

## Chapter Tax 13

### INVESTMENT AND LOCAL IMPACT FUND

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**Note:** Chapter Tax 13 as it existed on November 30, 1982, was repealed and a new chapter Tax 13 was created effective December 1, 1982.

**Tax 13.01 Purpose.** The purpose of this chapter is to establish standards and procedures for the issuance of funds generated by a net proceeds occupation tax to municipalities for costs associated with social, educational, environmental, and economic impacts of metalliferous mineral mining incurred prior to, during, and after extraction of metalliferous minerals.

**History:** Cr. Register, November, 1982, No. 323, eff. 12–1–82.

**Tax 13.02 Scope.** Pursuant to s. 70.395 (2) (c), Stats., the provisions of this chapter shall govern the distribution and use of net proceeds occupation tax monies.

**History:** Cr. Register, November, 1982, No. 323, eff. 12–1–82.

**Tax 13.03 Definitions.** (1) “Board” means investment and local impact fund board.

(2) “Certify” or “certification” means filing with the department of administration a written confirmation of specific transfers, payments, or investments to be made by the department of administration.

(3) “Construction” means the activities described in the approved mining plan which can only occur at the mining site with the issuance of a mining permit and written authorization to commence mining under ss. 293.37, 293.49, and 293.51, Stats.

(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.

(4m) “Eligible recipient” means a county, city, village, town, tribal government, or local impact committee authorized under s. 293.43 (3), Stats., actively involved or eligible to be involved in the good faith negotiation of a local agreement under s. 293.43, Stats., with the person filing the notice of intent under s. 293.31 (1), Stats.

(5) “First dollar payment” means an amount equal to \$100,000 for each county, city, village, town, or Native American community eligible to receive a payment under s. 70.395 (2) (d) 1., 2. or 2m., Stats. If the tax collected under ss. 70.38 to 70.39, Stats., in any year is less than the first dollar payment as defined in this subsection, the first dollar payment for that year means the total amount of taxes collected under ss. 70.38 to 70.39, Stats.

(6) “Impact fund” means investment and local impact fund.

(8) “Mine” means an excavation in or at the earth’s surface made to extract metalliferous minerals for which a permit has been issued under s. 293.49, Stats.

(9) “Mining” has the meaning under s. 70.375 (1) (b), Stats.

(10) “Mining permit application” means the mining permit application form filed with the department of natural resources pursuant to s. NR 132.06, Wis. Adm. Code.

**Note:** The mine permit application is Form 2700–4, Rev. 4–82.

(10m) “Mining related purposes” has the meaning designated in s. 70.375 (1) (bm), Stats.

(11) “Mining site” means the location:

(a) Of a metalliferous ore deposit for which a mining permit application has been filed pursuant to s. 293.37, Stats.

(b) Designated by s. 70.375 (1) (av), Stats., limited to the proposed location of the defined areas, structures, and equipment as shown in a mining plan:

1. Filed as part of a mining permit application under s. 293.37, Stats., or

2. Filed with the board as part of the written notice by a person intending to begin construction under s. Tax 13.05.

(12) “Municipality” means any county, city, village, town, or school district. Pursuant to s. 20.002 (13), Stats., this definition also includes any federally recognized tribal governing body.

(13) “Native American community” means a federally recognized tribal governing body.

(14g) “Notice of intent distribution” means an amount equal to \$225,000 maximum disbursed by the board to eligible municipalities, Native American communities, and local impact committees, on an as-needed basis pursuant to s. 70.395 (2) (fm), Stats.

(14r) “Notice of intent payment” means an amount equal to \$225,000 maximum to be paid in 3 increments of \$75,000 each until a refund is made or negotiations for a local agreement lapse, deposited into the impact fund pursuant to s. 70.395 (2) (dc), Stats.

(16) “Person” means a sole proprietorship, partnership, association, or corporation and includes a lessee engaged in mining metalliferous minerals.

(18) “Project reserve fund” means an amount equal to 10% of the net proceeds tax paid by each mine plus all accrued interest.

(19) “Tax” means the net proceeds occupation tax imposed on persons engaged in mining metalliferous minerals in this state.

