

CR 85-21

CERTIFICATE

STATE OF WISCONSIN)

SS

DEPARTMENT OF DEVELOPMENT)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, James T. Flynn, Lieutenant Governor and custodian of the official records of the Department of Development, do hereby certify that the annexed rules relating to the certification of export loans to be financed by the Wisconsin Housing and Economic Development Authority were duly approved and adopted by this Department on July 16, 1985.

I further certify that said 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 Lieutenant Governor at 123 West Washington Avenue in the City of Madison, this 16th day of July, 1985.

RECEIVED

JUL 17 1985

10:00
Revisor of Statutes
Bureau


James T. Flynn

7-1-85

ORDER OF THE DEPARTMENT OF DEVELOPMENT
CREATING RULES

Relating to rules for the certification of export loans to be financed by the Wisconsin Housing and Economic Development Authority.

Analysis prepared by the Department of Development

1983 Wisconsin Act 81 provides the Wisconsin Housing and Economic Development Authority with the authority to establish an export loan program and to fund it through the issuance of taxable revenue bonds and notes. Section 234.80 (4)(b) of the statutes, as created by 1983 Wisconsin Act 81, stipulates that the Department of Development must certify that an export loan complies with the six conditions established under s. 234.80 (3)(a) to (f) of the statutes, in order for the Wisconsin Housing and Economic Development Authority to finance the loan. Chapter DOD 10, Wisconsin Administrative Code, sets forth the criteria the Department will use in certifying whether an export loan to be financed by the Wisconsin Housing and Economic Development Authority complies with the statutory conditions established for the loan program. The proposed rules define key terms for the Department's certification of export loans and also specify the certification process.

Pursuant to the authority vested in the Department of Development by ss. 234.80 (4)(a) and 560.02 (4), Stats., the Department of Development hereby proposes to adopt and create rules interpreting ss. 234.80 (3)(a) to (f), Stats., as follows:

SECTION 1. Chapter DOD 10 of the Wisconsin Administrative Code is created to read:

CHAPTER DOD 10

EXPORT LOAN CERTIFICATION

DOD 10.01 PURPOSE. The purpose of this chapter is to set forth the criteria the department will use in certifying whether an export loan to be financed by the Wisconsin housing and economic development authority complies with the statutory conditions given under s. 234.80 (3)(a) to (f), Stats.

DOD 10.02 ELIGIBILITY. The entities defined under s. 234.80 (2), Stats., are eligible to participate in the export loan program.

DOD 10.03 DEFINITIONS. In this chapter:

(1) "Authority" means the Wisconsin housing and economic development authority.

(2) "Current gross annual sales" means the average of the most recent two years of total sales transactions as substantiated by the exporter's two most recent federal or state tax returns or other such financial statements acceptable to the authority and the department.

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

(4) "Exporter" means the term as defined in s. 234.01 (5b), Stats.

(5) "Export loan" means the term as defined in s. 234.01 (5e), Stats.

(6) "Export sale" means the transaction between the exporter and buyer which is specified in the sales contract or pro forma invoice.

(7) "Export trade company" means a company which exports goods, services or commodities, or facilitates such trade by unaffiliated parties.

(8) "Export value" means the f.o.b. (free on board) plant or farm price of the export product or commodity, which equals the cost of production; or for services provided by Wisconsin-based exporters, it means the price of the services as specified in a service contract.

(9) "Financial institution" means the term as defined in s. 234.01 (5k), Stats.

(10) "Maintain or increase employment" means the economic impact of the export sale financed by an authority loan is part of the exporter's effort to acquire sales revenue in order to maintain or expand the business operation.

(11) "Majority" means more than 50%.

(12) "Preference" means an advantage in timing, terms of the loan, loan size, set-asides or any other special considerations.

(13) "Pro forma invoice" means an invoice provided by a supplier prior to the shipment of merchandise, informing the buyer of the kinds and quantities of goods to be sent, their value and important specifications such as weight and size.

DOD 10.04 REQUIRED CERTIFICATION. An export loan may not be made unless the department certifies that each loan complies with the following:

(1) Loan proceeds will finance the sale of producer or consumer goods, commodities or services having a majority of their export value produced in this state.

(2) The export sale will serve to maintain or increase employment in this state.

(3) The principal amount of the loan does not exceed the lesser of \$5,000,000 or 85% of the export sales amount.

(4) Preference has been given to exporters, each of which, together with all of its affiliates, subsidiaries and parent companies, has current gross annual sales of \$25,000,000 or less.

(5) The loan will not result in an outstanding aggregate loan principal amount exceeding 4% of the amount of bonds and notes authorized under the statute if the loan is made to an exporter which, together with all of its affiliates, subsidiaries and parent company, has current gross annual sales in excess of \$25,000,000.

(6) The term of the loan will be not less than 180 days and not more than 5 years.

DOD 10.05 CERTIFICATION PROCESS. (1) The applicant shall submit an application for financing to the authority.

(2) The department shall consult with the authority to ensure that the export loan application forms include the information necessary to allow the department to perform its certification function as required under s. 234.80 (3), Stats. and reporting function as required under s. 234.80 (5), Stats.

(3) The department shall consult with the department of agriculture, trade and consumer protection prior to certifying compliance when the loan finances the sale of raw or manufactured agricultural commodities.

(4) The department shall review for certification the export loan applications submitted to it by the authority.

(5) The department shall notify the authority, in writing, as soon as it has completed its review of the applications for certification, regarding its decision on certification for compliance with s. 234.80 (3)(a) to (f), Stats.

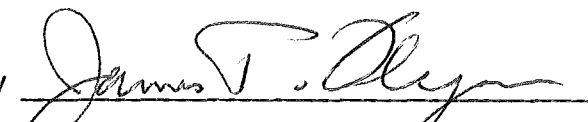
The rules contained in this order shall take effect upon publication as provided in s. 227.026 (1)(intro.), Stats.

Dated at Madison, Wisconsin

7/16/85

STATE OF WISCONSIN
DEPARTMENT OF DEVELOPMENT

By



James T. Flynn, Lieutenant Governor

State of Wisconsin

Department of Development

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

Anthony S. Earl
Governor
James T. Flynn
Lieutenant Governor

July 16, 1985

Mr. Orlan L. Prestegard
Revisor of Statutes
Room 411, West
State Capitol
Madison, WI 53402

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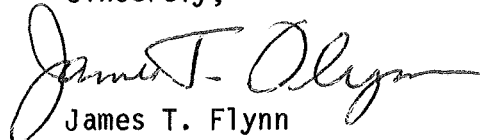
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Dear Mr. Prestegard:

Enclosed you will find a copy of the Department of Development's certified order creating rules relating to the certification of export loans to be financed by the Wisconsin Housing and Economic Development Authority.

If you have any questions, please call Roger Nacker, the Director of the Office of Business Information and Financial Assistance at 266-1386.

Sincerely,



James T. Flynn
LIEUTENANT GOVERNOR

JTF:jm

Enclosure