

**SUBJECT:** Request authorization for public hearing for Board Order CF-28-09 amending ch. NR 51, Administration of Stewardship Grants

**FOR:** OCTOBER, 2010 BOARD MEETING

**TO BE PRESENTED BY:** Mary Rose Teves, Amy Bradley, Karen Blodgett--Community Fin. Assistance Bur

**SUMMARY:**

Chapter NR 51, Wis. Adm. Code, establishes applicant and project eligibility standards and subprogram criteria that are used by the Department in making Stewardship grant awards to local units of governments (LUGs), nonprofit conservation organizations, and Friends Groups for land acquisition and development projects. Except in limited circumstances identified by statute, Stewardship grants cover no more than 50% of total eligible project costs. Grant recipients contribute matching funds from other funding sources, thereby stretching the buying power of Stewardship funding. The buyer of land in fee or easement with a grant under ch. NR 51 manages the land, reducing management burdens upon the Department. Property acquired with Stewardship grant funds are protected in perpetuity by the recording of a grant contract on the property deed. The rule contains a total of 19 subchapters: 3 subchapters address general provisions and the remaining 16 address specific Stewardship subprograms.

The hearing version of ch. NR 51 includes amendments in the following categories:

1. Housekeeping changes
2. New provisions added due to 2007 Wis. Act 20.
3. Codifying past practices
4. Correcting past problems
5. Adding new language

The three new subchapters address grants to counties for county forests, grants to counties when the DNR asks for assistance, and recreational boating grants.

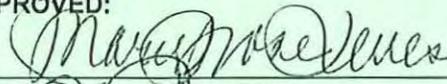
**RECOMMENDATION:** Authorize public hearings for Board Order CF-28-09 amending ch. NR 51, Wis. Adm. Code

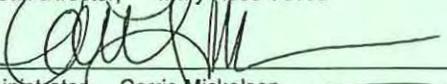
**LIST OF ATTACHED MATERIALS:**

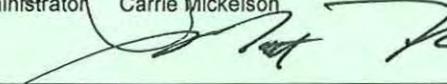
- No  Fiscal Estimate Required
- No  Environmental Assessment or Impact Statement Required
- No  Background Memo

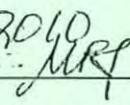
- Yes  Attached
- Yes  Attached
- Yes  Attached

**APPROVED:**

  
 Bureau Director, Mary Rose Teves

  
 Administrator, Carrie Mickelson

  
 Secretary, Matt Frank

Oct 5, 2010  
 Date 

Oct 5, 2010  
 Date

10-14-10  
 Date

**CORRESPONDENCE/MEMORANDUM**

**DATE:** October 12, 2010

**TO:** Natural Resource Board

**FROM:** Matthew J. Frank 

**SUBJECT:** **NRB AUTHORIZATION FOR PUBLIC HEARING ON  
COMMUNITY FINANCIAL ASSISTANCE RULE ORDER CF-28-09 –  
ADMINISTRATION OF STEWARDSHIP GRANTS**

**Background:**

*2007 Wis. Act 20* included reauthorization of the Knowles-Nelson Stewardship Program for another 10 years with annual appropriations of \$86 million. The Stewardship Program is the primary funding source for land acquisition for conservation and public outdoor recreation in Wisconsin. The program was established in 1989 and has been invaluable to Wisconsin's outdoor recreation heritage as well as ensuring that the last pristine parts of Wisconsin are conserved. The Stewardship Program is responsible for offering countless opportunities to enjoy our vast natural resources by providing the public with access for hunting, fishing, trapping, hiking, cross country skiing, biking and other outdoor recreational activities.

The Stewardship Program includes grants from the Department to local units of governments (LUGs), nonprofit conservation organizations (NCOs), and Friends Groups. Except under special circumstance prescribed in statutes, these grants can only cover 50% of total eligible project costs. This means that grant recipients must contribute an equal amount of funding from other sources for Stewardship projects, thereby stretching the buying power of the Stewardship Program. Further, land acquired by LUGs and NCOs are managed by these partners, reducing state management costs.

Since the inception of the Stewardship Program, the Department has participated in over 400 separate real estate transactions through grants to NCOs protecting nearly 40,000 acres and another 500 transactions through grants to LUGs protecting an additional 15,000 acres. In addition, the Department has awarded 860 Stewardship grants totaling \$52,286,254 to LUGs for development of recreational areas and 356 grants totaling \$2,782,451 to Friends Groups for recreational projects on State Park properties.

Stewardship Reauthorization included a requirement that land purchased in part with Stewardship grant funds must be open to the public for hunting, trapping, fishing, hiking and cross country skiing – collectively referred to nature-based outdoor activities (NBOAs) -- as long as those activities do not compromise the public's safety, impact unique plants and animals communities, or affect the usership patterns of the property. In a separate effort, the Department promulgated ch. NR 52 to satisfy the NBOA requirements of *2007 Wis. Act 20*.

**Summary of the Proposed Rule Revisions:**

Proposed changes to ch. NR 51 fall into the following categories:

- 1- Housekeeping -- Corrections of grammar, sentence structure, definitions of terms used in the existing ch. NR 51 but not previously defined, and gathering of requirements from throughout ch. NR 51 into one location when those requirements apply to all subprograms of Stewardship grants.
- 2- Changes resulting from reauthorization of the Knowles-Nelson Stewardship Program in *2007 Wis. Act 20* -- Adds public access requirements by reference to ch. NR 52, Wis. Adm. Code. Adds new signage requirements. Adds three new subchapters, as follows:
  - Grants to Counties for County Forests (s. 23.0953(2)(a)1., Wis. Stats.)
  - Grants to Counties when the DNR asks for Assistance (s. 23.0953(2)(a)2., Wis. Stats.)
  - Recreational Boating Facility grants (s. 23.0917(2)(a)3m., Wis. Stats.)Allows grant awards for up to 75% of total project costs to nonprofit conservation organizations that meet certain criteria (s. 23.096 (2m), Wis. Stats.)
- 3- Incorporation of Existing Grant Practices – Many of these administrative practices have evolved and been used since ch. NR 51 was last promulgated in 2001. Some changes in this category represent changes in policy.

**Rule Development:**

Ch. NR 51 is proposed for revision due to statutory changes made through *2007 Wis. Act 20*, earlier revisions to the Stewardship Program statutes, and programmatic evolution during the ten years since ch. NR 51 was last revised. Ch. NR 51 was last before the NRB in early 2000.

In addition to tracking needed rule changes over the last 10 years, Department staff have worked with the Stewardship Advisory Committee (SAC) on proposed revisions to ch. NR 51. The SAC is appointed by the DNR Secretary. A complete listing of SAC members can be found at <http://dnr.wi.gov/org/caer/cfa/Grants/Agendas-Minutes/StewMembers.pdf>

The SAC met on January 13, April 13, and July 23, 2010, to consider revisions to ch. NR 51.

The bureaus of Community Financial Assistance, Legal Services, Endangered Resources, Wildlife Management, Forest Management, Facilities and Lands, and Parks and Recreation have all assisted with revisions to ch. NR 51.

**Changes to Existing Policy:**

- 1- Change the amount of grant funds typically advanced to Friends Groups to avoid problems with repayment to the DNR and to comply with the IRS Code. In general, 50% will be advanced; higher amounts can be advanced under certain conditions. To address Friends Group cash flow in 50% advance circumstances, Friends Groups may also request partial reimbursements once the grant agreement has been signed. Increasingly, grant close out has been slow and documentation inadequate to justify entire advance. When a 100% advance is provided and all funds are expended, there may be no funds available to refund the state for undocumented expenditures. In addition, the IRS Code restricts what can be done with the proceeds from the sale of tax-exempt bonds. The State agrees to prohibit bond proceeds from being invested at a higher yield than those paid by the bond; this means Friends Group should not place grant advances in an

- interest-bearing account. Failure to comply with this IRS conditions can, and has recently, resulted in monetary penalties against the violator and puts the State's bond rating at risk. The practical result is that advances to Friends Groups must generally be more limited. Our solution is lesser advances but access to partial reimbursement.
- 2- Groups will continue to be eligible for their entire grant award so long as they submit documentation in support of claimed costs.
  - 3- Clarify that grants provided for development projects must encumber the grant property in perpetuity. By practice over the last decade, the DNR has required that properties are encumbered under the Stewardship program even if the DNR has only provided a Stewardship grant for a development project. This change to ch. NR 51 codifies past practices. To formalize the process, grant contracts will be recorded on the property deed.
  - 4- Make "playground equipment" as grant-eligible support facilities for nature-based outdoor recreation. Getting children into the outdoors and beginning an appreciation of nature often begins with playground equipment in parks. The statutes allow the DNR to add to the definition of nature-based outdoor recreation by rule. Local governments have requested this addition to the definition of nature-based outdoor recreation. The DNR feels playground equipment should be considered on a case-by-case basis so long as the equipment is supplemental to the primary purpose of the Stewardship grant.
  - 5- Further defines criteria for nonprofit conservation organizations to be eligible to apply for a Stewardship grant.
  - 6- Removes the requirement that the DNR "shall" provide a Stewardship grant for Natural Area projects if funds are available. This change acknowledges that project approval is also contingent upon approval of the Natural Resources Board and Joint Finance Committee, where appropriate.
  - 7- Increases the required lease length on developed properties not owned by the sponsor from 20 to 25 years. This change provides increased protection for properties where Stewardship grant funds were used to develop facilities.
  - 8- Simplifies the formula for determining how long nonprofit conservation organization organizations have to use "residual credits". Residual credit is the term used to describe any remaining value of a donated property where that property has already been used as sponsor match to an earlier Stewardship grant application. Project sponsors will have 36 months to use residual credit from the date that the credit was first created. Residual credit still cannot be transferred among nonprofit conservation organizations and still can only be used as match to projects within the same Stewardship grant subprogram.
  - 9- Requires that a comprehensive outdoor recreation plan (CORP) be adopted by the time of a grant application is submitted to the Department rather than the CORP being "under development" at the time of grant application. The DNR has experienced several instances where local government projects scored well enough to rank high enough to receive grant funding, but the project is delayed more than one year because the CORP took so long to be adopted. Funds reserved for local governments in these cases could have been awarded to the next highest-ranked project that was ready to proceed. Requiring that CORP be adopted at the time of a grant application ensured that Stewardship grant funds are used in a timely manner.
  - 10- Allows counties to use 50% of the value of properties they own as match to a grant awarded under the new County Forest Grants (subchapter XVII) and the new Grants to

Counties Assisting the Department (subchapter XVIII) if those match properties are owned by the county for less than 3 years. This varies from all other subchapters of ch. NR 51 where 100% of the value of sponsor-owned properties may be used as match. Further, counties may use properties purchased with state forest loans as match under subchapters XVII.

11- Other issues as identified through public outreach and comment during the rule making process.

**Small Business and Regulatory Flexibility Analysis:**

Chapter NR 51, Wis. Admin. Code, is applicable to the Department, local units of government, nonprofit conservation organizations, and Friends Groups and imposes no compliance or reporting requirements for small businesses, nor are there any design or operational standards contained in the rule that affect small business. Therefore, the proposed rule is not expected to have a significant impact on small businesses.