**History:** Cr. Register, November, 1982, No. 323, eff. 12–1–82; emerg. cr. (10m), eff. 1–1–86, am. (4), cr. (10m), r. and recr. (11), Register, September, 1986, No. 369, eff. 10–1–86; emerg. cr. (20) and (21), eff. 12–14–92; emerg. cr. (4m), (14g) and (14r), eff. 5–17–93; am. (3), (10), (11) (a) and (b) 1., r. and recr. (4), cr. (4m), (14g) and (14r), r. (15) and (17), Register, August, 1993, No. 452, eff. 9–1–93; corrections in (3), (4m), (5), (8), (11) (a) and (b) 1. made under s. 13.93 (2m) (b) 7., Stats., Register September 2006 No. 609; **CR 16–076: r. (7), am. (9), r. (14), am. (14g), (14r) Register January 2018 No. 745, eff. 2–1–18.**

**Tax 13.05 Transfer of taxes, funds, and fees.**

(3) **CONSTRUCTION FEE.** (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 the construction period payments that year under s. 70.395 (2) (d), Stats. This fee shall be used exclusively by the board to make construction period payments.

(b) Any person intending to begin construction shall notify the board by registered mail 90 days prior to the time construction begins. This written notice of intent shall include:

1. The name and address of the person intending to begin construction.

2. A mining plan showing the location of the mining site.

3. The names of all municipalities containing at least 15% of the minable ore body.

(c) Within 45 days after the receipt of the written notice of intent to begin construction, the board shall notify the department of revenue and give written public notice listing the counties, cities, villages, towns, and Native American communities to receive construction period payments.

(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.

(e) Within 7 days after the beginning of construction, a person shall pay the construction fee to the department of revenue for deposit in the impact fund.

**(4) NOTICE OF INTENT PAYMENT.** (a) *Procedure.* Each person filing a notice of intent to collect data with the department of natural resources under s. 293.31 (1), Stats., shall make a notice of intent payment to the department of revenue for deposit in the impact fund, equal to an amount sufficient to make all of the notice of intent distributions under s. 70.395 (2) (dc), Stats.

(b) *Information provided to the board.* Any person filing a notice of intent to collect data with the department of natural resources shall within 7 days after that filing submit to the board the following:

1. A copy of the notice of intent to collect data.
2. A map showing the location of the ore body and proposed mining site.
3. A list of counties, cities, villages, towns, Native American communities, and local impact committees that may be eligible to be actively involved in the negotiation of a local agreement with that person, pursuant to s. 293.43, Stats. Those listed may be eligible to receive a notice of intent distribution.

(c) *Information provided to eligible recipients.* Within 7 days after the receipt of the notice of intent payment, the board shall give written notice to the counties, cities, villages, towns, Native American communities, and local impact committees that may be eligible to receive notice of intent distributions and shall distribute guidelines for uses of the distributions to each.

(d) *Refunds of undistributed monies.* Six months after the date of the signing of the local agreement under s. 293.43, Stats., the board shall refund to the person making the notice of intent payment any money paid under this subsection but undistributed by the board to eligible recipients.

**History:** Cr. Register, November, 1982, No. 323, eff. 12-1-82; am. (3) (a), (b) and (c), Register, September, 1986, No. 369, eff. 10-1-86; emerg. cr. (4), eff. 12-14-92; emerg. cr. (4), eff. 5-17-93; r. (1) (a), (2) and (3) (e), renum. (3) (intro.) to (d) to be (3) (a) to (e) and am. (3) (a) and (d), cr. (3) (b) 3. and (4), Register, August, 1993, No. 452, eff. 9-1-93; corrections in (4) (a), (b) 3., and (d) made under s. 13.93 (2m) (b) 7., Stats., Register September 2006 No. 609; **CR 16-076: r. (1), am. (3) (a), renum. (4) (a) (intro.) to (4) (a) and am., r. (4) (a) 1. to 3. Register January 2018 No. 745, eff. 2-1-18.**

**Tax 13.06 Direct payments.** **(1) FIRST DOLLAR PAYMENTS.** Certain counties, cities, villages, towns, and Native American communities shall receive a first dollar payment under s. 70.395 (2) (d), Stats. Only county expenditures of first dollar payments are restricted under s. 70.396, Stats. Cities, villages, towns, and Native American communities are not restricted to mining-related expenditures of first dollar payments. Each December, the board shall certify to the department of administration the specific payments to be made on the first Monday in January of the next year.

