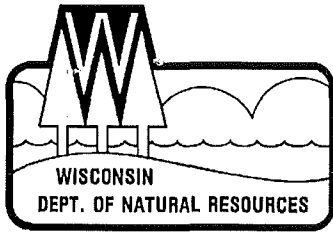


CR 94-164



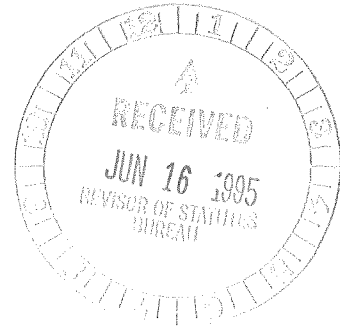
George E. Meyer
Secretary

State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

101 South Webster Street
Box 7921
Madison, Wisconsin 53707
TELEPHONE 608-266-2621
TELEFAX 608-267-3579
TDD 608-267-6897

STATE OF WISCONSIN)
)
DEPARTMENT OF NATURAL RESOURCES)

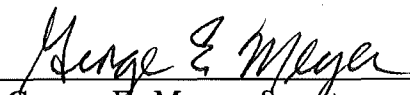
SS



TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, George E. Meyer, Secretary of the Department of Natural Resources and custodian of the official records of said Department, do hereby certify that the annexed copy of Natural Resources Board Order No. FR-46-93 was duly approved and adopted by this Department on April 27, 1995. 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 and affixed the official seal of the Department at the Natural Resources Building in the City of Madison, this 13TH day of June, 1995.


George E. Meyer, Secretary

(SEAL)

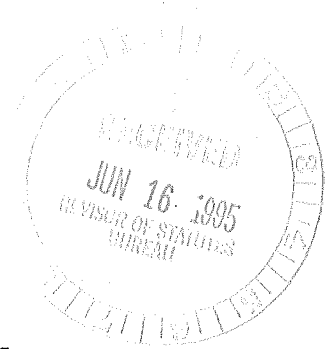
9-1-95



ORDER OF THE STATE OF WISCONSIN NATURAL RESOURCES BOARD
CREATING RULES

IN THE MATTER of creating ch. NR 47,
Subch. VI (title) and s. NR 47.60 of
the Wisconsin Administrative Code
pertaining the administration of
county forest project loans

FR-46-93



Analysis Prepared by the Department of Natural Resources

Authorizing statutes: s. 227.11(2)(a), Stats.
Statutes interpreted: s. 28.11(8)(b)2, Stats.

Section NR 47.60, Wis. Adm. Code, establishes provisions to administer the state aid loan program for County Forest Project loans.

The proposed rule establishes a process to provide interest free project loans to counties that have lands entered under the county forest law for the purpose of conducting economically productive forest operations projects. The loans are made on a project specific basis. Repayment of all loans are made to the state through a 20% severance share on all timber revenues received by a county.

SECTION 1. Chapter NR 47 subch. VI (title) is created to read:
COUNTY FORESTS

SECTION 2. NR 47.60 is created to read:

NR 47.60 COUNTY FOREST PROJECT LOANS. (1) PURPOSE. The purpose of this section is to implement and administer project loans under s. 28.11(8)(b)2, Stats., pertaining to county forest operations.

(2) APPLICABILITY. This section is applicable to those counties which have land entered under s. 28.11(4), Stats., as county forest and which apply for a county forest project loan.

(3) ELIGIBILITY. To be eligible for a county forest project loan:

(a) Projects shall be economically productive forest operations, including land acquisition.

(b) Projects shall be consistent with the county's 10 year comprehensive land use plan under s. 28.11, Stats.

(c) Loans may not be used for construction of recreational facilities or for fish or wildlife management projects.

(4) APPLICATION PROCEDURES. (a) A county may apply for project loans under this section for the purposes described in sub. (3). The application shall include but is not limited to:

1. An approved county board resolution specifying the county's decision to apply for a county forest project loan.
2. The project specifications including: maps, a short narrative, and an estimated cost breakdown including any county contributions.
3. Any other information the department feels necessary and requests within 20 days following receipt of the application.
4. Applications shall be filed by the county with the department of natural resources, bureau of forestry.