**Environmental Analysis:**

The Department has determined that this rule is a Type III action under Chapter 150, Wis. Adm. Code, and no environmental analysis is required.

**Impacted Parties:**

Proposed revisions to ch. NR 51 will impact nonprofit conservation organizations, local governments, and Friends Groups who will request grant funding for the Stewardship Program. Proposed revisions will also impact hunters, anglers, trappers, cross-country skiers, hikers, and other outdoor enthusiasts who want to recreate on Stewardship-funded properties.

**Recommended Public Participation:**

The Department recommends holding three to five hearings during November 2010.

**Fiscal Estimate — 2007 Session**

<input checked="" type="checkbox"/> Original	<input type="checkbox"/> Updated	LRB Number	Amendment Number If Applicable
<input type="checkbox"/> Corrected	<input type="checkbox"/> Supplemental	Bill Number	Administrative Rule Number NR 51

Subject  
 Revisions to Chapter NR 51, Administration of Stewardship Grants

**Fiscal Effect**

State:  No State Fiscal Effect  
 Indeterminate

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- |  |   |
|--|---|
| <input type="checkbox"/> Increase Existing Appropriation | <input type="checkbox"/> Increase Existing Revenues |
| <input type="checkbox"/> Decrease Existing Appropriation | <input type="checkbox"/> Decrease Existing Revenues |
| <input type="checkbox"/> Create New Appropriation        |   |

- Increase Costs — May be possible to absorb within agency's budget.  
 Yes  No
- Decrease Costs

Local:  No Local Government Costs  
 Indeterminate

1.  Increase Costs  
 Permissive  Mandatory
2.  Decrease Costs  
 Permissive  Mandatory

3.  Increase Revenues  
 Permissive  Mandatory
4.  Decrease Revenues  
 Permissive  Mandatory

6. Types of Local Governmental Units Affected:  
 Towns  Villages  Cities  
 Counties  Others \_\_\_\_\_  
 School Districts  WTCS Districts

Fund Sources Affected  
 GPR  FED  PRO  PRS  SEG  SEG-S

Affected Chapter 20 Appropriations

**Assumptions Used in Arriving at Fiscal Estimate**

2007 Wis. Act 20 included reauthorization of the Knowles-Nelson Stewardship Program until 2020 with annual appropriations of \$86 million. Standards and criteria for grants issued to local units of government, non-profit conservation organizations, and Friends groups under the Stewardship Program are outlined in ch. NR 51, Wis. Adm. Code.

This proposed rule revision accomplishes several tasks:

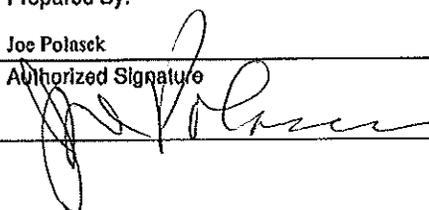
1) NR 51 has not been updated since 1999. The proposed rule makes numerous "housekeeping" changes, provides administrative clarifications, provides several new definitions, and clarifies program practices that have evolved since NR 51 was last updated.

2) 2007 Wis. Act 20 also added two new grant programs, and required that the recreational boating facilities grant program be funded under the Stewardship program. Three new subchapters have been added to NR 51 to be in compliance with these requirements. These new subchapters address grants for county forests (as outlined in s. 23.0953 (2)(a)1., Stats), grants to counties when the DNR asks for assistance (as outlined in s. 23.0953 (2)(a)2., Stats), and recreational boating facilities grants (as required under 23.0917 (2)(a)3m).

3) 2007 Wis. Act 20 also required that lands purchased with funds from the Stewardship Program under ss. 23.0915 and 23.0917, Stats., be open to hunting, trapping, hiking, fishing and cross country skiing unless the Natural Resources Board determines it is necessary to prohibit one or more of the nature-based activities to protect public safety, protect unique plant and animal communities, or to accommodate usership patterns. Provisions have been added to NR 51 to be in compliance with this requirement, and with ch. NR 52, Wis. Adm Code.

None of the proposed changes have a fiscal impact.

**Long-Range Fiscal Implications**

Prepared By: Joe Polasek	Telephone No. 266-2794	Agency Department of Natural Resources
Authorized Signature 	Telephone No. 266-2794	Date (mm/dd/ccyy) 10-05-10

**Fiscal Estimate Worksheet — 2007 Session**  
 Detailed Estimate of Annual Fiscal Effect

Original       Updated  
 Corrected       Supplemental

LRB Number	Amendment Number if Applicable
Bill Number	Administrative Rule Number

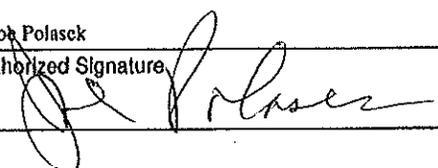
Subject

One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

Annualized Costs:		Annualized Fiscal Impact on State Funds from:	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations — Salaries and Fringes		\$ 0	\$ - 0
(FTE Position Changes)		( 0.00 FTE )	( - 0.00 FTE )
State Operations — Other Costs		0	- 0
Local Assistance		0	- 0
Aids to Individuals or Organizations		0	- 0
<b>Total State Costs by Category</b>		<b>\$ 0</b>	<b>\$ - 0</b>
<b>B. State Costs by Source of Funds</b>			
GPR		\$ 0	\$ - 0
FED		0	- 0
PRO/PRS		0	- 0
SEG/SEG-S		0	- 0
State Revenues	Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Revenue	Decreased Revenue
GPR Taxes		\$ 0	\$ - 0
GPR Earned		0	- 0
FED		0	- 0
PRO/PRS		0	- 0
SEG/SEG-S		0	- 0
<b>Total State Revenues</b>		<b>\$ 0</b>	<b>\$ - 0</b>

**Net Annualized Fiscal Impact**

	State	Local
Net Change in Costs	\$ 0	\$ 0
Net Change in Revenues	\$ 0	\$ 0

Prepared By:	Telephone No.	Agency
Jon Polasek	266-2794	Department of Natural Resources
Authorized Signature: 	Telephone No.	Date (mm/dd/ccyy)
	266-2794	10-05-10

**ORDER OF THE STATE OF WISCONSIN  
NATURAL RESOURCES BOARD  
REVISING RULES  
CF-28-09**

**The Wisconsin Department of Natural Resources proposes an order to revise ch. NR 51, Administration of Stewardship Grants, as follows:**

**Repeal**

NR 51.03(1) through NR 51.03 (12), NR 51.03 (16) through NR 51.03 (20), NR 51.35, NR 51.42 (1), NR 51.45 (3), NR 51.62 (2), NR 51.904 (3) through (8), NR 51.907 (1) (c), NR 51.932 (1), NR 51.935 (intro.)(Note), NR 51.942 (3), NR 51.942 (4), NR 51.993 (4), and NR 51.994 (2).

**Renumber**

NR 51.03 (13); NR 51.03 (14) and (15); NR 51.04 (1)(a), (1)(a)(Note), (1)(b), (1)(c), and (1)(d); NR 51.42 (2); NR 51.74 (1), (2)(intro), (2)(a), (2)(b), (2)(c), (2)(d), (2)(e), (2)(f), and (4); NR 51.74 (6); NR 51.74 (6)(b)(note); NR 51.74 (6)(d) and (6)(e); NR 51.74 (6)(f)(note) and (6)(g); NR 51.904 (2); NR 51.904 (9)(intro.) and (9)(a); NR 51.932 (2), (3), and (4); NR 51.991; NR 51.993 (1) and (2); NR 51.993 (5); and NR 51.994 (1).

**Renumber and amend**

NR 51.04 (2)(b); NR 51.42 (3), (4) and (5); NR 51.74 (5); NR 51.74 (6)(a) and (6)(b); NR 51.74 (6)(c) and (Note); NR 51.74 (6)(f); NR 51.74 (6)(g)(note); NR 51.904 (1); NR 51.904 (9)(b); NR 51.990; NR 51.992 (title) and 51.922; NR 51.993 (intro.); NR 51.993 (3); NR 51.994 (title); NR 51.994 (3), (4), and (5); and NR 51.994 (6) and (Note).

**Amend**

Table of Contents, NR 51.002 (1), NR 51.002 (3) and (Note), NR 51.002 (4)(a), NR 51.002 (7), NR 51.002 (9), NR 51.002 (11), NR 51.002 (13), NR 51.002 (17), NR 51.002 (18)(Note), NR 51.002 (19), NR 51.002 (24), NR 51.002 (26)(Note), NR 51.002 (27), NR 51.002 (28), NR 51.002 (30), NR 51.003, NR 51.004 (5), NR 51.004 (6), NR 51.04 (title), NR 51.04 (2)(a), NR 51.05 (title), NR 51.05 (1)(intro.), NR 51.05 (2)(intro.), NR 51.05 (2)(b), NR 51.05 (2)(c), NR 51.05 (2)(d), NR 51.06 (1), NR 51.06 (2), NR 51.06 (4), NR 51.06 (5), NR 51.07 (1), NR 51.07 (3)(intro.), NR 51.07 (3)(b), NR 51.07 (3)(c), NR 51.07 (3)(e), NR 51.07 (4), NR 51.08 (intro.), NR 51.08 (2) and (Note), NR 51.08 (3)(Note), NR 51.08 (4)(a), NR 51.08 (4)(b)(intro.), NR 51.08 (4)(b)2., NR 51.08 (4)(b)4., NR 51.09 (1)(b), NR 51.09 (1)(c)2., NR 51.09 (3)(a), NR 51.09 (3)(d), NR 51.09 (3)(e), NR 51.09 (3)(f), NR 51.22 (6), NR 51.24, NR 51.25 (1), NR 51.25 (2), NR 51.26 (intro), NR 51.26 (1), NR 51.26 (2), NR 51.26 (3), NR 51.27, NR 51.28, NR 51.32, NR 51.40, NR 51.41, NR 51.45 (1), NR 51.45 (2), NR 51.46 (1), NR 51.46 (3)(intro.), NR 51.46 (4), NR 51.52 and (Note), NR 51.53 (intro.), NR 51.53 (7), NR 51.53 (8), NR 51.53 (9), NR 51.62 (intro.), NR 51.62 (1), NR 51.63 (intro.), NR 51.63 (3) (intro.), NR 51.64, NR 51.65 (1)(intro), NR 51.65 (1) (5), NR 51.65 (1) (6), NR 51.66, NR 51.70 (2), NR 51.72 (2), NR 51.73 (1), NR 51.75 (title), NR 51.75 (intro.), NR 51.75 (2), NR 51.75 (5), NR 51.75 (13), NR 51.82, NR 51.84 (3) (intro.), NR 51.85 (1) and (Note), NR 51.85 (2), NR 51.85 (3), NR 51.85 (4), NR 51.85 (6), NR 51.85 (7), NR 51.85 (8), NR 51.880, NR 51.882, NR 51.883 (1), NR 51.883 (3), NR 51.883 (6), NR 51.883 (7) (b) 1., NR 51.884 (1)(a), NR 51.885 (1)(intro.), NR 51.885 (1)(b), NR 51.902 (intro.), NR 51.905 (intro.), and (2), NR 51.906 (1) and (Note), NR 51.906 (2), NR 51.906 (3), NR 51.906 (4), NR 51.906 (6), NR 51.906 (7), NR 51.907 (1)(a) and (1)(b), NR 51.907 (2)(a)(intro.), NR 51.907 (2)(a) 3., NR 51.907 (2)(b)(intro.), NR 51.907 (2)(b)1., NR

51.907 (2)(b)2., NR 51.907 (2)(b) 5., NR 51.908 (1), NR 51.908 (2)(a), NR 51.908 (2)(c), NR 51.908 (4), NR 51.912, NR 51.913, NR 51.914 (2), NR 51.914 (3), NR 51.915 (9), NR 51.916 (2), NR 51.917 (3), NR 51.917 (10), NR 51.918 (1), NR 51.920, NR 51.922, NR 51.923, NR 51.924 (2), NR 51.925 (2), NR 51.926 (1)(intro.), NR 51.926 (1)(a)4., NR 51.926 (1)(b)10., NR 51.926 (1)(b)11., NR 51.926 (2), NR 51.932 (intro.), NR 51.933 (1), NR 51.933 (2), NR 51.934 (2), NR 51.934 (3), NR 51.934 (6), NR 51.934 (8), NR 51.934 (9), NR 51.934 (10)(a), NR 51.935 (1), NR 51.935 (8), NR 51.942 (intro.), NR 51.942 (2), NR 51.944 (2), NR 51.944 (6), NR 51.946 (intro.), NR 51.946 (5), NR 51.946 (6), and Subchapter XVI (title).