**(3) NOTICE OF INTENT DISTRIBUTIONS.** (a) *Procedure.* Eligible recipients may receive a notice of intent distribution from the board for reasonable local agreement negotiation-related expenses according to the following procedure:

1. An eligible recipient shall notify the board and the person making payment under s. Tax 13.05 (4) in writing that it is intending to begin negotiations or is preparing to negotiate a local agreement.

2. On an as-needed basis, an eligible recipient shall provide documentation to the board of the costs that have been incurred or

expenses to be incurred. To document the expenses, the eligible recipient shall submit a copy of each bill received, contracts negotiated, or proposals and budgets for future expenses to the board and to the person making payment under s. Tax 13.05 (4).

3. The board shall make payment from monies received under s. Tax 13.05 (4) to the eligible notice of intent distribution recipient within 3 weeks for the amount of the reasonable expenditures that have occurred or to be incurred.

(b) *Prior costs.* Unless agreed to in writing between an eligible recipient and the person making payment under s. Tax 13.05 (4), the person shall be liable for costs relating to the negotiation of a local agreement incurred prior to the making of the deposit under s. 70.395 (2) (dc), Stats., and for costs incurred prior to the written notice given by the eligible recipient under par. (a) 1. if such notice and deposit are made or required to be made.

**History:** Cr. Register, November, 1982, No. 323, eff. 12-1-82; emerg. cr. (2) (c), eff. 1-1-86; r. and rec. (2) (intro.), (a) and (b), am. (5) (a), Register, September, 1986, No. 369, eff. 10-1-86; emerg. r. and rec. (3), eff. 12-14-92; emerg. r. and rec. (3), eff. 5-17-93; am. (1) (intro.), r. (1) (d) 2. and (5) (e), r. and rec. (2) and (3), Register, August, 1993, No. 452, eff. 9-1-93; corrections in (2) (a), (3) (b) and (4) (c) made under s. 13.93 (2m) (b) 7., Stats., Register September 2006 No. 609; **CR 16-076: renum. (1) (intro.) to (1) and am., r. (1) (a) to (d), (2), (4), (5) Register January 2018 No. 745, eff. 2-1-18.**

**Tax 13.07 Discretionary payments.** In accordance with s. 70.395 (2) (f), (fm), and (g), Stats., any municipality may apply to the board for a discretionary payment from the impact fund.

**(2) DISCRETIONARY PAYMENT PROGRAM.** The annual discretionary payment program includes the following procedures:

(a) *Application process.* The application process shall include the following steps:

1. Before June 1, the board may adopt an overall funding ceiling for the discretionary payment program outlined in this subsection. The level of the ceiling shall be based on the financial status of the impact fund, the board's expectation of what municipalities will need from the impact fund in the next year, and a review of the status of mineral development projects in the state. The overall funding ceiling shall be viewed throughout the application review process as a fiscal control upon the board. The board may modify the ceiling, as it deems necessary, once it has fully determined the merits of each application.

2. Before June 1, the board shall give written public notice announcing its intent to distribute discretionary grants and the total funds available for distribution. The board shall give written notice of the grant program and grant guidelines to local governments reasonably expected to be affected by metallic mineral development.

3. All discretionary grant applications submitted to the board shall be postmarked on or before July 31 in order to receive funding consideration.

4. Each application shall include a supporting resolution from the appropriate local governing body or bodies. The supporting resolutions submitted to the board shall be postmarked on or before August 31.

a. Each local or joint impact committee application shall be accompanied by a supporting resolution from the committee.

b. Each joint impact committee application shall be accompanied by a supporting resolution from each local committee within the area served by the joint committee and from each municipality which appoints the joint committee.

c. Each local impact committee application shall be accompanied by a supporting resolution from its appointing authority.

5. A municipality may submit more than one application. Two or more municipalities may submit a joint application.

6. The board may provide partial funding to a municipality for a mining-related project. The board may also require municipalities to provide matching funds toward project costs as a condition for receiving a discretionary grant.