Note: The mailing address is WI DNR, Bureau of Forestry, P.O. Box 7921, Madison, WI 53707-7921 Attn: County Forest Specialist.

(5) APPLICATION DEADLINE; DECISIONS ON APPLICATIONS. (a) Project loans shall be awarded annually on a fiscal year basis and applications shall be accepted during the application periods in this section. The first application period shall be from July 1 to August 15. Decisions on those applications shall be made in accordance with sub. (6) no later than the following September 15.

(b) The second application period shall be from August 16 to December 1. Decisions on those applications shall be made no later than the following January 1.

(c) Notwithstanding sub. (6), all other applications received from December 2 to June 30 shall be approved on a first-come, first-serve basis.

(d) A county may apply more than once in any given calendar year.

(6) SELECTION CRITERIA. (a) Preference shall be given to projects as follows:

1. First preference: Land acquisition

2. Second preference: Land management activities including but not limited to:

- a. Tree planting;
- b. Direct seeding;
- c. Site preparation for regeneration;
- d. Noncommercial thinnings of forest stands;
- e. Release from competing vegetation (conifers or hardwoods both artificially or naturally regenerated).
- f. Land management equipment including tree planters, scarifier and others management equipment.
- g. Pruning.

3. Third preference: Land information activities including but not limited to:

- a. Vegetative/animal inventories;
- b. Geographic information systems including computer hardware, software and digitizing of forest management information;
- c. Aerial photo purchases.

4. Fourth preference: Capital purchases/improvements including but not limited to:

- a. Roads/access construction and maintenance;
- b. Buildings construction and maintenance.
- (b) Within a preference category, projects shall be prioritized in ascending order, with projects in counties that have most recently received project loans given lowest priority and projects in counties that have not received loans previously given highest priority.

(c) For applications in the same preference category except as provided under par. (b), preference shall be selected by lottery.

(d) If after ranking a project loan application in accordance with pars. (b) and (c) only partial funding is available due to insufficient funds, the department shall offer the applicant the choice of receiving partial funding for the project up to the amount of available funding or withdrawing the application.

(7) APPROVED PROJECT MODIFICATIONS. Project loans may be modified regarding the type of activities to be funded and the date and type of loan disbursements with written approval from the department. Requests for an increase in the loan amount shall be accompanied by a county board resolution authorizing the request.

(8) FUNDING RATES AND CONSTRAINTS. (a) Payment of all loans shall be made at project completion unless an advance payment has been made by the department.

(b) An advance payment of not more than 75% of the loan amount may be paid upon mutual agreement of the applicant and department.

(c) The recipient shall submit information requested by and satisfactory to the department demonstrating project completion.

(d) A loan may be approved with payments in 2 consecutive fiscal years as long as the payment in each year does not exceed 25% of the total available funds for the year, except funding may exceed the 25% limit by applying all funds not applied for and remaining available following April 15 of each year not to exceed the application total.

Note: A loan in the amount of \$100,000 each year is approved even though the application was for \$200,000 each year. If after April 15 the account balance is \$100,000, that money would be sent to fulfill that year of application amount.

(9) PROJECT COMPLETION ACCOUNTABILITY AND AUDIT PROCEDURES. (a) Project loan funds may be spent only on project identified costs and in compliance with the provisions of the loan agreement.

(b) All loan records shall be audited with the normal departmental audit of the county forest program.

(c) An approved project may not exceed 2 years in length unless written approval is obtained from the department.

(10) PROJECT AGREEMENT. Recipients of project loans under this section shall enter into and comply with a project loan agreement containing provisions consistent with s. 28.11(8)(b)2, Stats., this section and mutual obligations with regard to a portion or all of a specific project.

The foregoing rule was approved and adopted by the State of Wisconsin Natural Resources Board on April 27, 1995.

The rules 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.

Dated at Madison, Wisconsin

6/13/95

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES

(SEAL)

By *George E. Meyer*
George E. Meyer, Secretary

v:\9505\fr9ploan.rjm