### **Repeal and Recreate**

NR 51.43, NR 51.903, NR 51.943, and NR 51.944 (1).

### **Create**

NR 51.002 (2m), NR 51.002 (3m) and (Note), NR 51.002 (5r), NR 51.002 (6d) and (Note), NR 51.002 (7d), NR 51.002 (8m), NR 51.002 (13m), NR 51.002 (26e), NR 51.002 (26m), NR 51.002 (26s) and (Note), NR 51.002 (29m), NR 51.002 (31), NR 51.002 (32), NR 51.005, NR 51.006, NR 51.007, NR 51.03 (4), NR 51.03 (5), NR 51.04 (1)(a), NR 51.04 (1)(b)(intro.), NR 51.04 (2)(am) and (Note), NR 51.04 (2)(b) and (Note), NR 51.04 (2)(c), NR 51.04 (2)(e), NR 51.07 (1d), NR 51.07 (3)(f), NR 51.09 (1)(a)4., NR 51.22 (6m), NR 51.26 (3)(g), NR 51.42 (3), NR 51.42 (4), NR 51.42 (5), NR 51.72(2m), NR 51.74 (1) (title), NR 51.74 (2) (title), NR 51.904 (1) (title), NR 51.904 (1)(c), NR 51.904 (2)(c), NR 51.904 (3), NR 51.906 (8), NR 51.907 (2)(a) 5., NR 51.907 (2)(b)6., NR 51.908 (3)(Note), NR 51.918 (16), NR 51.935 (16), NR 51.952 (2), NR 51.994 (1)(title), NR 51.954 (1)(a)(title) and (Note), NR 51.954 (1)(b), NR 51.954 (2)(title) NR 51.954 (3)(title), Subchapter XVII (title), NR 51.960, NR 51.961, NR 51.962, NR 51.963, NR 51.964, NR 51.965, NR 51.966, and NR 51.967, NR 51.968, NR 51.969, Subchapter XVIII (title), NR 51.970, NR 51.971, NR 51.972, NR 51.973, NR 51.974, NR 51.975, NR 51.976, NR 51.977, Subchapter XIX (title), NR 51.980, NR 51.981, NR 51.982, NR 51.983, NR 51.984, NR 51.985, NR 51.986, and NR 51.987.

## **Analysis Prepared by the Department of Natural Resources**

**1. Statutory Authority:** Sections 23.09(2)(d), (2dm), (2p), (2q), (19), (20), and (20m); 23.0915; 23.09165; 23.0917; 23.092; 23.094; 23.096; 23.098; 23.17; 23.175; 23.197; 23.198; 23.27(4), (5), and (6); 23.293(4) and (5), 26.38 (2m)(a), 30.24, 30.277, and 227.11, Stats.

**2. Statutes Interpreted:** Sections 23.09(2)(d), (2dm), (2p), (2q), (19), (20), and (20m); 23.0915; 23.0917; 23.092; 23.094; 23.096; 23.098; 23.17; 23.175; 23.197; 23.198; 23.27(4), (5), and (6); 23.293(4) and (5), 26.38(2m)(a), 30.24, 30.277, and 227.11, Stats.

**3. Explanation of Agency Authority:** Sections 23.0915, 23.0917, 23.096, and 227.11, Stats., authorizes the Department to promulgate rules for the administration of Stewardship grants. Section 227.11, Stats., authorizes the Department to promulgate rules for the general administration of Department programs.

**4. Related Statute or Rule:** General guidelines for department land acquisition are located in ch. NR 1, Wis. Adm. Code. The Department recently promulgated ch. NR 52, Wis. Adm. Code, relating to public access for nature based outdoor activities for department lands and non-department land acquired in whole or in part with funding from the Stewardship program.

**5. Plain Language Analysis:** Chapter NR 51, Wis. Adm. Code, establishes applicant and project eligibility standards and subprogram criteria that are used by the Department in determining Stewardship grant awards to local units of governments (LUGs), nonprofit conservation organizations, and Friends Groups for land acquisition and development projects. Except in limited circumstances identified by statute, Stewardship grants cover no more than 50% of total eligible project costs. Grant recipients contribute matching funds from other funding sources, thereby stretching the buying power of Stewardship funding. The buyer of land in fee or easement with a grant under this rule manages the land, reducing management burdens upon the Department. Property acquired or developed with Stewardship grant funds are protected in perpetuity by the recording of a grant contract on the property deed.

Three new subchapters are being added to ch. NR 51, Wis. Adm. Code, in compliance with *2007 Wis. Act 20*. These new subchapters address grants for county forests, grants to counties when the DNR asks for assistance, and recreational boating grants. The rule contains a total of 19 subchapters: 3 subchapters address general provisions and the remaining 16 address specific Stewardship subprograms.

Section by section details of this rule order are outlined:

Section 1 updates the Table of Contents under subchapter I, II, IV, V, and XVI and creates subchapters XVII, XVIII, and XIX.

Section 2 clarifies the definition of acquisition costs by correcting grammatical errors, and by further defining what items are and are not eligible as acquisition costs.

Sections 3, 5, 7, 9, 11, 15, 17, 19, 45, 60, and 76 define terms that are used in this chapter but were not previously defined. These terms include: "Assignment", "Comprehensive Outdoor Recreation Plan", "County", "Dedicated match", "Department appraisal guidelines", "Development rights", "Fair market value", "Habitat area", "Long-term", "Managing cooperator", "Project", "Residual value", "Reversionary interest", "SCORP", "Stewardship advisory council", "Sustainable technology", "Timber plantation", "Tribe", and "Wild-life based recreation".

Sections 4, 6, 18, 32, 40, 65, 67, 74, 91, 92, 96, 98, 99, 110, 119, 123, 124, 128, 132, 134, 139, 142, and 148 correct grammatical errors and/ or improve sentence structure.

Section 8 clarifies the definition of "Development project".

Section 10 does the following: 1) clarifies the definition of "Fiscal year"; 2) Clarifies that tribes are an eligible sponsor under the definition of "Governmental unit" [section 20.002 (13), Stats., provides that funds provided by a state agency to any city, county, village, or town may be provided to any federally recognized tribal governing body for the same purpose and subject to the same conditions and restrictions]; and 3) provides clarification to the definition of "Grant contract", and specifies that a contract applies to any sponsor, not just a nonprofit conservation organization.

Section 12 clarifies what information should be in a land management plan.

Section 13 does the following: 1) corrects a mailing address; 2) adds to the examples of nature-based outdoor recreation and allows playgrounds to be an eligible support facility when they are supplemental to the primary purpose of the grant; and 3) clarifies that the definition of “Project period” applies to both grant contracts and grant agreements.

Section 14 corrects a mailing address.

Section 16 does the following: 1) clarifies that a tribe is an eligible sponsor (the department is exercising its authority under s. 20.002(13), Stats., to include Federally recognized tribal governing bodies as eligible project sponsors); and 2) clarifies that sponsor match may not include property that was acquired in part or in whole with state funds.

Section 20 clarifies that variance requirements must be in the best interest of the Stewardship program.

Section 21 clarifies that title shall vest in the department, and clarifies that the reference for the requirements of property acquisition projects are contained in this chapter.

Section 22 combines requirements that were found in several subchapters of the rule, but that apply to multiple grant programs within the chapter. These requirements were moved to newly created sections ss. NR 51.005, 51.006 or 51.007 to eliminate duplication and to ensure consistency.

Section 23 repeals ss. NR 51.03 (1) - (12). These clauses referred to general provisions for Non Profit Conservation Organizations. Similar statements for Local Units of Government were written in later sections of the original rule. Repealing the separate sections, and then combining them under sections in ss. NR 51.005 and 51.006 of the rule eliminates duplication that exists in the current rule, and ensures consistency throughout all of the grants programs.

Section 24 renumbers s. NR 51.03 (13) because (1) – (12) are repealed.

Section 25 renumbers ss. NR 51.03 (14) & (15) because (1) – (12) are repealed, and amends them to clarify references, and to clarify who is eligible to receive a transfer of title for a stewardship grant funded property.

Section 26 is created to 1) fulfill the new requirements of s. 23.096 (2m), Stats., that allows for grant awards to nonprofit conservation organizations to be up to 75% of acquisition costs if they meet certain criteria and 2) define criteria for projects that all within department acquisition boundaries.

Section 27 repeals ss. NR 51.03 (16) - (20). These clauses referred to general provisions for Non Profit Conservation Organizations. Similar statements for Local Units of Government were written in later sections of the original rule. Repealing the separate sections, and then combining them under s. NR 51.006 of the rule eliminates duplication that exists in the current rule, and ensures consistency through all of the grants programs.

Section 28 amends the title to clarify the content of this section.

Section 29 renumbers ss. NR 51.04 (1)(a), (1)(a)(note), (1)(b), and (1)(c), and (1)(d), to s. NR 51.04 (1)(b)1., (1)(b)1.(note), (1)(b)2., (1)(b)3., and (1)(b)4., and amends them to include an address where information or forms can be found online, and corrects a mailing address, sentence structure, and grammatical errors.

Section 30 clarifies that non-profit conservation organizations applying for grants under subchapters XVII, XVIII, XIV, and XV must follow the application procedures outlined in s. NR 51.906.

Section 31 expands upon the criteria that must be provided to the department to show that an organization is an eligible nonprofit conservation organization.

Section 33 expands upon the criteria that must be provided to the department to show that an organization is an eligible nonprofit conservation organization, and allows for periodic review of a nonprofit conservation organization's eligibility as a sponsor.

Section 34 corrects titles and sentence structure, and clarifies ineligible acquisition projects.

Section 35 corrects sentence structure and grammatical errors, and adds the Wisconsin land legacy report as an example of an eligible comprehensive plan.