(b) *Application contents.* An application may take one of 2 forms:

1. ‘Project proposal’. Municipalities seeking funds for a particular public service or facility, including the design, construction, or maintenance of a public facility, the hiring of consultants to provide specific legal, planning, local development, or technical assistance shall develop a project proposal for consideration by the board. The appropriate form shall be furnished by the board upon request. Information on the following shall be provided for a project proposal:

a. A detailed description of the project and its component parts.

b. The facts which verify the mining impact the proposal will address.

c. A detailed budget for the proposal including the local funding contribution the municipality plans to make or any outside funding that would be used for the project.

d. The project timetable, including the date of commencement and the date the project is expected to be completed.

e. A description of any alternatives to the proposed project which were considered and an explanation of why the proposed project was rated more highly than the alternatives.

f. A description of how the project will alleviate a mining impact.

2. ‘Mining impact brief’. Municipalities seeking funding for the operations of a local impact committee or a joint impact committee shall submit a mining impact brief. The appropriate form shall be furnished by the board upon request. Mining impact briefs shall include:

a. A description of the proposed committee activities to be performed.

b. A detailed budget including a description of the amount and sources of other funds and resources that will be applied toward committee activities during the proposed project.

c. An explanation of how the proposed committee activities will alleviate a mining related impact or impacts.

d. A description of how the project will be coordinated with other and other local and joint impact committees.

e. A comprehensive description of the committee’s long-term plans and goals, including a description of the committee activities for which it anticipates that funding will be sought from the board and from other sources in the year subsequent to the proposed project and during the long-term planning period.

f. A description of how the proposed activities to be funded relate to the long-term plans of the committee.

(c) *Application review process.* All applications shall be reviewed by the board. The following criteria shall be used to evaluate each application:

1. The extent to which the impact is caused by metallic mining and the severity of the actual or potential impact.

2. The extent to which the applicant is prepared to deal with the mining impact and is using all possible resources to address the situation. Consideration shall be given to the following factors:

a. Whether the applicant will complement the project with other community assistance programs, resources, funds, or expertise.

b. Whether the applicant has demonstrated an ability and willingness to plan for its future.

c. Whether the applicant had demonstrated a willingness to cooperate with neighboring jurisdictions.

3. The extent to which the applicant will make effective use of a mining impact grant. Consideration shall be given to the following factors:

a. Whether the proposal is likely to accomplish its purpose and addresses the impact.

b. Whether the request is well-reasoned and cost-effective.

c. Whether the project duplicates other planned activities.

4. The extent to which funding for the impact is necessary.

5. The extent to which the applicant has received any payments under s. Tax 13.06.

6. The board shall consider the following additional criteria in evaluating a funding application submitted by a local impact committee:

a. The extent to which the funding proposal conforms with the statutory purposes of a local impact committee in s. 293.33 (1), Stats., and meets the requirements of s. 293.33 (4), Stats.

b. The adequacy of the local impact committee’s long-term plan and the appropriateness of the funding proposal in relation to the long-term plan.

c. The degree of support provided to the local impact committee by its appointing authority, including staff support, direct financial support, and approval by the appointing authority of the local impact committee’s activities, as evidenced by supporting resolution.

d. The efforts of the local impact committee to obtain additional funding from other sources.

e. The past success of the local impact committee in accomplishing its statutory purposes.

f. The performance of the local impact committee in financial audits and the steps taken by the local impact committee to correct inadequacies noted in audits.

7. The board shall consider the following additional criteria in evaluating a funding application submitted by a joint impact committee:

a. The extent to which the funding proposal conforms with the purposes of the joint committee specified in this chapter.

b. The adequacy of the joint impact committee’s long-term plan and the appropriateness of the funding proposal in relation to the long-term plan.

c. The degree of local support for activities of the joint committee, including staff services donated by municipalities within the area served by the joint committee, direct financial support received or anticipated to be received from local impact committees and municipalities within the area served by the joint committee and approval of the activities of the joint committee as evidenced by supporting resolutions from local committees, municipalities, and tribal governing bodies within the area served by the joint committee.

d. The efforts of the joint impact committee to obtain additional funding from other sources.

e. Past successes of the joint committee in implementing the purposes specified for the joint committee in this chapter.

f. Performance of the joint committee on financial audits and steps taken by the joint committee to correct inadequacies noted in any financial audit.

g. The adequacy of communications between the joint impact committee and the local impact committees, municipalities, and tribal governing bodies within the area served by the joint impact committee.

