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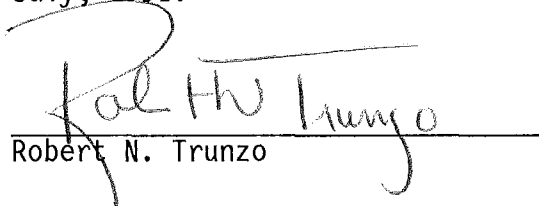
CERTIFICATE

STATE OF WISCONSIN)
) SS
DEPARTMENT OF DEVELOPMENT)

I, Robert N. Trunzo, Secretary and custodian of the official records of the Department of Development, do hereby certify that the annexed rules relating to the minority business early planning and development projects were duly approved and adopted by this Department on July 16, 1991.

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 the original.

IN TESTIMONY WHEREOF, I have hereunto set my hand as Secretary at 123 West Washington Avenue in the City of Madison, this 16th day of July, 1991.


Robert N. Trunzo

18-007

9-1-91

ORDER OF THE DEPARTMENT OF DEVELOPMENT

AMENDING CHAPTER 14

WISCONSIN ADMINISTRATIVE CODE

The Department of Development finds that an emergency exists and that the attached rule is necessary for the immediate preservation of the public peace, health, safety or welfare. A statement of the facts constituting the emergency is:

1989 Wisconsin Act 335 created a comprehensive recycling program for the State of Wisconsin. The law includes provisions for the Department of Development to administer a minority business recycling loan and grant program to encourage increased use of waste, that is currently being placed in landfills, for production of products.

The implementation of pending federal regulations will reduce the available landfill capacity in Wisconsin for the disposal of municipal solid waste. The present trend in Wisconsin of increasing amounts of municipal solid waste being placed in landfills has led to a shortage in landfill capacity in the state. The combination of the pending federal regulations and the existing shortage of landfill capacity in Wisconsin is jeopardizing the public health and welfare of this state.

This order provides the regulations for the minority business recycling loan and grant program. The rules contain the eligibility requirements for the program, the requirements for applications and the evaluation criteria that must be used when considering applications under the program.

TEXT OF RULE:

SECTION 1. Section DOD 14.01 is amended to read:

DOD 14.01 PURPOSE. The purpose of this chapter is to establish the procedure for the administration of minority business early planning and development projects and recycling grants and loans as provided by Subch. VII., Ch. 560, Stats.

SECTION 2. DOD 14.02 (4m), (14g), (16) and (17) are created to read:

DOD 14.02 (4m) "Diaper service" has the meaning contained in s. 234.67 (1) (am), Stats.

(14g) "Postconsumer waste" has the meaning contained in s. 159.01 (7), Stats.

(16) "Recycling development project" means an activity described in s. 560.835 (1) (a) to (d), Stats.

(17) "Working capital" means funds for accounts receivable and inventory necessary to produce a product.

SECTION 3. DOD 14.03 (2), (3) and, (4) (intro.) and (b) are amended to read:

DOD 14.03 (2) The board shall award development project grants and loans and recycling development grants and loans in accordance with the provisions of this chapter.

(3) The department shall enter into a contract with each eligible recipient of an early planning grant awarded by the department and, with each eligible recipient and local development corporation awarded a development project grant or loan and with each eligible recipient awarded a recycling development grant or loan by the board.

(4) (intro.) The board shall determine the relevant terms of development grant and loan contracts and recycling development grant and loan contracts entered into under sub. (3) in accordance with pars. (a) and (b).

(b) Grant and loan terms for grants and loans made under ss. 14.04 and 14.05 shall be designed to maintain a development project fund. Grant and loan terms for grants and loans made under s. 14.055 shall be designed to maintain a recycling development project fund.

SECTION 4. DOD 14.055 is created to read:

DOD 14.055 RECYCLING DEVELOPMENT GRANTS AND LOANS

(1) An application by an eligible recipient, other than a diaper service, shall be considered only if it proposes to use postconsumer waste

that is on the state priority list established pursuant to s. 159.03 (1) (b), Stats.

(2) An application by an eligible recipient or a local development corporation for a recycling development grant or loan shall be in such form as the department may require and shall include all of the following:

(a) An explanation of how the proposed development project addresses the standards contained in ss. 560.84 (1) (a), (b) 2., (c), (d), (e) 2. and (f) to (k) and (2) (a) 2. and (b) to (f), Stats.

(b) An explanation of how a project proposed under s. 560.835 (1) (a), (b) or (c), Stats. addresses the items contained in sub. (3) (a) to (g) or an explanation of how a project proposed under s. 560.835 (1) (d), Stats., addresses the items contained in sub. (3) (a) and (d) to (g).