Section 36 requires that a grant contract indicate a sponsor must fulfill the signage requirements of s. 23.09165, Stats.

Section 37 requires the state's interest in the property to be recorded on the deed.

Section 38 corrects sentence structure and grammatical errors, and further clarifies the state's reversionary rights.

Section 39 requires that all grants comply with the requirements of s. 23.0916, Stats., for public access.

Section 41 does the following: 1) corrects sentence structure and grammatical errors; 2) includes an address where information or forms can be found online; 3) increases the amount of time to use escrow funds from 30 to 45 days; 4) clarifies how fair market value is determined; and 5) deletes "other evidence of marketable title" and "attorney's opinion of title merchantability" as items that the department will accept.

Sections 42 and 116 add permit fees as an eligible cost.

Section 43 corrects sentence structure, changes the valuation of donated labor from the federal minimum wage to Wisconsin minimum wage, indicates that a sponsor is eligible for an advance payment of 50% of the grant award, and clarifies that projects not completed within one year may be required to submit interim reports.

Section 44 clarifies the definition of "Priority site list" and updates it to reflect new department procedures.

Section 46 clarifies that grants made under this subchapter will require the property to be dedicated as a state natural area unless they can be exempted based on the listed criteria.

Section 47 clarifies where application deadlines can be found.

Section 48 updates what items are needed in a grant application for natural areas grants. Some previous items were deleted and new items were added to bring the rule up to date on what the department has determined is needed to evaluate the natural area potential of a parcel or project.

Section 49 does the following: 1) removes the requirement that the department “shall” fund a natural areas project; 2) defines when a natural areas project will receive high priority for approval; 3) corrects grammatical errors; and 4) updates the items reviewed to determine the natural value of a project in order to be more consistent with the new procedures of the Bureau of Endangered Resources.

Section 50 updates the items reviewed to determine the natural value of a project in order to be more consistent with the new procedures of the Bureau of Endangered Resources.

Section 51 removes the requirement that the department “shall” fund a natural areas parcel and defines when a natural areas parcel will receive high priority for approval.

Section 52 clarifies that natural area parcels that are not funded due to lack of funds will receive high priority than other projects when new funds are available.

Sections 53, 66, 95, 122, 136, and 144 clarify that definitions already defined in s. NR 51.002 also apply to this subchapter.

Section 54 repeals s. NR 51.35 because it is a duplicate of information already stated in ss. NR 51.05 (1)(a) and 51.33.

Section 55 clarifies the purpose of the habitat areas subchapter and brings it more in line with the statutory direction for designating habitat areas.

Section 56 removes reference to the department’s habitat areas program and clarifies that this section applies to grants not department acquisitions.

Section 57 repeals the definition of “Habitat restoration area” because the department no longer uses this section to define its acquisition areas.

Section 58 rennumbers ss. NR 51.42 (2) to 51.42 (1) because 51.42 (1) was repealed.

Section 59 does the following: rennumbers ss. NR 51.42 (3) to 51.42 (2); 2) moves the definitions of “Land management plan” and “Landowner” to the General Provisions section of the rule because they apply to more than this subchapter; 3) amends them to correct grammatical errors; and 4) removes “municipality” and adds “city, village and tribe” as landowner examples.

Section 61 is repealed and recreated to eliminate reference to department acquisition and to define issues that pertain to grants under the habitat areas subchapter.

Section 62 clarifies what type of habitat area projects are eligible and defines what projects should receive priority.

Section 63 clarifies the types of projects that are not eligible under the habitat areas subchapter.

Section 64 repeals s. NR 51.45 (3) because the items that determine project priority were previously added to ss. NR 51.45 (1)(a) and 51.45 (1)(b).

Section 68 clarifies that definitions already defined in s. NR 51.002 also apply to this subchapter, and clarifies that "Management plan" also has the meaning of "Land management plan".

Section 69 repeals the definition of "Landowner" because it is already defined under s. NR 51.002 (17m).

Section 70 corrects grammatical errors and clarifies that ss. NR 51.63 (1) and (2) are being referenced in this section.

Section 71 clarifies who is responsible for writing the land management plan and requires that the land management plan is incorporated into the grant contract.

Section 72 does the following: 1) clarifies that the listed activities are prohibited on streambank properties acquired with stewardship funds; 2) corrects the name of an agency being referenced; and 3) corrects a grammatical error.

Section 73 allows for properties that are within the watershed that have impact on water quality to qualify for grant purposes under this subchapter.

Section 75 corrects the name of the agency being referenced.

Section 77 adds new trails that have been designated by the Department since the last ch. NR 51 was updated and allows future trails that are designated to be eligible for grants under this subchapter.

Sections 78, 82 and 102 create titles.

Section 79 renumbers ss. NR 51.74 (1), (2)(intro), (2)(a), (2)(b), (2)(c), (2)(d), (2)(e), (2)(f), and (4) to s. NR 51.74 (1)(a), (1)(b), (1)(b)1., (1)(b)2., (1)(b)3., (1)(b)4., (1)(b)5., (1)(b)6., and (1)(c) to accommodate the change in title and organize existing subsections with the new titles, and to correct sentence structure.

Section 80 renumbers s. NR 51.74 (5) to 51.74 (1)(d) and corrects a grammatical error.

Section 81 renumbers s. NR 51.74 (6) to 51.74 (2).

Section 83 does the following: 1) renumbers ss. NR 51.74 (6) (a) and (6)(b) to 51.74 (2)(a) and (2)(b); 2) corrects sentence structure; and 3) corrects the name of an agency being referenced.

Section 84 renumbers s. NR 51.74 (6)(b)(note) to 51.74 (2)(b)(note).

Section 85 does the following: 1) renumbers ss. NR 51.74 (6)(c) and (6)(c)(note) to 51.74 (2)(c) and (2)(c)(note); 2) improves sentence structure; and 3) includes an address where information on forms can be found online.

Section 86 renumbers ss. NR 51.74 (6)(d) and (6)(e) to 51.74 (2)(d) and (2)(e).

Section 87 renumbers s. NR 51.74 (6)(f) to 51.74 (2)(f) and changes the advance payment that a sponsor is eligible to receive under this subchapter from 100% to 50%.

Section 88 renumbers ss. NR 51.74 (6)(f)(note) and (6)(g) to 51.74 (2)(f)(note) and (2)(g).

Section 89 renumbers s. NR 51.74 (6)(g)(note) to NR 51.74 (2)(g)(note) and includes an address where information on forms can be found online.

Section 90 corrects grammatical errors and further clarifies the state's reversionary rights.

Section 93 does the following: 1) improves sentence structure; 2) clarifies requirements and obligations of the Department and the Sponsor for applications, project advances and reimbursements; and 3) adds an address where information on forms can be found on line.

Section 94 removes the redundancy of eligible applicants.

Section 97 does the following: 1) corrects grammatical errors and improves sentence structure; 2) states that the sponsor will receive a recorded grant contract instead of a grant agreement; and 3) clarifies which property is being referenced.

Section 100 clarifies that tribes are an eligible sponsor. The department is exercising its authority under s. 20.002 (13), Stats., to include Federally recognized tribal governing bodies as eligible project sponsors.

Section 101 repeals and recreates s. NR 51.903 because "Basic facilities" and "Local share" because are not used in the chapter, so they do not need to be defined, and the definition for "SCORP" exists in s. NR 51.002 (26s) because it applies to the whole subchapter.

Section 103 corrects sentence structure, and clarifies that when stewardship dollars are given for a development project, the land that is developed is encumbered with stewardship requirements, not just the facilities that are developed.

Section 104 corrects a numbering issue.

Section 105 requires the state's interest in the property to be recorded on the deed.

Section 106 repeals ss. NR 51.904 (3) - (8). These clauses referred to general provisions for Local Units of Government. Similar statements for Non Profit Conservation Organizations were written in earlier sections of the original rule. Repealing the separate sections, and then combining them under ss. NR 51.005, 51.006 and 51.007 of the rule eliminates duplication that exists in the current rule, and ensures consistency through all of the grants programs.

Section 107 renumbers ss. NR 51.904(9)(intro) and 51.904 (9)(a) 51.904 (2)(intro) and

51.904 (2)(a) because ss. NR 51.904 (3) – (8) were repealed.

Section 108 does the following: 1) renumbers s. NR 51.904(9)(b) to 51.904 (2)(b) because ss. NR 51.904 (3) – (8) were repealed; 2) corrects sentence structure; and 3) increases the required lease length on developed properties not owned by the sponsor from 20 to 25 years.

Section 109 outlines the requirements for a boundary map on properties that receive stewardship funds for development projects.

Section 111 clarifies application deadlines, indicates where application materials can be obtained, both online and through the mail, and corrects sentence structure and grammatical errors.

Section 112 clarifies that final payment on a grant will not be made until all requirements are satisfied.

Section 113 clarifies that requirements related to grant cost share can be found in the new s. NR 51.006 (1) and removes the requirement for project sponsor to obtain a written waiver of retroactivity for acquisition projects.

Section 114 repeals s. NR 51.907 (1)(c). These clauses referred to grant awards for Local Units of Government. Similar statements for Non Profit Conservation Organizations were written in earlier sections of the original rule. Repealing the separate sections, and then combining them under new ss. NR 51.005, 51.006 or 51.007 eliminates duplication that exists in the current rule, and ensures consistency through all of the grants programs.

Section 115 changes “Local share” to “Sponsor match” for consistency throughout the chapter, and clarifies who establishes the county highway rates.

Section 117 changes “Local share” to “Sponsor match” for consistency throughout the chapter, and changes the valuation of donated labor from the federal minimum wage to Wisconsin minimum wage.

Section 118 restricts the value that can be used as a donated part of sponsor match to value that is reasonable and necessary for carrying out the project.

Section 120 includes an address where information and forms can be found online.

Section 121 clarifies the final reimbursement deadline.

Section 125 adds playgrounds as an example of an eligible support facility when they are supplemental to the primary purpose of the grant.

Section 126 clarifies that projects that provide access to water are eligible.

Section 127 corrects sentence structure and clarifies certain ineligible facilities that do not meet the definition of nature-based outdoor recreation.

Sections 129 and 143 give priority to projects using sustainable technology.

Section 130 corrects a statutory reference.

Section 131 corrects sentence structure, grammatical errors, and clarifies that definitions already defined in s. NR 51.002 also apply to this subchapter.

Section 132 clarifies that sponsors compete for these funds on a statewide basis and corrects sentence structure.

Section 133 clarifies the type of plan in which a project must be identified, and requires that the plan be adopted by a governmental unit before a grant will be approved.

Section 135 1) corrects sentence structure and grammatical errors; 2) requires that if a project is receiving priority points for implementing elements of water quality plans, that plan must be approved by a governing body; and 3) allows for priority to be given to projects of global significance.

Section 137 repeals “in-kind contribution” because it is not used in this chapter.

Section 138 renumbers ss. NR 51.932 (2), (3), and (4) to 51.932 (1), (2), and (3) because s. NR 51.932 (1) was repealed.

Section 140 corrects sentence structure and grammatical errors, changes “in-kind contributions” to “donations”, and requires that, prior to grant approval, a comprehensive outdoor recreation plan be adopted by a governmental unit rather than only in process of being adopted.