8. When providing partial funding or requiring local matching funds for a grant project, the board shall consider:

a. The extent to which the project is mining related.

b. The extent to which the project is necessary for alleviating a mining-related impact.

c. The extent to which outside funding is necessary.

d. The extent to which a municipality receives other revenues associated with a proposed or operating mine.

e. The amount of funds available in the investment and local impact fund and the short term and long term needs of mining communities throughout the state.

9. Priority for distribution of payments shall be determined in accordance with s. 70.395 (2) (h), Stats.

10. During the board review of the grant proposals, applicants may appear before the board on behalf of their applications.

(d) *Decision and notification process.* The board shall make its funding decisions on or before October 15. The board shall notify all applicants in writing of the action taken on their respective applications.

(e) *Grant agreements.* Grant decisions made by the board shall be formalized in a grant agreement between the board and the local government grant recipient. The terms of the grant agreement shall include:

1. The grant project period.
2. The purposes for which the grant shall be used.
3. The grant sum awarded.
4. Provisions for the maintenance of grant funds in a segregated account.
5. Provisions for the maintenance of records of grant expenditures and supporting documentation to substantiate the costs claimed.
6. Provisions for the return of unexpended funds to the board at the end of the project period or grant year.
7. Provisions for the submittal of an expenditure report to the board at the end of the project period or grant year to document the use of the grant award.
8. Other reasonable terms the board believes necessary to ensure the prudent use of the grant funds.

(f) *Grant disbursements.* The board shall disburse grant awards as follows:

1. Discretionary grant awards of \$2,000 or less shall be disbursed to the grant recipient at the beginning of the grant project, after the grant agreement has been signed by both parties.
2. Grant awards for more than \$2,000 shall be distributed on an as-needed basis. A grant recipient shall certify to the board project costs that have been incurred. A grant check shall be sent to the grant recipient within 3 weeks for the amount of the expenditure. To certify the expense, the grant recipient shall file a certification form with the board or submit a copy of the bill to document the expenditure.

(g) *Appeals process.* The grant appeal process shall include the following steps:

1. Any municipality which wants to appeal a funding decision by the board shall submit a written appeal to the board within 20 days after notification. The 20-day period begins on the day after the mailing of the board's decision. The written appeal shall specify in detail:
  - a. How the board has made a material error of law,
  - b. How the board has made a material error of fact, or
  - c. New, pertinent information which was not available to the board at the time of its decision.
2. A representative of an appealing municipality may appear before the board prior to board action on the appeal. The board shall decide whether to reconsider action on an appeal within 30 days after receipt of the written appeal. Any municipality aggrieved by a funding decision of the board may petition the circuit court for a review of the board's decision within 30 days of its original decision, or if an appeal has been sought as provided in this subdivision, within 30 days of the board's decision on that appeal. The 30-day period begins on the day after the mailing of the board's decision. The petition for review shall be served on the board and filed in the office of the clerk of circuit court as specified in s. 227.16, Stats.

**(3) EMERGENCY PAYMENTS.** (a) Any discretionary funds available to the board, may be withdrawn and distributed by the board, at any time, to any municipality which demonstrates its need for financial assistance in alleviating a mining-related impact which is deemed by the board to be sudden and unforeseeable. The policies and procedures presented in sub. (2) (c), shall apply to the dis-

tribution and use of emergency reserve monies, except for the specified deadline dates.

(b) The board shall not consider requests for emergency payments from local or joint impact committees for administrative or operational expenses.

