN ADMINISTRATIVE CODE

The Department of Development finds that an emergency exists and that the attached rule is necessary for the immediate preservation of the public peace, health, safety or welfare. A statement of the facts constituting the emergency is:

1995 Wisconsin Act 27 created a new program within the Community Based Economic Development Program that provides funding for regional economic development activity. ( See s.560.14 (4), Stats., which was created by the Act. ) Section 560.14 (5) (b), Stats., requires that the Department adopt rules containing criteria for evaluating applications for funding under this program before it may award a grant.

The Department already has several proposed projects before it that will create substantial new employment and investment. To avoid the loss of these economic development opportunities this order creates a rule so that the Department has the authority to make up to \$100,000 available to support regional economic development. The emergency order will preserve the welfare of Wisconsin citizens by insuring that the jobs are created and the investments are made.

Analysis Prepared by the Department of Development

Section 560.14 (5) (b), Stats., gives the Department the authority to adopt the proposed order which interprets s. 560.14 (4), Stats. The proposed order contains the process by which the Department will make grants for regional economic development activities and contains the criteria the Department will consider when comparing grant applications.

Eligible applicants are community-based economic development organizations that jointly apply with a political subdivision in the region where the economic development activity will occur. The proposed economic development activity must be unique, must be consistent with the economic development policy of the political subdivision, must be likely to stimulate investment or create or retain jobs in the region and must be supported by other cash or in-kind contribution.

The criteria that will be used to compare applicants include, the level of economic distress in the region, the amount of investment that is likely to result, the impact on the economy of the region, the relationship of the proposed activities to other economic development efforts in the region and all of the applicable criteria contained in the permanent rule used to make grant determinations for each of the existing Community-Based Economic Development Programs.

Grants made under this program in any fiscal year may equal no more than the greater of \$100,000 or 10% of the fiscal year funding for the entire Community Based Economic Development Program.

## FISCAL ESTIMATE

Adoption of the emergency order will produce no fiscal effect on the Department of Development. The order does provide for the shifting of up to the greater of \$100,000 or 10% of each fiscal year appropriation from the other Community Based Economic Development Program categories to these regional economic development grants. The total amount available to local governments and community-based organizations under the Community Based Economic Development Program is not changed by the proposed order.

Pursuant to the authority vested in the Department of Development by s. 560.14 (5) (b) Stats., the Department of Development adopts rules interpreting s. 560.14 (4), Stats., as follows:

Section 1. DOD 15.045, is created to read:

DOD 15.045 REGIONAL ECONOMIC DEVELOPMENT GRANTS. (1) The department may make a grant under this section to a community-based economic development organization for regional economic development activity if all of the provisions of s. 560.14 (4) (a), Stats., apply.

(2) Before awarding a grant under this section, the department shall consider all of the following:

(a) The level of economic distress in the area, as measured by the following factors:

1. The unemployment rate in the area.
2. The percentage of persons in the area with low to moderate income.
3. The percentage of households in the area receiving aid to families with dependent children under s. 49.19, Stats.
4. The number of persons in the area permanently laid off because of a major business closing subject to s. 109.07, Stats.
5. The extent to which the property values in the area are declining.
6. The extent to which the population in the area is declining.

(b) The prospects for new investment and economic development in the region.

*are changes necessary here because of W-2*

(c) The amount of investment that is likely to result from the economic development activity.

(d) The likely impact of the economic development activity on the economy of the region.

(e) The likelihood that one or more businesses will relocate outside the region if the economic development activity does not occur.

(f) The size of the region affected by the economic development activity.

(g) The likelihood that the economic development activity will enhance other economic development efforts, compliment an existing development zone, development opportunity zone or enterprise development zone project, or build upon other economic development activities in the region.

(h) The likelihood that the economic development activity will result in increased spending in the region by persons who reside outside the region.

(3) An application for a grant under this section shall be in such form as the department may require and shall include information relevant to the criteria in subs. (1) and (2).

(4) The department may make a grant under this section after examining the application and any other information it deems relevant if, based upon the criteria in subs. (1) and (2), the application submitted by the applicant compares favorably to other applications received during the fiscal year. The department shall fund only those proposals which, in its judgement, effectively address the criteria in subs. (1) and (2) even if the department's determination results in the expenditure of less than the total funding allocated for such grants under sub. (5).

SECTION 2. DOD 15.05 (1) is amended to read:

DOD 15.05 (1) Out of each annual appropriation under s. 20.143 (1) (fg), Stats., the department shall set aside an amount equal to the greater of \$100,000 or 10% for grants under s. DOD 15.045, no less than 25% for grants made under ss. DOD 15.03 and 15.035 and no less than 25% for grants made under s. DOD 15.04. Following the receipt and examination of applications, the department shall determine that part of the remainder of the appropriation that shall be used for grants under ss. DOD 15.03 and 15.035 and that part that shall be used for grants under s. DOD 15.04.

SECTION 3. DOD 15.06 (1) and (2) are amended to read:

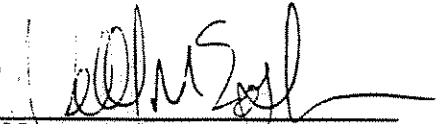
DOD 15.06 (1) The department shall prepare ~~an application manual~~ manuals for grants under ss. DOD 15.03, 15.035, 15.04, and 15.045 which it may update as needed. ~~The manual~~ manuals shall contain the application procedures, requirements and instructions for funding under this chapter ~~and shall be made available to potential applicants at least 2 months before the annual competition.~~

(2) The department shall hold ~~an annual competition~~ competitions for grants under s. DOD 15.03, ~~an annual competition for grants under s. DOD 15.035 and~~

~~an annual competition for grants under s. DOD 15.04 ss. DOD 15.03, 15.035,~~  
15.04 and 15.045. The competition for grants under s. DOD 15.04 shall be  
divided into 4 categories for s. DOD 15.04 (1) (a), (b), (c) and (d) grant  
determinations.

EFFECTIVE DATE. The regulations set forth in this order shall be effective  
upon publication in the official state newspaper, as provided in s. 227.24 (1)  
(c), Stats.

Dated: 11/27/95

Agency:   
William J. McCoshen,  
Secretary