Section 141 repeals an example of scoring that is not accurate.

Section 145 repeals s. NR 51.942 (3) and (4) because the definitions of “Development” and “Development Rights” are largely incorporated into definitions under s. NR 51.002.

Section 146 repeals and recreates s. NR 51.943 because the part concerning applications received in fiscal year 2001 is outdated and no longer necessary.

Section 147 repeals s. NR 51.944 (1) and recreates it to give higher priority to projects that are supported by a comprehensive plan that has been adopted by a governmental unit.

Section 144 clarifies that projects must be supported by a comprehensive plan that has been adopted by a governmental unit.

Section 149 corrects sentence structure, and clarifies the type of plan in which the project must be identified.

Section 150 corrects the name of the fund under which grants are issued.

Section 151 renumbers ss. NR 51.990 through 51.950 to allow numbering space for the new chapters and reflects that the purpose is for issuance of grants from the heritage fund.

Section 152 renumbers ss. NR 51.991 through 51.951 to allow numbering space for the new chapters and reflects that the purpose is for issuance of grants from the heritage fund.

Section 153 does the following: 1) renumbers ss. NR 51.992 (title) and 51.992 to 51.952 (title) and 51.925 (1); 2) corrects the section title; and 3) clarifies that state trails are eligible projects.

Section 154 is created to list examples of ineligible projects.

Section 155 renumbers s. NR 51.993 (intro.) to 51.953 (intro.) and corrects sentence structure.

Section 156 renumbers s. NR 51.993 (1) and (2) to 51.953 (1) and (2).

Section 157 renumbers s. NR 51.993 (3) to 51.953 (3) and corrects sentence structure.

Section 158 repeals s. NR 51.993 (4) because those activities do not support the basis needs of department priorities.

Section 159 renumbers s. NR 51.993 (5) to 51.953 (4).

Section 160 renumbers s. NR 51.994 (title) 51.954 (title) and corrects the section title.

Section 161 creates a title to define this sub-section.

Section 162 renumbers s. NR 51.994 (1) to s. NR 51.954 (1)(a).

Section 163 does the following: 1) creates a title for the section; 2) adds an application deadline; and 3) indicates the website address where application materials can be obtained.

Section 164 repeals s. NR 51.994 (2) because application deadlines are outlined under the new s. NR 51.954 (1) (b).

Section 165 renumbers ss. NR 51.994 (3), (4), (5) to ss. NR 51.954 (2), (3) (a), and (3) (b) and expands the definition of local match, corrects sentence structure, and clarifies conditions that must be met for the department to advance grant funds.

Section 166 creates titles to help define each section.

Section 167 renumbers s. NR 51.994 (6) and (6)(Note) to 51.955 and 51.955 (Note) and corrects sentence structure.

Section 168 creates the subchapter title for the new County Forest grant program.

Section 169 outlines the purpose and applicability of the County Forest grant program, as authorized under s. 23.0953 (2)(a)1., Stats.

Section 170 defines phrases used in the County Forest grant program.

Section 171 identifies eligible applicants, eligible projects, ineligible projects and matching funds under the County Forest grant program.

Section 172 requires that eligible applicants must also sign a Memorandum of Agreement with the department to receive a grant under this subchapter.

Section 173 outlines program criteria, application ranking, and funding availability in the County Forest grant program.

Section 174 lists eligible and ineligible project costs in the County Forest grant program.

Section 175 outlines requirements for application content, submission deadline, and matching funds under the County Forest grant program.

Section 176 outlines application review procedures, appraisals and public notice requirements, legislative review requirements, and grant award calculation methodology under the County Forest grant program.

Section 177 outlines grant contract conditions, contract violations, and project signage under the County Forest grant program.

Section 178 identifies criteria for the department to issue payment under this subchapter.

Section 179 creates the subchapter title for the new program for Grants to Counties Assisting the Department.

Section 180 outlines purpose and applicability of this new grant program authorized in s. 23.0953 (2)(a)2., Stats.

Section 181 defines phrases that are specific to Grants to Counties Assisting the Department.

Section 182 lists eligible applicants under the Grants to Counties Assisting the Department program.

Section 183 lists eligible and ineligible projects for Grants to Counties Assisting the Department.

Section 184 lists eligible and ineligible project costs for Grants to Counties Assisting the Department.

Section 185 lists requirements for application content and matching funds for Grants to Counties Assisting the Department.

Section 186 outlines grant contract conditions and contract violations for Grants to Counties Assisting the Department.

Section 187 outlines grant payments for Grants to Counties Assisting the Department.

Section 188 creates the subchapter title for Recreational Boating Aids.

Section 189 outlines purpose of this grant program authorized in ss. 23.0917 (4j), 23.0917 (4j) (a), and 23.0917 (4j) (b), Stats.

Section 190 defines applicability of the Recreational Boating Aids program.

Section 191 identifies phrases that are specific to the Recreational Boating Aids program as defined in s. NR 7.02.

Section 192 lists eligible applicants for the Recreational Boating Aids program.

Section 193 lists eligible and ineligible projects for the Recreational Boating Aids program as defined in ss. NR 7.05 (1) – (11).

Section 194 outlines general provisions for the Recreational Boating Aids program as defined in s. NR 7.04.

Section 195 outlines grant application content and matching funds for the Recreational Boating Aids program as defined in ss. NR 7.08, 7.08 (3), 7.08 (4), 7.08 (5), and 7.08 (7).

Section 196 outlines grant award procedures under the Recreational Boating Aids program as defined in s. NR 7.09 and modified by ch. NR 51.

Section 197 provides information on effective dates.

Section 198 provides information on Board adoption.

**6. Summary of, and comparison with, existing or proposed federal regulations:** The Land and Water Conservation Fund (LWCF) is a federal grant program administered by the U.S. National Park Service. This program provides funding for the acquisition of land and the development of facilities for public outdoor recreation. Use of LWCF funds is directed by the Statewide Comprehensive Outdoor Recreation Plan that identifies general trends in outdoor recreation and identifies broad regional and statewide needs for land acquisition and recreational facility development.

The US Fish and Wildlife Service administers several programs that provide funding to the Department for land acquisition and facility development. Most of these funds are targeted to a specific purpose, such as the protection of habitat for endangered species, coastal areas and wetlands. In addition, the Department receives Federal funding for motor boat access acquisition and development; for wildlife habitat protection and management and for fisheries habitat protection and development. Generally land acquired with funds from the U.S. Fish and Wildlife Service must be open to the public. There are some limited restrictions on the types of activities that are allowed to occur on these federally funded properties.

**7. Comparison with Rules in Adjacent States:** Minnesota, Michigan, Iowa and Illinois all have land acquisition programs that allow for the purchase of land, either in fee or as easements. Many of these programs are similar to the Stewardship program.

Minnesota: The Natural and Scenic Areas Grant Program was created to increase, enhance and protect Minnesota's natural and scenic areas. The program provides \$500,000 in matching grants each year for fee simple purchases and conservation easements of environmentally important lands. <http://www.dnr.state.mn.us/grants/landlnaturalLscenic.html>

Michigan: The Michigan Natural Resources Trust provides approximately \$35 million in financial assistance each year to local governments and the Michigan DNR to purchase land or rights in land for public recreation or for environmental protection or scenic beauty. It also provides financial assistance for the development of land for public outdoor recreation. [http://www.michigan.gov/dnr/O.1607.7-153-10366\\_37984\\_37985-124961--OO.html](http://www.michigan.gov/dnr/O.1607.7-153-10366_37984_37985-124961--OO.html)

Iowa: Iowa has two programs of interest:

1- The Resource Enhancement and Protection grant program in Iowa was created to enhance and protect Iowa's natural and cultural resources. This program provides up to \$20 million annually to acquire land for recreational purposes. <http://www.iowadnr.gov/reap/index.html>

2- The Wildlife Habitat Promotion with Local Entities provides funding to county conservation boards for the acquisition and development of wildlife habitat. <http://www.iowadnr.gov/grants/wildlife.html>

Illinois: The Open Space Lands Acquisition and Development Program in Illinois provides approximately \$20 million in assistance annually to local government agencies for acquisition and development of land for public parks and open space. <http://www.dnr.state.il.us/ocd/newosladi.htm>

**8. Summary of factual data and analytical methodologies:** *2007 Wis. Act 20* included reauthorization of the Knowles-Nelson Stewardship Program for another 10 years with annual appropriations of \$86 million. The Stewardship Program is the primary funding source for land acquisition for conservation and public outdoor recreation in Wisconsin. Reauthorization included a provision requiring that lands purchased in whole or in part with funds from the Stewardship program under ss. 23.0915 and 23.0917, Stats., be open to hunting, trapping, hiking, fishing and cross country skiing unless the Natural Resources Board determines it is necessary to prohibit one or more of the nature-based activities to protect public safety, protect unique plant and animal communities, or to accommodate usership patterns.

In addition, *2007 Wis. Act 20* added two new grant subprograms and required that the recreational boating facilities grant program now be funded under the Stewardship program.

In addition to noting needed rule revisions over the last 10 years, Department staff have worked with the Stewardship Advisory Committee (SAC) on proposed revisions to ch. NR 51, Wis. Adm. Code. The SAC is appointed by the DNR Secretary. A complete listing of SAC members can be found at <http://dnr.wi.gov/org/caer/cfa/Grants/Agendas-Minutes/StewMembers.pdf>

**9. Analysis and supporting documents used to determine effect on small business or in preparation of economic impact report:** These rules and the legislation that grants the department rulemaking authority do not have a significant fiscal effect on the private sector or small businesses.

**10. Effect on small business:** No specific direct effect on small business is anticipated. This rule provides further guidance for the implementation of existing programs. No new business activity will be created as a result of revisions to this rule.

**11. Agency contact person:**

Amy Bradley  
Stewardship LUG Grant Manager  
(608) 267-0497  
[Amy.Bradley@wisconsin.gov](mailto:Amy.Bradley@wisconsin.gov)

**12. Place where comments are to be submitted and deadline for submission:**

Amy Bradley (CF/2)  
Bureau of Community Financial Assistance  
101 So. Webster Street  
P. O. Box 7921  
Madison, WI 53707

Deadline: Public hearings and deadlines for submission of comments have not yet been established.

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**Section 1. NR 51 (Table of contents) is amended to read:**

**Subchapter I — General Provisions**

NR 51.001 Purpose.  
NR 51.002 Definitions.  
NR 51.003 Variances.  
NR 51.004 Grants to conservation organizations.  
NR 51.005 General requirements for all grants  
NR 51.006 Requirements for land acquisition projects  
NR 51.007 Property uses inconsistent with the stewardship program

**Subchapter II — Nonprofit Conservation Organizations**

NR 51.01 Purpose.  
NR 51.02 Applicability.  
NR 51.03 General provisions.  
NR 51.04 Application procedures and organizational eligibility for grant assistance.  
NR 51.05 Eligible and ineligible acquisition projects.  
NR 51.06 Acquisition priorities.  
NR 51.07 Grant contracts for acquisition projects.  
NR 51.08 Grant payments for acquisition projects.  
NR 51.09 Eligible costs and grant payments for development and habitat restoration projects.