**History:** Cr. Register, November, 1982, No. 323, eff. 12-1-82; r. and recr. Register, February, 1986, No. 362, eff. 3-1-86; am. (2) (a) 4., (2) (b), 2. intro. and a. to d. and (3), renum. (2) (c) 6. and 7. to be (2) (c) 9. and 10., cr. (2) (a) 4.a. to c., (2) (a) 6., (2) (b) 2. f. and (2) (c) 6. to 8., r. and recr. (2) (b) 2. c., Register, September, 1986, No. 369, eff. 10-1-86; am. (2) (c) 9. a., Register, August, 1993, No. 452, eff. 9-1-93; corrections in (2) (c) 6. a., 9. a. and c. made under s. 13.93 (2m) (b) 7., Stats., Register September 2006 No. 609; **CR 16-076; r. (1), rn. (2) (c) 9. (intro.) to (2) (c) 9. and am., r. (2) (c) 9. a. to c. Register January 2018 No. 745, eff. 2-1-18.**

**Tax 13.08 Expenditures. (6) MINING-RELATED COSTS.** Municipalities may seek approval from the board for mining-related projects. Applications seeking expenditure approval shall contain:

- (a) Documentation of a metallic mining impact.
- (b) Documentation of need.
- (c) Documentation that the proposal is well reasoned, cost effective, and will accomplish its purpose.

**(8) OTHER ALLOWABLE EXPENDITURES.** Discretionary grants and other funds disbursed by the board may be applied toward a variety of uses as they relate directly to a mining impact project. In general, costs for the compensation of personal services, costs of materials and supplies, travel, and other administrative costs are allowable. All expenditures shall comply with state and local laws, rules, and policies. Costs which shall not be allowed include:

- (a) Costs incurred prior to, and after, the effective date of a discretionary grant period.
- (b) Costs of social activities, ceremonies, amusements, and other entertainment.
- (c) Costs incurred for lobbying members of the legislature or other legislative activities.
- (d) Costs incurred which are not directly related to the eligible funding activities listed in this chapter.

**(9) MINING-RELATED PURPOSES.** Except for any first dollar payments to a city, village, town, or Native American community, all funds distributed to a municipality by the board shall be used for mining-related purposes, in accordance with s. 70.375 (1) (bm), Stats.

**History:** Cr. Register, November, 1982, No. 323, eff. 12-1-82; r. and recr. Register, February, 1986, No. 362, eff. 3-1-86; am. (1) (intro.), renum. (2) and (3) to be (7) and (8) and am., r. (4) and (5), cr. (2) to (6), Register, September, 1986, No. 369, eff. 10-1-86; emerg. am. (2) (intro.), (f) and (7) (a), eff. 2-14-92; emerg. am. (2) (intro.) (c), (f), (3) (a), (4) (a) and (7) (a), renum. (3) (j) to be (3) (k), cr. (3) (j), eff. 5-17-93; am. (1) (intro.), (2) (intro.) (c), (f), (3) (a), (4) (a), (7) (a) and (b), renum. (1) 11. to be (1) (k), renum. (3) (j) to be (3) (k), cr. (1) (L), (3) (j) and (9), Register, August, 1993, No. 452, eff. 9-1-93; corrections in (1) (h), (L), and (2) (intro.) made under s. 13.93 (2m) (b) 7., Stats., Register September 2006 No. 609; **CR 16-076; r. (1) to (5), am. (6) (intro.), r. (7) Register January 2018 No. 745, eff. 2-1-18.**

**Tax 13.09 Audits. (1)** All funds received from the board shall be placed in a segregated account. The board may require financial audits of the recipients of payments under s. 70.395 (2) (d) through (g), Stats. The financial audit may be conducted as part of a municipality's annual audit, if one is conducted. The costs of the audits shall be paid by the board from the appropriation under s. 20.566 (7) (g), Stats. The audits shall consist of 3 parts:

- (a) An examination of the municipality's financial statements to assess the fairness with which they were reported;
- (b) An evaluation of the expenditures to ensure that the grant funds were used for mining impact activities and complied with the grant contract and state laws and rules; and
- (c) A review of the municipality's internal accounting system to determine whether the grant was carefully managed, and where needed, provide suggestions to improve in-house procedures.

**(2)** The board shall attempt to insure that all grant recipients are audited periodically. In determining whether a grant recipient

is to be audited in a particular year, the board shall give priority to:

- (a) Grant recipients whose expenditure reports indicate that a financial accounting, compliance, or management problem exists.
- (b) Grant recipients who have received grants of \$25,000 or more for a given project or for a given year.
- (c) Any other circumstances which might indicate that an audit would be in the public interest.

