

STATEMENT OF SCOPE

Department of Revenue

Rule Nos.: Chapter Tax 17, Wis. Admin. Code

Relating to: Innovation grant programs pursuant to 2023 Wisconsin Act 12

Rule Type: Emergency and Permanent

1. Finding/nature of emergency (Emergency Rule only):

2023 Wisconsin Act 12 creates two new grant programs (Innovation Grant and Innovation Planning Grant) to be administered by the Wisconsin Department of Revenue. The provisions outline the eligibility requirements, grant award calculation, and audit requirements. The grant programs encourage local government innovation, transferring existing duties or services in key areas (i.e., public safety, public works, public health, etc.) to realize cost savings and efficiencies. Due to the preferred 2024 effective date for the grant programs, legislative review schedule, potential impact to communities, and complex subsequent implementation required, emergency rulemaking is necessary to preserve public peace, health, safety, and welfare, and ensure communities avoid significant delays in accessing the available funds.

2. Detailed description of the objective of the proposed rule:

The proposed emergency and permanent rules will address the administration of the two Innovation Grant programs pursuant to 2023 Wisconsin Act 12, including requirements, process, and compliance. The rule will also specify the method of determining fair market compensation for the services provided by a volunteer fire fighter position and emergency medical services practitioner position.

3. Description of existing policies relevant to the rule, new policies proposed to be included in the rule, and an analysis of policy alternatives:

There are no existing policies relevant to the rule.

New policies created by 2023 Wisconsin Act 12 provide Innovation Grant and Innovation Planning Grant programs. However, clarification is needed to simplify and enhance administration of the grants, including but are not limited to:

- Grant program requirements
- Method of determining fair market compensation for services provided by volunteer fire fighter and emergency medical services personnel
- Creation of application forms and filing processes
- Audit requirements, including reporting requirements
- Payment adjustments based upon audit determinations

The only policy alternative is not to promote a rule. However, this would defeat the legislative mandate to define how to determine fair market compensation and would not reflect administrative best practices.

4. Detailed explanation of statutory authority for the rule (including the statutory citation and language):

Section [227.11\(2\)](#), Wis. Stats., provides statutory rule-making authority for DOR as follows:

(a) "Each agency may promulgate rules interpreting the provisions of any statute enforced or administered by the agency, if the agency considers it necessary to effectuate the purpose of the statute..."

(b) "Each agency authorized to exercise discretion in deciding individual cases may formalize the general policies evolving from its decisions by promulgating the policies as rules ..."

Section [79.038\(1\)\(b\)3](#), Wis. Stats., provides statutory rule-making authority for DOR as follows:

"In calculating the projected savings under this paragraph to be realized by a transfer of fire protection or emergency medical services involving an entity that engages volunteer fire fighters or emergency medical services practitioners, the department shall attribute to all volunteer fire fighter or emergency medical services practitioner positions fair market compensation for the services provided by the volunteer fire fighter or emergency medical services practitioner positions. The department shall promulgate rules specifying the method of determining fair market compensation for the services provided by a volunteer fire fighter position and emergency medical services practitioner position for purposes of this paragraph."

5. Estimate of amount of time that state employees will spend developing the rule and of other resources necessary to develop the rule:

DOR estimates it will take approximately 200 hours to develop the rule.

6. List with description of all entities that may be affected by the proposed rule:

Counties, municipalities, and tribes located in Wisconsin may be impacted this rule, as they may be eligible for the Innovation and Innovation Planning Grant programs.

7. Summary and preliminary comparison with any existing or proposed federal regulation that is intended to address the activities to be regulated by the proposed rule:

DOR is not aware of any existing or proposed federal regulation intended to address the activities to be regulated by the rule, as the rule will be specific to the administration of the Innovation and Innovation Planning Grant programs.

8. Anticipated economic impact of implementing the rule (note if the rule is likely to have a significant economic impact on small businesses):

There may be a positive economic boost for local governments and tribes receiving grant awards for significant initiatives. Grants totaling \$303M will be awarded.

There will be costs incurred by DOR for the administration of the Innovation and Innovation Planning Grant programs. Note: These costs were created by the adoption of 2023 Wisconsin Act 12.

Contact Person: Scott Shields, Scott.Shields@wisconsin.gov, (608) 266-8223