**Subchapter III — Natural Areas Grants**

NR 51.20 Purpose.  
NR 51.21 Applicability.  
NR 51.22 Definitions.  
NR 51.23 Eligible applicants.  
NR 51.24 Grant conditions.  
NR 51.25 Application procedure.  
NR 51.26 Approval of projects.  
NR 51.27 Approval of parcels.  
NR 51.28 Unfunded parcels.

**Subchapter IV — Bluff Protection**

NR 51.30 Purpose.  
NR 51.31 Applicability.  
NR 51.32 Definitions.  
NR 51.33 Priorities.  
NR 51.34 Factors to consider when awarding grants.  
~~NR 51.35 Grants to protect bluff land.~~

**Subchapter V — Habitat Areas**

NR 51.40 Purpose.  
NR 51.41 Applicability.  
NR 51.42 Definitions.  
~~NR 51.43 Habitat restoration areas.~~  
NR 51.43 Designation of habitat areas.  
NR 51.45 Grants for property acquisition.  
NR 51.46 Habitat restoration grants.

**Subchapter VI — Wild Lakes**

NR 51.50 Purpose.  
NR 51.51 Applicability.  
NR 51.52 Definitions.  
NR 51.53 Priority wild lake identification.  
NR 51.54 Grants for wild lakes.

**Subchapter VII — Stream Bank Protection**

NR 51.60 Purpose.  
NR 51.61 Applicability.  
NR 51.62 Definitions.  
NR 51.63 Priority stream identification.  
NR 51.64 Management plans.  
NR 51.65 Land management conditions.  
NR 51.66 Grants to nonprofit conservation organizations.

**Subchapter VIII — State Trails**

NR 51.70 Purpose.  
NR 51.71 Applicability.  
NR 51.72 Definitions.  
NR 51.73 Designation.  
NR 51.74 Grants for state trails.  
NR 51.75 Grant contracts.

**Subchapter IX — Grants for State Property Development**

NR 51.80 Purpose.  
NR 51.81 Applicability and definitions.  
NR 51.82 Allocation of funds.  
NR 51.83 Eligible projects.  
NR 51.84 Priorities.  
NR 51.85 Application and grant award procedures.

**Subchapter X — Baraboo Hills**

NR 51.880 Purpose.  
NR 51.881 Applicability.  
NR 51.882 Definitions.  
NR 51.883 Application and grant award procedures.  
NR 51.884 General provisions.  
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**Section 2. NR 51.002 (1), is amended to read:**

**NR 51.002 (1)** “Acquisition cost” means the fair market value of the property as determined by department appraisal guidelines, except as provided in s. 23.0917 (7) (b) to (d), Stats., and reasonable costs related to the purchase of the property. These costs are limited to the cost of appraisals, land surveys, relocation payments, title evidence, recording fees, initial posting of signage consistent with s. 23.09165 (3), Stats., with cost share not to exceed \$1,000, attorney fees for department required reviews with cost share not to exceed \$1,000, historical and cultural, and environmental assessments required by the department, and environmental inspections and assessments completed through contract by professional consultants. Acquisition costs do not include environmental clean-up costs, brokerage fees paid by the buyer, and real estate transfer taxes. When the seller has owned the property for less than three years, the acquisition cost shall be determined according to s. 23.0917(7)(b), (c) or (d), Stats.

**Section 3. NR 51.002 (2m) is created to read:**

**NR 51.002 (2m)** “Assignment” means the transfer of all rights and interests in property, and all obligations under a Stewardship grant contract to another nonprofit conservation organization or government unit eligible for a grant under this chapter, or an agency of the state of Wisconsin or of the U.S. Government.

**Section 4. NR 51.002 (3) and (3) (Note) are amended to read:**

NR 51.002 (3) “Baseline document” means an inventory of the features of a property including reports, maps, photographs and other ~~documentation materials~~ that provides an accurate representation of the property at the time an easement funded with a stewardship grant is executed. The baseline document is intended to serve as an objective information baseline for monitoring compliance with the terms of the easement.

**(3)(Note) Note:** For information on creating a baseline document, contact Gathering Waters Conservancy, a nonprofit conservation organization that provides technical assistance on easements, 211 S. Paterson St., Suite 180, Madison, WI 53703, or the DNR Bureau of Community Financial Assistance, P.O. Box 7921, Madison, WI 53707.

**Section 5. NR 51.002 (3m) and (3m)(Note) are created to read:**

NR 51.002 (3m) “Comprehensive Outdoor Recreation Plan (CORP)” means the document prepared and adopted by governmental units that summarize planning efforts for recreation, open space preservation, and resource protection. A CORP may include goals for acquisition, preservation, and development as well as specific park plans, facility plans, funding requests, and implementation plans for development projects.

**(3m)(Note) Note:** These plans typically cover 5 years.

**Section 6. NR 51.002 (4)(a) is amended to read:**

NR 51.002(4)(a) One of the purposes of the organization is to protect, enhance, or restore the state’s natural resources for the benefit of the general public.

**Section 7. NR 51.002 (5r), (6d), and (6d) (Note) are created to read:**

NR 51.002(5r) “Dedicated match”, means sponsor match that is dedicated or restricted by the donor or funding source to be used exclusively for a particular parcel.

(6d) “Department appraisal guidelines” means the department procedures by which contracted appraisers are required to assess the fair market value of a property where the title is to be acquired in fee simple or easement with funds under this chapter.

**(6d) (Note) Note:** A copy of the department appraisal guidelines are available from the DNR, Bureau of Community Financial Assistance, Box 7921, Madison, WI 53707, or online at <http://dnr.wi.gov/org/land/facilities/documents/REContractAppraisalGuidelines.pdf>.

**Section 8. NR 51.002 (7) is amended to read:**

NR 51.002 (7) “Development project” means the ~~development~~ construction, renovation, or modification of structures, utilities, facilities, landscaping, or restoration or enhancement of natural communities and other department-approved improvements for the purposes of nature-based outdoor recreation.

**Section 9. NR 51.002 (7d) and (8m) are created to read:**

**NR 51.002 (7d)** “Development rights” means the rights of a landowner to develop their property as allowed under state and local laws and ordinances.

**(8m)** “Fair market value” means the dollar value assigned to a property by a department-approved appraisal conducted in accordance with department appraisal guidelines for grants issued under this chapter.

**Section 10. NR 51.002 (9), (11), and (13) are amended to read:**

**NR 51.002 (9)** “Fiscal year” means the period ~~from~~ beginning on July 1 to and ending on June 30 of the following calendar year.

**(11)** “Governmental unit” means a town, village, city, county, tribe, or the Kickapoo reserve management board.

**(13)** “Grant contract” means a recorded contract between a ~~nonprofit conservation organization or conservation organization sponsor~~ and the department setting forth the obligations of each party.

**Section 11. NR 51.002 (13m) is created to read:**

**NR 51.002 (13m)** “Habitat area” or “HA” means a project that addresses the important habitat needs of wildlife in the state as specified in s. NR 51.45 (1)(a).

**Section 12. NR 51.002 (17) is amended to read:**

**NR 51.002 (17)** “Land management plan” means a plan approved by the department detailing how property acquired by a nonprofit conservation organization or a conservation organization with grants under this chapter shall be managed ~~and~~, maintained, and used by the public.

**Section 13. NR 51.002 (18)(Note), (19), and (24) are amended to read:**

**NR 51.002 (18)(Note) Note:** Information pertaining to the location of the kettle interlobate moraine physiographic region may be found in A Regional Natural Areas and Critical Species Habitat Protection and Management Plan for Southeastern Wisconsin, page 84, by the Southeastern Wisconsin Regional Planning Commission, or The Quaternary Geology of Ozaukee and Washington Counties, Wisconsin, Bulletin 19, pages 17–18 by the Wisconsin Geological and Natural History Survey. These publications are available from the Southeastern Wisconsin Regional Planning Commission, ~~916 N. East Avenue~~ W239 N1812 Rockwood Drive, Box 1607, Waukesha, Wisconsin 53187.

**(19)** “Nature-based outdoor recreation”, ~~under s. 23.0917 (4), Stats.,~~ means activities where the primary focus or purpose is the appreciation or enjoyment of nature. These activities may include but are not limited to hiking, bicycling, wildlife or nature observation, camping, nature study, fishing, hunting, trapping, public shooting range, boating, picnicking, cross-country skiing, canoeing and multi-use trail activities. ~~Support~~ Eligible support facilities for these activities may include but are not limited to access roads, parking areas,

utility and sanitation systems, sanitary and shelter building, signs, interpretive items, and other features that enhance nature-based outdoor recreation or improved disabled accessibility. Playgrounds and playground facilities that supplement the appreciation of nature, occupy a minor portion of the grant property, and do not distract from the primary purpose of the grant project may be considered an eligible support facility. Ineligible activities include but are not limited to sports that require extensively developed open space such as dedicated sports fields, swimming pools and tennis courts.

(24) "Project period" means the ~~period~~length of time specified in a grant agreement or grant contract during which all work shall be accomplished in order to be eligible for reimbursement.

**Section 14. NR 51.002 (26)(Note) is amended to read:**

**NR 51.002 (26)(Note) Note:** The addresses of each of the region offices are as follows:  
Southeast Region, 2300 N. Dr. Martin Luther King, Jr. Dr., Milwaukee, WI 53212  
South Central Region, 3911 Fish Hatchery Rd., Fitchburg, WI 53711  
West Central Region, 1300 W. Clairemont Ave., Eau Claire, WI 54702  
Northeast Region, ~~1125 N. Military Avenue,~~2984 Shawano Ave., Green Bay, WI 54307  
Northern Region, 810 W. Maple St., Spooner, WI 54801  
Northern Region, 107 Sutliff Ave., Rhinelander, WI 54501

**Section 15. NR 51.002 (26e), (26m), (26s) and (26s)(Note) are created to read:**

**NR 51.002 (26e)** "Residual Value" means any fair market value from an approved property donation that is not utilized as sponsor match in a grant application that may be used for sponsor match in subsequent grant applications.

**(26m)** "Reversionary Interest" means the right of the department to assume ownership of a property acquired with a grant under this chapter as specified in the grant contract, and under s. 23.096 (5), Stats.

**(26s)** "SCORP" means the statewide comprehensive outdoor recreation plan prepared by the department.

**(26s)(Note) Note:** A copy of the SCORP is available from the DNR, Bureau of Community Financial Assistance, Box 7921, Madison, WI 53707, or online at <http://dnr.wi.gov/planning/scorp>.

**Section 16. NR 51.002 (27) and (28) are amended to read:**

**NR 51.002 (27)** "Sponsor" means the city, village, town, tribe, county, nonprofit conservation organization, conservation organization, lake sanitary district, as defined in s. 30.50 (4q), Stats., public inland lake protection and rehabilitation district, or Kickapoo reserve management board that is applying for or has received a grant under this chapter.

**(28)** "Sponsor match" means ~~the~~that portion of the acquisition or development cost which is not funded by the state. Eligible sources of sponsor match may include cash from

the sponsor; funds generated by local or federal ~~government~~ governments; grants or contributions from foundations, businesses, private individuals or nonprofit organizations; property contributions from a third party if the contribution is made within 3 years of the acquisition of the property, and is considered by the department to be eligible for the same Stewardship grant program as the property being purchased, and was not originally purchased in whole or in part with state funds; property acquired by the sponsor within 3 years of the acquisition if the property was not purchased with state funds; and property value donated by the property owner.