**History:** Cr. Register, November, 1982, No. 323, eff. 12-1-82; r. and recr. Register, February, 1986, No. 362, eff. 3-1-86; r. (3), Register, September, 1986, No. 369, eff. 10-1-86; correction in (1) (intro.) made under s. 13.93 (2m) (b) 7., Stats., Register September 2006 No. 609.

**Tax 13.10 Fiscal guidelines.** All funds disbursed under this chapter shall be governed by the following provisions:

**(1) SEGREGATED ACCOUNTS.** All funds disbursed by the board shall be placed by the recipient government in a separate account and the use of funds clearly and directly identified by the accounting procedures listed in s. Tax 13.11.

**(2) INVESTMENTS.** Funds may be invested by recipient governments where the investment of revenue is permitted under state and local law. Interest earned on investments shall be credited to the recipient's segregated mining impact account and is subject to the same limitations which govern the accounting and expenditure of funds in this chapter. Funds may be invested separately or, for investment purposes, pooled with other cash of the jurisdiction. Where a governmental unit operates a pooled-cash investment program, it shall have an equitable procedure for allocating the interest earned on the total portfolio among all funds from which the cash was pooled.

**(3) LOANS.** The recipient municipality may not loan funds to other activities, programs, or projects.

**(4) INDIRECT OR ADMINISTRATIVE COSTS.** All administrative costs shall be accounted for in sufficient detail to document the expenditures. No flat percentage rates or indirect cost rates shall be used.

**(5) TRAVEL EXPENSES.** Funds may be used to cover reasonable and necessary travel expenses pertaining to mining-related activities. Fund recipients may not claim or authorize rates which exceed the rates allowed by the state of Wisconsin, department of administration. All travel expense rates used by a fund recipient shall be consistent with travel expense rates paid for other activities of the recipient government. If the recipient chooses to pay travel expenses which are higher than state rates, that municipality shall pay the additional cost. Only reasonable and necessary travel expenses shall be claimed.

**Note:** Travel rates allowed by the Wisconsin department of administration are available upon request from the board.

**(6) MEETING RATES.** Fund recipients may claim or authorize costs up to \$20 per person for attending mining-related meetings. All meeting rates claimed by the fund recipient shall be consistent with the meeting rate paid for other activities of that municipality. If the recipient chooses to pay a meeting rate higher than \$20 per person, that municipality shall pay the additional cost.

**(7) LEGAL FEES.** Fund recipients may claim reimbursement for legal counsel for mining-related purposes, pursuant to s. 70.395 (2) (hw), Stats. Recipients which use funds to pay their own attorney shall use the hourly rate which is consistent with other work the attorney does for that recipient.

**(8) SUPPLIES AND MATERIALS.** Supplies and materials purchased with mining impact funds shall be purchased at costs which are consistent with costs paid by that municipality for its own supplies and services.

**(9) PROCUREMENT OF SERVICES.** Fund recipients shall solicit a minimum of 3 proposals when purchasing services for \$2,000 or more. This subsection shall apply to technical, planning, engineering, and other consulting and professional services. Public works projects paid with mining impact funds are subject to provi-

sions outlined in ss. 59.08, 60.47, and 62.15, Stats. Procurement procedures shall:

- (a) Ensure equal treatment to all prospective bidders.
- (b) Maximize open and free competition for services needed.
- (c) Ensure the buyer-seller relationship is free from conflicts of interest or the appearance of conflicts of interest.
- (d) Ensure the reasons a particular consultant or contractor was chosen are clearly documented.
- (e) Ensure sufficient records are available to document the significant history of the procurement.
- (f) Ensure services are obtained efficiently and economically.
- (g) Ensure that the services are provided by bidders with technical expertise and professional experience in the areas for which the expertise is sought.

**(10) CONTRACTS.** All services for \$2,000 or more, procured with mining impact funds, shall be clearly described in a written contract. The contract shall delineate the terms, conditions, and specification of the services.

**(11) HIRING.** Hiring of personnel for mining-related purposes shall be done in an open and fair manner.

**(12) OTHER EXPENDITURES.** Fund recipients shall also ensure all expenditures are:

- (a) Necessary and reasonable.
- (b) Solely related to the mining impact activity or project.
- (c) Consistent with local policies and practices.

