

RULES CERTIFICATE

Department of Commerce

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Brenda J. Blanchard, Secretary of the Department of Commerce,
and custodian of the official records of said department, do hereby certify that the annexed rule(s) relating to
Allocation of Volume Cap on Tax-Exempt Private Activity Bonds
(Subject)

were duly approved and adopted by this department.

I further certify that said copy has been compared by me with the original on file in the department and
that the same is a true copy thereof, and of the whole of such original.



IN TESTIMONY WHEREOF, I have hereunto set
my hand at 201 West Washington Avenue
in the city of Madison, this 15th
day of June A.D. 1999

Brenda J. Blanchard
Secretary

9/1/99



State of Wisconsin \ Department of Commerce

RULES in FINAL DRAFT FORM



Rule No.: Comm 113

Relating to: Allocation of Volume Cap on tax-Exempt Private
Activity Bonds

Clearinghouse Rule No.: 99-052

DEPARTMENT OF COMMERCE
RULES RELATING TO THE
ANNUAL ALLOCATION OF VOLUME CAP
ON TAX-EXEMPT PRIVATE ACTIVITY BONDS.



Analysis of Rules

Statutory Authority: ss. 560.02(4) and 560.032, Stats.

Statutes Interpreted: s. 560.032, Stats.

Pursuant to s. 560.032, Stats., the Department of Commerce is responsible for administering the allocation of annual volume cap. Several areas in the State of Wisconsin have recently experienced severe economic distress due to large plant closings which have put hundreds of Wisconsin residents out of work. As a result of two large paper mills being shut down a year ago, 1997 Wisconsin Act 237 created s. 560.147, Stats., authorizing the Rapid Response Fund within the Wisconsin Development Fund. The fund is part of the Rapid Response Initiative, which assists areas affected by these and future closings. Commerce is now proposing as part of this initiative a Rapid Response Set Aside within the volume cap allocation process which will enable businesses in these distressed areas to obtain the financing they need to make the necessary capital investments to create and retain jobs. The Department adopted an emergency rule making the provisions of these rules available to persons applying for this year's volume cap and is proposing to adopt these provisions as permanent rules.

These rules are amended to be consistent with s. 560.032, Stats., which no longer requires Commerce to promulgate rules for the following calendar year. Under these rules, the department proposes to set aside 15% of the designated volume cap to be allocated for projects in areas experiencing severe economic distress. These rules propose to increase the number of volume cap allocation council members from five to seven. The proposed rules require a nonrefundable application fee based on the size of the amount of the economic development bond rather than the two categories presently used. The rules also provide that any nonrefundable deposit will be retained by the department.

Contact Person

William Wheeler, Director 608-267-2045

ORDER

Pursuant to Section 227.24, Stats., the Department of Commerce (Commerce) hereby proposes to adopt rules to amend the chapter title, ss. Comm 113.01; 113.05; 113.06 (1); 113.06 (2); 113.06(7)(b)3.; 113.07 (1)(a) and 113.08 (1) (d); to repeal and recreate Comm 113.07(3)(c); and to create Comm 113.041, relating to the annual allocation of volume on tax exempt private activity bonds.

Section 1. Chapter Comm 113 (title) is amended to read:

**ALLOCATION OF VOLUME CAP
ON TAX-EXEMPT PRIVATE ACTIVITY BONDS
FOR CALENDAR YEAR 1998**

SECTION 2. Comm 113.01 is amended to read:

Comm 113.01 Purpose. The purpose of this chapter is to establish a procedure ~~for calendar year 1998~~ relating to the annual allocation of volume cap for tax-exempt "private activity bonds" that may be issued by Wisconsin issuers pursuant to the internal revenue code of 1986, 26 USC 146.