**Section 17. NR 51.002 (29m) is created to read:**

**NR 51.002 (29m)** “Stewardship advisory council” means a group appointed by the department secretary to advise the department on Stewardship matters. The council shall consist of users of the stewardship grant program and other citizens.

**Section 18. NR 51.002 (30) is amended to read:**

**NR 51.002 (30)** “Stewardship grant” means a grant ~~of stewardship funds~~ awarded to a sponsor under this chapter.

**Section 19. NR 51.002 (31), and (32) are created to read:**

**NR 51.002 (31)** “Sustainable technology” means technologies that reduce the dependence on fossil fuels and conserve water.

**(32)** “Tribe” means a federally recognized Tribe or band of Tribe in this state.

**Section 20. NR 51.003 is amended to read:**

**NR 51.003 Variances.** The department may approve in writing a variance from a requirement of this chapter if the department determines that a variance is essential to effect necessary grant actions or program objectives and where special circumstances make a variance in the best interest of the stewardship program. Before approving a variance, the department shall take into account factors such as good cause, circumstances beyond the control of the sponsor, financial hardship and landowner demands. The department may seek the advice of the stewardship advisory council before issuing a variance. The department may not grant variances from statutory requirements.

**Section 21. NR 51.004 (5) and (6) are amended to read:**

**NR 51.004 (5)** Title to property acquired with a stewardship grant awarded to a conservation organization shall vest in the nonprofit organization. If the nonprofit organization or conservation organization violates any essential provision of the grant contract, as described in s. NR 51.07 (3), title to the land shall vest in the ~~state~~ department.

**(6)** Conservation organizations applying for grants for property acquisition shall meet all the requirements of ~~ch. NR 51~~ this chapter. The department shall evaluate the property according to the eligibility criteria and priorities in ss. NR 51.05 and 51.06.

**Section 22. NR 51.005, 51.006, and 51.007 are created to read:**

**NR 51.005 General requirements for all grants.** (1) The sponsor shall remit to the department that percentage of all revenues from the sale of any structures, improvements, or personal property that were included in the appraisal and subsequent acquisition cost equal to the percentage of cost-sharing received under this chapter.

(2) Income accruing to property receiving a grant under this chapter shall be used to further the objectives of the project as stated in the grant contract unless the department authorizes the income to be used to further the objectives of another stewardship project or the property is entered into the county forest law program under s. 28.11, Stats. If the property is entered into the county forest law program, income derived from the property shall be distributed according to s. 28.11, Stats.

(3) The sponsor may charge reasonable entrance, service or user's fees to defray operation and maintenance costs. Such costs shall be approved by the department. Fees for hunting permits shall be consistent with s. 23.09165 (3) (h), Stats.

(4) Sponsors shall comply with applicable state and federal regulations including bidding and awarding contracts, land acquisition, relocation, wage and labor rates, general and special zoning, land use permit requirements, access for persons with disabilities, flood disaster protection, environmental quality, and historical and archaeological preservation.

(5) A sponsor shall agree to comply with program requirements under this chapter for a property purchased or developed with a stewardship grant in perpetuity. Unless otherwise noted in the grant agreement or contract, a sponsor shall be responsible for operation and maintenance of any property or facility for which stewardship funds have been issued.

(6) Property transactions shall be subject to ss. 32.19 to 32.27, Stats., and relocation assistance shall be subject to ch. Comm 202.

Note: The following information is from ch. Comm 202. Under s. Comm 202.01 (14), "an owner occupant who voluntarily sells a property to a displacing agency not vested with eminent domain power" is not a displaced person and is not entitled to relocation assistance. Tenants who occupy a property are entitled to relocation assistance even if the owner is voluntarily selling the property. Under s. Comm 202.01 (14) (b) 4., a "tenant-occupant of a dwelling who has been promptly notified that he or she will not be displaced by the project" but who can remain permanently on the property subject to normal rental conditions and provisions may not be a displaced person who qualifies for relocation assistance so long as they are not required by the sponsor to move. Under s. Comm 202.01 (33), relocation assistance shall apply to all stewardship grants where the total of stewardship grants and all other public financial assistance or direct government acquisition costs in a project are at least \$25,000 for a project with total costs of less than \$50,000; or at least 50% in a project having total costs of \$50,000 or more.

(7) Sponsors may not discriminate against any person in the use and enjoyment of the property on the basis of age, race, creed, color, handicap, marital status, conviction record, arrest record, gender, national origin, ancestry, sexual orientation or military status.

(8) Negotiations between the sponsor and landowner shall be conducted on a willing seller – willing buyer basis. The department may require the sponsor to inform the landowner in writing that the sponsor may apply for a stewardship grant.

(9) The department shall have access to land acquired or developed with a stewardship grant in order to monitor compliance with the grant contract or carry out any management activity necessary to ensure the public's rights and safety. The department may require project sponsors to conduct self-inspections of these properties and periodically submit reports to the department.

(10) With prior written approval of the department, the sponsor may transfer the property acquired under this chapter to a third party that is not a creditor of the organization and that is eligible to receive a grant under this chapter, or is an agency of the state of Wisconsin or U.S. government. Department approval of the transfer is not valid until the assignment is signed

by the department and recorded in the appropriate county register of deeds office. Transfers of property shall include all of the following conditions:

(a) All conditions and restrictions, including public uses, imposed by the grant contract and land management plan shall run with the property.

(b) Any subsequent owners shall execute an assignment that states that the new owners have received and reviewed the grant contract and land management plan and shall abide by their provisions.

(c) Stewardship property transferred to a governmental unit or another eligible sponsor shall comply with s. 23.0917 (8) (c), Stats.

(11) The department may choose to accept a transfer of property acquired under this chapter.

(12) Pursuant to s. 23.0917 (6) (m), Stats., any award of \$750,000 or more under this chapter must be reviewed by the Joint Committee on Finance of the Wisconsin Legislature.

(13) Sponsors that violate the terms of the grant contract shall not be eligible to apply for future grants under this chapter until the department determines that the violation is corrected and that the sponsor is once again operating in accordance with the terms of the grant contract.

#### **NR 51.006 Requirements for land acquisition projects.**

(1) GRANT COST SHARE. Except for grants issued under s. 23.0917(4m)(i), s. 23.0917(4m)(j), and s. 23.096 (2m), Stats., the department shall award grants for up to 50% of the acquisition cost. The remainder of the acquisition cost shall come from sponsor match. The sponsor shall indicate all known sources of sponsor match when the grant application is submitted to the department, and dedicated match must be specifically identified.

(2) ACQUISITION COST CALCULATION. The acquisition cost of donated and acquired property is either the fair market value and other costs approved by the department according to s. NR 51.002(1), or may be the owner's purchase price plus the annual adjustment increase, as specified in s. 23.0917(7)(b), (c), or (d), Stats, when the seller has owned the property for less than three years.

**Note:** The department is requesting revisions to s. 23.0919(7), Stats., that would require property value to be determined by the lesser of fair market value or acquisition cost. Until the statute is revised, the department will abide by s. 23.0917(7) when determining grant awards when the seller has owned the property for less than 3 years.

**Note:** A copy of department appraisal guidelines are available from the DNR, Bureau of Community Financial Assistance, Box 7921, Madison, WI 53707, or online at <http://dnr.wi.gov/org/land/facilities/documents/REContractAppraisalGuidelines.pdf>.

(3) PROPERTY USED AS A PORTION OF SPONSOR MATCH. (a) With approval of the department, the sponsor may use up to 50% of the fair market value of a donated property or of a property purchased with other than state funds as all or part of sponsor match, but only to the extent that stewardship grant assistance is needed to acquire the subject parcel, and if the donated property is acquired by the sponsor within 3 years of the date that the subject parcel is to be acquired.

(b) The amount that can be used for sponsor match shall equal the fair market value or the amount of cash needed by the sponsor for the purchase, whichever is less, so there will be no grant payment in excess of the monies actually needed for the purchase.

(c) Donations of property are eligible as sponsor match only if the match property is eligible for the same stewardship grant program as the property being acquired. The match property shall be encumbered in perpetuity by the conditions and restrictions of that stewardship program purpose.

(d) If approved by the department, any residual value from an approved property match that is not utilized as sponsor match for a grant application may be used for sponsor match in subsequent grant applications that qualify under the same stewardship grant program. The sponsor has 36 months following the date that the department issued the original grant under this chapter to submit future applications that will use the residual value.

Note: For example: A sponsor wishes to buy Parcel A with a fair market value of \$14,000, but a purchase price of only \$10,000. Parcel B, with fair market value of \$20,000, has been donated to the sponsor by another landowner and the sponsor uses Parcel B as its sponsor match for grant purposes. When grant funding is provided by the Department, both Parcels A and B become part of the program. The total value of both Parcel A and Parcel B is  $\$14,000 + \$20,000 = \$34,000$ . A grant under this chapter will normally not exceed 50% of the total project costs, or  $50\% \times \$34,000 = \$17,000$ . However, because it only cost the sponsor \$10,000 to purchase Parcel A, a grant award of \$17,000 would result in profit for the sponsor. Therefore, the grant award to the sponsor can only be \$10,000. The remaining \$7,000 in value may be used as match by the sponsor for a subsequent application within 36 months of the date the Department issues the grant contract for both Parcels A and B.

(e) Property acquired through a lawfully required subdivision parkland dedication or through condemnation is not eligible to be used as sponsor match.

(4) SIGNAGE. Sponsors shall acknowledge the state's assistance in acquiring fee title or easement ownership of a property, and provide notice of public access with content that meets the requirements in s. 23.09165 (3), Stats., by placement of signs or in any other manner approved by the department. The department may provide one-time cost-sharing to eligible project sponsors for signage consistent with the requirements of s. 23.09165 (3), Stats., with cost-share not to exceed \$1,000, even if property being signed was purchased in part with a Stewardship grant before the effective date of this rule.

(5) PUBLIC ACCESS. As a condition of the grant contract, a sponsor acquiring property through title in fee simple with a grant under this subchapter shall ensure that the property is available for public access as provided in s. 23.0916, Stats. The department may grant exceptions to this access requirement in accordance with s. 23.0916, Stats., and ch. NR 52.

(6) EASEMENT ACQUISITION. (a) For easements acquired with a stewardship grant, the sponsor shall not convert or approve conversion of land encumbered by the easement to uses inconsistent with the easement or the grant contract.

(b) When a stewardship grant is awarded for acquisition of an easement, the sponsor shall prepare a baseline document, approved by the landowner and available to the department for inspection, before grant payments are made.

(c) The sponsor shall monitor any easement acquired with a stewardship grant at least once a year to ensure that the provisions of the easement are being satisfied. The sponsor shall compare the condition of the property with the baseline document, and shall enforce all easement provisions. The sponsor shall submit a report documenting annual monitoring and any enforcement measures pursued to the department as requested.

(d) The sponsor shall ensure that the holder of any mortgage or land contract on easement property shall subordinate its rights to the terms of the easement before grant payments are made.