**(13) EXPENDITURES NOT ALLOWED.** Fund recipients may not claim expenditures for:

- (a) Retainer fees for attorneys and other consultants.
- (b) Overdrawn account charges of a financial institution.
- (c) Loan interest.
- (d) Independent financial or compliance audits.
- (e) Social activities, ceremonies, amusements, and entertainments.
- (f) Lobbying members of the legislature or other legislative activity.
- (g) Building space, lights, heat and janitorial services, except when these costs are incurred and needed as a result of meetings held exclusively for mining related purposes.
- (h) Salaries for elected governing body officials for legislative, administrative, and executive purposes.

**(14) GUIDELINES.** All recipients of funds from the board shall receive a copy of the relevant statutes, rules, and guidelines detailing proper usage of those funds.

**History:** Cr. Register, November, 1982, No. 323, eff. 12-1-82; r. and recr. Register, September, 1986, No. 369, eff. 10-1-86; emerg. am. (7), eff. 12-14-92; emerg. am. (7), eff. 5-17-93; am. (7) and (9) (intro.), cr. (9) (g) and (14), Register, August, 1993, No. 452, eff. 9-1-93; correction in (9) (intro.) made under s. 13.92 (4) (b) 7., Stats., Register May 2010 No. 653.

**Tax 13.11 Accounting procedures.** All recipients of funds under this chapter shall maintain accounting procedures which adequately provide for the following:

- (1) Accurate, current, and complete financial statements on the use of funds disbursed to them by the board.
- (2) Accurate, current, and complete financial statements on funds contributed from other sources toward mining impact projects or activities.
- (3) Records which identify adequately the source and application of all funds disbursed to them by the board, including:
  - (a) Records of transactions which are inclusive, timely, verifiable, and supported by source documentation.
  - (b) Records on in-kind services and cost-sharing when required by the board for certain discretionary payments under s. Tax 13.07.
  - (c) Records which adequately establish the compliance of funds for mining-related purposes.

- (d) Records which are sufficiently detailed.
- (e) Itemized invoices to document legal, technical, and other services related to mining.

**(4)** Effective internal control over all funds, ensuring that:

- (a) The use of funds is for purposes authorized by the board and consistent with applicable laws, regulations and policies.
- (b) The use of funds is safeguarded against waste, loss and misuse.
- (c) The use of funds is supported with reliable data.

**(5)** (a) All municipalities which receive a payment or grant under this chapter shall file an expenditure report by March 1 of the year following the year the funds are received. The expenditure report shall be on forms prepared and furnished by the board. A county's expenditure report shall include information regarding the use of any funds distributed by the county under s.70.396 (2), Stats.

(b) Any city, village, town, or Native American community which receives a first dollar payment is not required to file an expenditure report for that payment.

(c) The board's staff may make on-site visits over the course of any year and otherwise monitor the use of payments received by municipalities. Staff shall keep the board informed of its activities and findings in this regard. From the monitoring activities, the completed expenditure reports, and the auditing procedures outlined in s. Tax 13.09, the board shall determine whether municipalities have applied their funds to the purposes authorized.

**History:** Cr. Register, November, 1982, No. 323, eff. 12-1-82; r. and recr. Register, September, 1986, No. 369, eff. 10-1-86; am. (3) (a) and (5) (c), cr. (3) (e), Register, August, 1993, No. 452, eff. 9-1-93; **CR 16-076: am. (5) (a) Register January 2018 No. 745, eff. 2-1-18.**

**Tax 13.12 Recoupment and withholding of payments.** (1) The board may, at any time, recoup direct, discretionary and emergency payments to be made, for noncompliance with ss. 70.395 and 70.396, Stats., or any rule pursuant thereto.

(2) Whenever the board has reason to believe that noncompliance has occurred, it shall hold a hearing on the matter upon written notice to the municipality. If after the hearing the board determines that noncompliance has occurred, it shall recoup such payments to be made and withhold such payments to be made to the municipality as may be appropriate.

**History:** Cr. Register, September, 1986, No. 369, eff. 10-1-86.