

State of Wisconsin



2021 Assembly Bill 235

Date of enactment:
Date of publication*:

2021 WISCONSIN ACT

AN ACT *to create* 238.18 of the statutes; **relating to:** rural economic development programs administered by the Wisconsin Economic Development Corporation and farm support grants.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 238.18 of the statutes is created to read:

238.18 Rural economic development. (1) DEFINITIONS. In this section:

(a) "Rural county" means a county with a population density of less than 155 residents per square mile.

(b) "State agency" means an office, department, agency, institution of higher education, association, society, or other body in state government created or authorized to be created by the constitution or any law that is entitled to expend moneys appropriated by law, including any authority created in subch. II of ch. 114 or in ch. 231, 233, 234, or 279.

(2) ECONOMIC DEVELOPMENT PROGRAMS BENEFITING RURAL COUNTIES. From the moneys allocated under sub. (6), the corporation may do the following:

(a) Expend moneys for any economic development program the corporation is administering on the effective date of this paragraph [LRB inserts date], if that expenditure assists economic development in a rural county.

(b) Expend moneys for any economic development program the corporation begins administering after the effective date of this paragraph [LRB inserts date], if

that expenditure assists economic development in a rural county, subject to all of the following:

1. Before the corporation first expends moneys on each program under this paragraph, the corporation shall notify the joint committee on finance in writing of the corporation's intention to expend the moneys on the program. The notice shall describe the program and purposes for which the corporation proposes to expend the moneys under this paragraph.

2. If, within 14 working days after the date of the corporation's notice under subd. 1., the cochairpersons of the joint committee on finance do not notify the corporation that the committee has scheduled a meeting to review the corporation's proposal, the corporation may make the expenditures as proposed in the corporation's notice. If, within 14 working days after the date of the corporation's notice under subd. 1., the cochairpersons of the committee notify the corporation that the committee has scheduled a meeting to review the corporation's proposal, the corporation may make the proposed expenditures only upon approval of the committee.

3. The corporation shall adopt policies and procedures establishing, to the extent feasible, matching requirements for the corporation's expenditures under this paragraph.

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

(c) Award a grant to a state agency if the corporation determines the state agency's expenditure of the grant moneys will assist economic development in a rural county, subject to all of the following:

1. Before the corporation makes a grant under this paragraph, the corporation shall notify the joint committee on finance in writing of the corporation's intention to make the grant. The notice shall describe the program and purposes for which the corporation proposes to make the grant.

2. If, within 14 working days after the date of the corporation's notice under subd. 1., the cochairpersons of the joint committee on finance do not notify the corporation that the committee has scheduled a meeting to review the corporation's proposal, the corporation may make the grant as proposed in the corporation's notice. If, within 14 working days after the date of the corporation's notice under subd. 1., the cochairpersons of the committee notify the corporation that the committee has scheduled a meeting to review the corporation's proposal, the corporation may make the proposed grant only upon approval of the committee.

(d) Before the corporation expends moneys on an economic development program under par. (a) or (b) or makes a grant under par. (c), the corporation shall consider the economic impact of the program or activity for which the moneys will be used.

(3g) GRANTS FOR REVOLVING LOAN FUNDS. (a) In this subsection and in sub. (3r), "eligible organization" means each county economic development organization serving a rural county and each regional economic development organization serving a rural county that the corporation determines under par. (d) is eligible for a grant under par. (c).

(b) From the moneys allocated under sub. (6), the corporation shall set aside \$5,000,000 for grants under this subsection.

(c) The corporation shall award a onetime grant of \$250,000 to each eligible organization, or shall grant a smaller amount if the eligible organization so elects. The corporation may award a onetime grant of more than \$250,000 to a consortium of rural counties, or to a consortium of eligible organizations in lieu of a grant to eligible organizations that are members of the consortium. An eligible organization or a consortium receiving a grant under this paragraph shall expend the grant moneys only for the purpose of creating or expanding a revolving loan fund that promotes economic development and entrepreneurial start-ups in a rural county served by the eligible organization or in rural counties served by the consortium.

(d) In determining whether a county economic development organization serving a rural county or regional economic development organization serving a rural

county is eligible for a grant under par. (c), the corporation shall consider all of the following:

1. Whether the organization has appropriate fiscal and administrative policies and procedures in place.

2. Whether the organization's staff is sufficient and qualified by education or experience to administer a revolving loan fund.

3. Whether the organization can provide at least 2 examples of projects financed with public funding that the organization has taken from grant application to project completion.

4. Whether the organization has experience or a history of serving the community with economic development projects.

(3r) GRANTS FOR PROGRAM OPERATIONS AND MARKETING. (a) From the moneys allocated under sub. (6), the corporation shall award a onetime grant of \$50,000 to each eligible organization, or shall grant a smaller amount if the eligible organization so elects, subject to all of the following:

1. The eligible organization shall expend all grant moneys received under this paragraph only for the purpose of program operations and marketing within a rural county served by the eligible organization.

2. The eligible organization shall submit a report to the corporation no later than 180 days after the last day of the state fiscal year in which the grant is awarded concerning the organization's use of the grant under this paragraph. The report shall include a description of all marketing efforts undertaken as a result of the grant.

(b) A rural county served by an eligible organization receiving a grant under par. (a) may not use or depend on grant moneys to supplant existing funding for economic development purposes.

(4) REPORTING REQUIREMENTS. No later than June 30 of each state fiscal year in which the corporation expends moneys allocated under sub. (6), the corporation shall submit a report to the joint committee on finance describing in detail the corporation's use of those moneys in that fiscal year.

(5) COOPERATION OF STATE AGENCIES. All state agencies shall, to the extent needed, as determined by the corporation, cooperate with the corporation concerning the corporation's planning and implementation of its expenditures of moneys under this section.

(5m) FOCUS ON UNDERSERVED COMMUNITIES. In administering this section, the corporation shall make every effort to ensure that underserved communities in rural counties are prioritized.

(6) ALLOCATION OF MONEYS. Of the moneys the governor accepts from the federal government under s. 16.54 pursuant to section 602 of the federal Social Security Act as amended by the federal American Rescue Plan Act of 2021, P.L. 117-2, the governor shall allocate \$50,000,000 for the programs under this section.

SECTION 2. Nonstatutory provisions.

(1) FARM SUPPORT GRANTS.

(a) The department of revenue shall use the funds allocated under par. (b) to provide grants to farmers who have experienced financial hardship due to the COVID–19 pandemic. A farmer desiring a grant under this paragraph may file an application with the department of revenue in the manner determined by the department. The department of revenue shall consult with the department of agriculture, trade and consumer protection in providing grants under this paragraph. In this paragraph, “farmer” means a farmer, as defined in s. 102.04

(3), who owns or leases land that is agricultural property, whose gross sales of farm products in 2019 exceeds \$35,000 but not does exceed \$5,000,000, and who has experienced financial hardship as a result of the COVID–19 pandemic.

(b) Of the moneys the governor accepts from the federal government under s. 16.54 pursuant to section 602 of the federal Social Security Act as amended by the federal American Rescue Plan Act of 2021, P.L. 117–2, the governor shall allocate \$50,000,000 to provide the grants under this subsection.