SECTION 3 Comm 113.041 is created to read:

Comm 113.041 Commerce rapid response set aside volume cap. The department shall annually set aside 15% of its designated total volume cap to be allocated for projects that shall affect an area that has experienced or is about to experience severe economic distress as determined by the department. The department shall review and evaluate applications for this volume cap. Any application for volume cap for severe economic conditions applied for under this section may be approved solely by the department. The applicant shall indicate why the area should qualify for the rapid response set aside volume cap. Any of the rapid response set aside volume cap remaining as of September 1, shall be made available for the allocation process established under ss. Comm 113.06 and 113.07.

SECTION 4. Comm 113.05 (1) (c) is amended to read:

Comm 113.05 (1) (c) Up to ~~3~~ 5 additional members appointed by the secretary of the department for 2-year terms.

SECTION 5. Comm 113.06 (1) is amended to read

Comm 113.06 (1) There is allocated to the department the remainder of the annual unified volume cap, including any amount that is surrendered, transferred or terminated under s. Comm 113.04, ~~113.06 (5)~~, 113.06 (6), or 113.07 (6), which shall be allocated for issuer-owned project bonds, economic development bonds and other private activity bonds, but not for single family housing bonds or multi-family housing bonds.

SECTION 6. Comm 113.06 (2) is amended to read:

Comm 113.06 (2) Any issuer may submit an application to the department for an allocation of the unified volume cap in connection with a project. An application shall be accompanied by a nonrefundable application fee of \$500 for ~~small~~ economic development bonds up to \$ 2 million, a nonrefundable fee of \$1,000 for economic development bonds between \$2 million up to \$5 million, a nonrefundable fee of \$1,500 for economic development bonds between \$5 million up to \$10 million, and a nonrefundable fee of \$1,000 \$2,000 for all other projects over \$10 million. An application shall include all of the information required under s. Comm 113.07 (1).

SECTION 7. Comm 113.06 (7)(b) 3. is amended to read:

Comm 113.06 (7) (b) 3. Any deposits, or portions of the deposits, which have not become refundable pursuant to subds. 1. and 2. as of the fifth business day of the succeeding year shall ~~vest remain in the state of Wisconsin to~~ department and be used as provided by law as determined by the department.

SECTION 8. Comm 113.07 (1)(a) is amended to read

Comm 113.07 (1) (a) The name and address of the issuer.

SECTION 9. Comm 113.07 (3)(c) is repealed and recreated to read

Comm 113.07 (3) (c) The project will likely positively affect an area's economic distress

SECTION 10 Comm 113. 08 (1) (d) is amended to read:

Comm 113.08 (1) (d) Any deposits or portions of the deposits which have not become refundable pursuant to par(b) as of January 1 of the preceding year shall ~~vest remain in the state of Wisconsin~~ department and to be used as provided by law determined by the department

(END)

Pursuant to s. 227.22 (2), Stats., these rules shall take effect on the first day of the month following publication in the Wisconsin Administrative Register.

June 14, 1999

Gary Poulson
Assistant Revisor of Statutes
Suite 800
131 West Wilson Street
Madison, Wisconsin 53703-3233

Douglas LaFollette
Secretary of State
10th Floor
30 West Mifflin Street
Madison, Wisconsin 53703

Dear Messrs. Poulson and LaFollette:

TRANSMITTAL OF RULE ADOPTION

CLEARINGHOUSE RULE NO.: 99-052

RULE NO.: Comm 113

RELATING TO: Allocation of Volume Cap on Tax-Exempt Private Activity Bonds

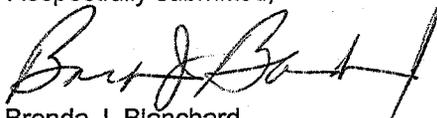
Pursuant to section 227.20, Stats., agencies are required to file a certified copy of every rule adopted by the agency with the offices of the Secretary of State and the Revisor of Statutes.

At this time, the following material is being submitted to you:

1. Order of Adoption.
2. Rules Certificate Form.
3. Rules in Final Draft Form.

Pursuant to section 227.114, Stats., a summary of the final regulatory flexibility analysis is also included.

Respectfully submitted,


Brenda J. Blanchard
Secretary

