

CR 93-69

CERTIFICATE
ORDER ADOPTING RULES

STATE OF WISCONSIN)

)SS

MINING INVESTMENT
AND LOCAL IMPACT
FUND BOARD)

I, Lloyd Kincaid, Chairman of the Mining Investment and Local Impact Fund Board and custodian of the official records; certify that the annexed rules, relating to construction and permit period payments, were duly approved and adopted by this board on March 15, 1993.

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

IN TESTIMONY WHEREOF, I have hereunto set my hand at 125 S. Webster Street in the city of Madison, this 17 day of July, 1993.



Lloyd Kincaid, Chairman
Mining Investment and
Local Impact Fund Board

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ORDER OF THE MINING INVESTMENT AND LOCAL IMPACT FUND BOARD

The Wisconsin Mining Investment and Local Impact Fund Board hereby adopts an order to **repeal** Tax 13.03 (15), 13.05 (3)(e), and 13.06 (5)(e); **renumber** Tax 13.05 (3)(intro.) and (a) to (d); **amend** Tax 13.05 (3)(a) and (d) [as renumbered]; to **repeal and recreate** Tax 13.03 (4) and Tax 13.06 (2); and **create** Tax 13.05 (3)(b)3., *relating to construction period and permit period payments.*

ANALYSIS PREPARED BY THE MINING INVESTMENT AND LOCAL IMPACT FUND BOARD

Rule-making authority: ss. 70.395 (2)(hg) and (hr) and 227.11 (2), Stats.
Statute interpreted: s. 70.395 (2)(d)5., Stats.

Regarding construction period payments: The statute was changed to make construction period payments *one-time* payments of \$100,000 to each municipality containing 15 percent of the ore body under s. 70.395(2)(d) 5.c., Stats., However, the administrative code still refers to construction period payments under s.70.395 (2)(d) 5.a. and 5.b., Stats., both of which had sunset dates.

Subd. 5.a. gave the authority to make construction period payments of \$100,000 *annually* to municipalities in which construction was begun *before* January 1, 1989. Subd. 5.b. stated that construction period payments were to be *\$300,000 annually* to counties in which construction began *before* January 1, 1989.

Rules must be updated to agree with the relevant statutory provisions under subd. 5.c.

Regarding permit period payments: The authority to make future permit period payments had a sunset date under s. 70.395 (2)(d)5.a. and b., Stats., and so Tax 13.03 (15) and Tax 13.06 (5)(e) should be repealed accordingly. The statutes specify that permit period payments must be made to municipalities where construction began *before* January 1, 1989. No mines exist fitting that definition.

CHAPTER TAX 13 INVESTMENT AND LOCAL IMPACT FUND

SECTION 1. Tax 13.03 (4) is repealed and recreated to read:

Tax 13.03 (4) "Construction period payment" means an amount equal to \$100,000 for each county, city, village, town, and Native American community containing at least 15% of a minable ore body eligible to receive a payment under s. 70.395 (2)(d)5, Stats., during the construction period.

SECTION 2. Tax 13.03 (15) is repealed.

SECTION 3. Tax 13.05(3) (intro.) and (a) to (d) are **renumbered** to Tax 13.05(3)(a) to (e). Tax 13.05(3)(a) and (d), as renumbered, are **amended** to read:

Tax 13.05 (3) CONSTRUCTION FEE. (a) ~~Each year a~~ A person who engages in construction shall pay a construction fee to the department of revenue equal to an amount sufficient to make all construction period payments that year under s. Tax 13.06 (2). ~~The person shall pay the construction fee on a project fiscal year basis for each year construction continues at that site, up to three years after the production of concentrate begins.~~ This fee shall be used exclusively by the board to make construction period payments.

Tax 13.05 (3)(d) In determining the construction fee, construction is considered to begin in all cities, villages, and towns that are part of the mining site when it begins in any part of the mining site. ~~The construction period payments for cities, villages, towns, and Native American communities shall be indexed beginning in calendar year 1983 and corresponding fiscal years. The revised amounts shall be rounded to the nearest whole number divided by 100 and shall not be reduced below \$100,000.~~

SECTION 4. Tax 13.05 (3)(b)3. is **created** to read:

Tax 13.05 (3)(b)3. The names of all municipalities containing at least 15% of the minable ore body.

SECTION 5. Tax 13.05 (3)(e) is **repealed**.

SECTION 6. Tax 13.06 (2) is **repealed** and **recreated** to read:

Tax 13.06 (2) CONSTRUCTION PERIOD PAYMENTS. (a) Each county, city, village, town, and Native American community that contains at least 15% of the minable ore body at a mining site for which a mining permit has been granted under s. 144.85, Stats., and for which a construction fee has been paid, shall receive a one-time payment of \$100,000.

(b) The board shall certify to the department of administration the specific construction period payments to be made under s. 70.395 (2)(d)5, Stats.

(c) The funds paid under this subsection shall be used for mining-related purposes, as defined in s. Tax 13.08 (3).

(d) The payment under this subsection shall be made within 30 days after construction at the mining site begins.

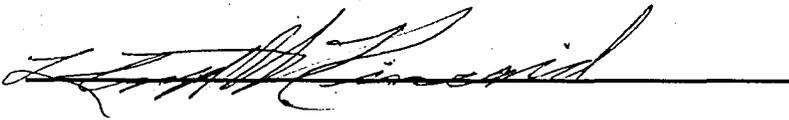
SECTION 7. Tax 13.06 (5)(e) is **repealed**.

EFFECTIVE DATE:

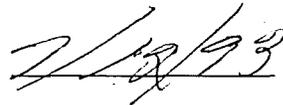
This rule shall take effect on the first day of the month following publication in the Wisconsin administrative register, as provided in s. 227.22 (2) (intro), Stats.

FINAL REGULATORY FLEXIBILITY ANALYSIS:

This rule will have no effect on small businesses.



Lloyd Kincaid, Chairman
Mining Investment and Local Impact Fund Board



Date

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