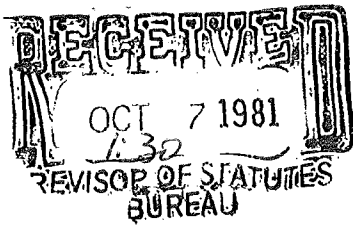


DOD 5



CERTIFICATE

STATE OF WISCONSIN            )  
  )  
DEPARTMENT OF DEVELOPMENT)

SS

TO ALL WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Chandler L. McKelvey, Secretary of the Department of Development and custodian of the official records of said Department, do hereby certify that the annexed rules relating to the Minority Business Directory, were duly approved and adopted by this Department on October 5, 1981.

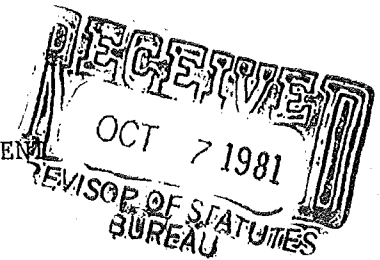
I further certify that this copy has been compared by me with the original on file in this Department and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand as Secretary of the Department of Development at 123 West Washington Avenue in the city of Madison, this 5th day of October, 1981.

Chandler L. McKelvey  
Chandler L. McKelvey

12-1-81

ORDER OF THE DEPARTMENT OF DEVELOPMENT  
ADOPTING RULES



Relating to rules concerning the Directory of Minority Business.

Analysis prepared by the Department of Development.

The Department of Development proposes to establish requirements for firms that desire inclusion in the Directory of Minority Business published by the Wisconsin Department of Development.

Since 1976, the Bureau of Minority Business Development, now of the State Department of Development, has published a directory listing minority firms operating in Wisconsin in order to assist minority enterprises to participate as fully as possible in the economy of the state. The directory is used by purchasers from both the private and public sector to identify minority businesses. Although state government does not currently have a formal purchasing set-aside program for minority firms, the minority business directory is used on an informal basis to channel purchase orders to them.

Inclusion in the directory has been based on the following definition of minority business: a business that is at least 50% owned and controlled by minority group members. In the case of a publicly owned business, at least 51% of the stock must be owned and controlled by minority group members. The term minority is defined as Black Americans, Hispanic Americans, American Indians, American Eskimos and American Aleuts. Firms included in the directory have identified themselves as minority business enterprises and have completed a questionnaire indicating their experiences and qualifications. Beyond receipt of these questionnaires, the Bureau of Minority Business does not attempt to verify the minority qualifications of these firms. A disclaimer included in the directory cautions that firms listed have not been "certified" as minority enterprises.

The directory has been useful to both purchasers and minority businesses. However, some problems have developed regarding minority business "fronts," i.e., businesses that do not qualify for inclusion in the directory according to the established definitions but who have purported themselves to be minority firms and, in fact, have been included in the directory. By falsely representing themselves, such firms may be receiving contracts under the guise of a minority business identity.

Therefore, these administrative rules are proposed in order to establish formal requirements for including firms in the directory and for removing any firms which are found to be lacking in required credentials.

The Department of Development conducted a public hearing on the proposed rules as did the Assembly Committee on Aging, Women and Minorities. The Senate Committee on Aging, Business and Financial Institutions and Transportation waived the hearing.

Pursuant to authority vested in the Department of Development by s. 560.01(2) and s. 560.02(4), Wis. Stats., the Department of Development hereby adopts rules interpreting sections 560.01(2) and 560.02(4), Wisconsin Statutes, as follows:

SECTION 1. Chapter DOD 5 is created to read:

CHAPTER DOD 5

DIRECTORY OF MINORITY BUSINESS

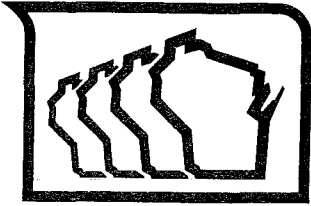
- DOD 5.01 STATUTORY AUTHORITY. The statutory authority for the enactment of ch. DOD 5 is ss. 560.01(2) and 560.02(4), Stats.
- DOD 5.02 DEFINITIONS. (1) "Department" means the department of development.
- (2) "Minority business" means a business that is at least 51% owned, controlled and actively managed by minority persons, or 50% in the case of a partnership.
- (3) "Minority" means Black, Hispanic American, Native American Indian, Eskimo, Aleut, Native Hawaiian or Asian Pacific American (including Oriental).
- (4) "Minority business directory" means the listing of minority firms operating in Wisconsin, published by the department of development.
- DOD 5.03 MINORITY BUSINESS DIRECTORY, REQUIREMENTS, POWERS OF THE DEPARTMENT.
- (1) Firms that desire to be included in the Minority Business Directory shall comply with the following requirements.
- (a) Any firm listed in the Minority Business Directory shall complete a business profile questionnaire and a minority ownership certification form.
- Note: The business profile questionnaire and the minority ownership certification form may be obtained from the Department of Development, P.O. Box 7970, Madison, Wisconsin 53707.
- (b) Completion of the certification form shall include the signatures of the officers or owners of the firm and notarization and a corporate seal where appropriate.
- (2) The department shall determine which firms comply with the definition of minority business.
- (3) The department shall remove any firm from the minority business directory if, after an investigation, the department concludes that the firm fails to meet the minority business definition.

The rules contained in this order shall take effect upon publication as provided in section 227.026 (1) (intro.), Wis. Stats.

Dated: October 2, 1981

STATE OF WISCONSIN  
DEPARTMENT OF DEVELOPMENT

By: Chandler L. McKelvey  
Chandler L. McKelvey, Secretary



**State of Wisconsin**  
**Department of Development**

Lee Sherman Dreyfus  
Governor

123 West Washington Avenue  
Post Office Box 7970  
Madison, Wisconsin 53707  
608-266-1018

Chandler L. McKelvey  
Secretary

October 2, 1981

Mr. Orlan L. Prestegard  
Revisor of Statutes  
Room 411, West  
State Capitol  
Madison, WI 53702

Dear Mr. Prestegard:

Enclosed you will find a copy of the Department of Development's certified order creating rules relating to the Minority Business Directory.

If you have any questions, please call Rolf Wegenke of our Division of Policy Development at 266-7068.

Sincerely,

Chandler L. McKelvey  
Secretary

CLK:SA:dr  
5-107

Enclosure