(c) Any other information the board may require to make a determination in accordance with the provisions of this chapter and subch. VII, Ch. 560, Stats.

(3) The board may not award a grant or loan under this section unless, after considering the application and any other information it deems relevant, the board determines that the proposed recycling project meets the requirements of ss. 560.835 (4), 560.84 (1) (a), (b) 2., (c), (d) and (e) 2. to (k), Stats.

(4) The board shall consider pars. (a) to (g) before before awarding a grant or loan under this section for a project under s. 560.835 (1) (a), (b) or (c), Stats., and shall consider pars. (a) and (d) to (g) before awarding a loan under this section for a project under s. 560.835 (1) (d), Stats.

(a) The extent to which the project addresses the items contained in s. 560.84 (2) (a) 2. and (2) (b) to (f), Stats.

(b) The priority placed on the postconsumer waste to be used as identified under s. 159.03 (1) (b), Stats.

(c) The volume of postconsumer waste that is on the priority list identified under s. 159.03 (1) (b), Stats. and the volume of waste that is generated in Wisconsin that will be used in relation to the amount of financing being requested.

(d) The ratio of state dollars requested to the number of jobs created or retained by the project.

(e) The ratio of annual wages resulting from the project to the state dollars requested.

(f) The ratio of capital investment to the state dollars requested.

(g) The ratio of state dollars requested to the private dollars committed to the project.

(5) The board may choose not to award a grant or loan if the proposed recycling project does not compare favorably to other applications on the applicable items listed under sub. (4).

(6) The board may award a grant or loan under this section to a local development corporation for a recycling development project which meets all of the requirements of this section.

(7) Awards by the board to any local development corporation, to any eligible recipient or for any recycling development project may total no more than \$250,000 in a fiscal biennium.

(8) Awards under this section may be used for capital expenses or working capital expenses.

(9) Annually, the department shall publish the recycling priorities that have been established under s. 159.03 (1) (b), Stats. for that year.

SECTION 5. DOD 14.06 is amended to read:

DOD 14.06 CONTRACTS. Successful applicants shall be required to enter into a contract with the department for the purposes of implementing the proposed grant or loan. The contract shall be signed by the secretary of development and the chief executive officer of the successful applicant, or by their authorized representatives. The department may void a contract and seek a return of any funds released under the contract for failure by the business to perform its obligations under the contract. Amendments to these contracts may be adopted by the written consent of both parties. Any relocation from Wisconsin to any other state of the jobs created or retained through the project shall void the contract, and all funds paid to date shall be refunded to the department for use in support of other applications submitted under this chapter. These restrictions apply only to jobs described in the project application provided in s. DOD 14.04, ~~and 14.05~~ and 14.055, and apply only for a term subject to negotiation between the successful applicant and the department.

SECTION 6. DOD 14.07 is amended to read:

DOD 14.07 REPORTING AND AUDITING. Each successful applicant shall be required to provide the department periodic financial and program reports. A financial audit shall be submitted at the end of each recycling development and development project contract for ~~development~~ projects of \$25,000 or more. The cost of the audit may be covered by the ~~development~~ project, grant or loan. The financial reports, audit and the program reports shall be submitted to the department by a date specified in the contract. The financial audit and the program reports become the property of the department and are open to public inspection.

SECTION 7. DOD 14.08 is amended to read:

DOD 14.08 ADMINISTRATION. The department shall be responsible for soliciting applications, reviewing applications, awarding early planning project grants, making recommendations to the board on the disposition of recycling development and development project grants and loan applications, authorizing payments and otherwise implementing contractual obligations entailed in grants or loans made under the terms of this chapter, monitoring project activities, receiving and reviewing the financial reports and program reports submitted under s. DOD 14.07, and for collecting any repayments of grants and loans from successful applicants.

SECTION 8. DOD 14.09 is amended to read:

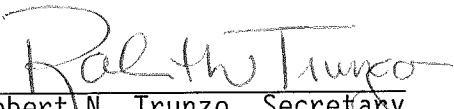
DOD 14.09 BOARD OPERATIONS. The board shall consider the recommendations of the department relating to recycling development and development project grants and loans. A majority of the members of the board shall approve an application before the department may enter into a contract for a recycling development or a development project grant or loan. The department shall maintain records of the board proceedings and provide other staff support as may be necessary to the board.

EFFECTIVE DATE. The regulations set forth in this order shall be effective on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22 (2) (intro.), Stats.

Dated: _____

7/16/91

Agency: _____


Robert N. Trunzo, Secretary