(e) The sponsor shall use the department's standard easement template for the appropriate stewardship grant program when developing its easement document.

Note: Copies of the department's easement standards and guidelines are available from the DNR, Bureau of Community Financial Assistance, Box 7921, Madison, WI 53707, or online at <http://dnr.wi.gov/org/caer/cfa/Grants/easement.html>.

(f) The department shall have access to property on which an easement is acquired with a grant under this chapter, in a reasonable manner upon prior notice to the sponsor and the landowner, to monitor compliance with the conditions of the grant contract. The conditions of that access shall be contained in the easement agreed to by the landowner. The department

may grant exceptions to this access requirement in extraordinary situations according to the procedure in s. NR 51.003.

(7) PUBLIC NOTICE. The Department shall follow procedures identified in s. NR 52.04, when notifying the public of land acquisition projects seeking funding under this chapter.

(8) TITLE. Title to property acquired with a stewardship grant shall vest in the sponsor, except when acquired by the Kickapoo reserve management board where title shall vest in the state.

**NR 51.007 Property uses inconsistent with the stewardship program.**

(1) The sponsor may not convert property purchased or developed with a grant under this chapter to uses that are inconsistent with the stewardship program or the grant contract, without the prior written approval of the department.

(2) If a sponsor converts property to an inconsistent use not approved by the department, the sponsor shall return the property to the use specified in the grant contract or the sponsor shall replace the property with a different property, approved by the department. The department's approval of replacement property shall include consideration of at least equal value, acreage, and benefit consistent with the stewardship grant program for which funding was originally approved.

(3) If a sponsor converts a facility to an inconsistent use not approved by the department, the sponsor shall return the facility to the use specified in the grant contract, or replace the facility with one of equal value used for the same purpose within a timeline approved by the department.

(4) The department shall not approve the conversion of properties acquired with grants given to nonprofit conservation organizations for projects under s. 23.096, Stats.

(5) Sponsors that fail to abide by the terms of the grant contract which results in the impairment of the conservation values shall not be eligible to apply for future grants under this chapter until they correct the impairment and the department determines that the sponsor is once again operating in accordance with the terms of the grant contract.

**Section 23. NR 51.03(1), (2), (3), (4), (5), (6), (6)(Note), (7), (8), (9), (10), (11), and (12) are repealed.**

**Section 24. NR 51.03 (13) is renumbered NR 51.03 (1).**

**Section 25. NR 51.03 (14) and (15) are renumbered NR 51.03 (2) and (3) and are amended to read:**

**NR 51.03 (2)** If the nonprofit conservation organization dissolves, all title, right and interest held by the sponsor in and to the property purchased under this chapter shall vest in the state, without the necessity of reentry, unless a transfer under ~~sub. 12~~ s. NR 51.005 (10) is approved by the department.

**(3)** Within the land acquisition ~~subprogram~~ grant program under s. 23.0917 (3), Stats., and subchs. I through VIII of this chapter, the department may not award grants to governmental units, but it may consider projects involving both nonprofit conservation organizations and eligible governmental units as partners when those projects ~~meet department objectives~~ further the objectives of this chapter. Pursuant to s. 23.096 (4), Stats., the department may approve a transfer of title from the nonprofit conservation organization

to an eligible governmental unit, an agency of the state of Wisconsin, or the U.S. government for the purpose of long-term management as outlined in s. NR 51.005 (12).

**Section 26. NR 51.03 (4) and (5) are created to read:**

**NR 51.03 (4)** The department may award grants of up to 75% of the acquisition cost of the property pursuant to s. 23.0916 (2m), Stats.

**(5)** A sponsor acquiring property with a stewardship grant that is within the acquisition boundaries of a department project shall provide to the department plans for public use and land management that are consistent with department management plans for use of the property.

**Section 27. NR 51.03 (16), (17), (18), (19), and (20) are repealed.**

**Section 28. NR 51.04 (title) is amended to read:**

**NR 51.04 (title)** Application procedures and organization eligibility for grant assistance.

**Section 29. NR 51.04 (1)(a), (1)(a)(Note), (1)(b), (1)(c), and (1)(d) are renumbered (1)(b)1., (1)(b)1.(Note), (1)(b)2., (1)(b)3., and (1)(b)4., and are amended to read:**

**NR 51.04 (1)(b)1.** Applications for ~~stewardship grant assistance~~ funding under this chapter shall be submitted to the appropriate region office on forms provided by the department. The department may request more detailed information and may withhold evaluation of the application until the additional information requested has been received.

**(1)(b)1. (Note) Note:** Copies of application forms and instructions are available from the DNR, Bureau of Community Assistance, Box 7921, Madison, WI 53707, or online at <http://dnr.wi.gov/org/caer/cfa/LR/Stewardship/NCO/nonprofit.html>.

**(1)(b)2.** The department may approve applications ~~as they come in~~ when submitted, year-round, to the extent that funds are available or the department may establish application deadlines for ~~individual components~~ subchapters of the stewardship programs in order to ~~rate~~ and rank competing applications.

**(1)(b)3.** The department shall ~~send~~ provide written notification to sponsors of department decisions regarding their applications after all application materials have been received and acted upon by the department.

**(1)(b)4.** The department may ~~make~~ provide a conditional decision to approve a project or award a grant, but withhold a final decision or grant payment until identified contingencies are satisfied.

**Section 30. NR 51.04 (1)(a) and (1)(b)(intro.) are created to read:**

**NR 51.04 (1)(a)** Nonprofit conservation organizations that apply to the department for urban greenspace grants under s. 23.09 (19), Stats., subch. XIII, aids for the acquisition and development of local parks under s. 23.09 (20), Stats., and subch. XII, acquisition of development rights grants under s. 23.09 (20m), Stats., and subch. XV, and urban rivers

grants under s. 30.277, Stats., and subch. XIV, shall follow application procedures listed under s. NR 51.906.

**(1)(b)(intro.)** Except as provided in par. (a) above, applications from nonprofit conservation organizations shall follow the following procedures when submitting applications to the department:

**Section 31. NR 51.04 (2)(a) is amended to read:**

**NR 51.04 (2)(a)** An organization shall be eligible for the stewardship program once it has provided evidence satisfactory to the department that it is a nonprofit conservation organization under s. NR 51.002 (21). Evidence shall include all of the following:

1. Most recent IRS Filing (Form 990). Organizations not required to file Form 990 should provide most recent year-end financial statements.

Note: Copies of IRS Form 990 are available online at <http://www.irs.gov/pub/irs-pdf/f990.pdf>

2. A copy of the most recent audit. Organization shall comply with annual Single Audit requirements as specified in OMB Circular A-133.

3. Most recent annual financial statements consisting of income statement and balance sheet.

4. A copy of the NCO by-laws.

5. A copy of the NCOs articles of incorporation.

6. A copy of the IRS letter of tax-exempt status determination.

7. A description of endowment funds, if applicable.

8. Other materials in support of the NCO eligibility including brochures about the organization, newsletters, annual reports, copy of land acquisition policies, criteria for evaluation of land, or other materials.

**Section 32. NR 51.04 (2)(b) is renumbered (2)(d) and is amended to read:**

**NR 51.04 (2)(d)** The department may award a-stewardship grant under this chapter to a sponsor after the sponsor has provided evidence satisfactory to the department that it has the financial capacity and the ability to acquire property and provide for its long-term management and maintenance.

**Section 33. NR 51.04 (2)(am), (2)(am)(Note), (2)(b), (2)(b)(Note), (2)(c), and (2)(e) are created to read:**

**NR 51.04 (2)(am):** By April 30 of each year, the Department shall establish and publish on its Stewardship grant web site a cumulative Federal and state funds threshold amount for which organizations will be required to annually submit items in par. (2)(a)1., (2)(a)2., and (2)(a)3..

**(2)(am)(Note) Note:** To view the Stewardship grant website, please go to:  
<http://dnr.wi.gov/org/caer/cfa/LR/Stewardship/stewardship.html>

**(2)(b)** Organizations shall have their Boards of Directors adopt a resolution indicating the organization's commitment to continual progress toward implementation of *Land Trust Standards and Practices*. Organization shall submit the adopted resolution to the Department.

**(2)(b)(Note) Note:** To obtain a copy of a sample resolution and learn more about the *Land Trust Standards and Practices*, please go to:  
<http://www.landtrustalliance.org/learning/sp/lt-standards-practices07.pdf>.

**(2)(c)** An organization shall request grant eligibility on a form provided by the department.

**(2)(e)** The department may periodically review an organization's eligibility.

**Section 34. NR 51.05 (title), (1)(intro.), (2)(intro.), (2)(b), (2)(c), and (2)(d) are amended to read:**

**NR 51.05 (title) Eligible and ineligible acquisition projects.**

**(1)(intro.) ELIGIBLE PROJECTS.** The department may award ~~stewardship grants~~ under this chapter to nonprofit conservation organizations for acquisition of all or some of the rights of property or a portion of property for the following:

**(2)(intro.) INELIGIBLE PROJECTS.** Property that is not eligible for grants includes The department shall not award stewardship grants for ineligible acquisition projects including:

**(2)(b)** Any property that was acquired more than one year before a grant application is submitted for that property. ~~Eligible parcels that are not awarded grants~~ properties not funded in the fiscal year in which ~~they are an application is~~ submitted due to insufficient funds may be considered for funding in following subsequent fiscal years.

**(2)(c)** ~~Property~~ Any property that is used or may be used for licensed game farms, fur farms, deer farms, shooting preserves, forest nurseries or experimental stations.

**(2)(d)** ~~Property~~ Any property used for commercial or industrial purposes, except with prior written approval of the department for sponsor fundraising and other activities by project sponsors as approved by the department that protect or enhance the conservation values of the project.

**Section 35. NR 51.06 (1), (2), (4), and (5) are amended to read:**

**NR 51.06 (1)** The department shall base its evaluation of acquisition projects on information submitted in the application as well as site visits and technical review comments. Property shall be evaluated and grants awarded according to criteria and priorities specific for the different purposes of the each stewardship grant program identified in s. NR 51.05.

**(2)** In awarding grants under s. 23.0917 (3), Stats., the department shall give priority to all of the purposes listed in s. 23.0917\_(3) (c), Stats.

**(4)** A higher priority may be placed on existing projects or large projects, which may be pursued in collaboration with others, where the multiple acquisition of adjacent parcels will provide greater benefit for natural resource conservation than single-parcel projects.

(5) A higher priority may be placed on projects that have been identified as important for natural resource protection in a comprehensive plan pursuant to s. 66.1001, Stats., the Wisconsin land legacy report, another plan that has as one of its purposes the protection of natural resources, or the natural heritage inventory database.

**Section 36. NR 51.07 (1) is amended to read:**

**NR 51.07 (1)** Stewardship grants shall be subject to the execution of a grant contract between the department and sponsor. The grant contract shall recognize the state's interest in the property acquired and ensure that sponsors shall provide adequate land management, signage in accordance with s. 23.09165, Stats., and maintenance, or in the case of easements shall monitor and enforce the conditions of the easement, in accordance with provisions contained in the grant contract and in a land management plan approved by the department. The grant contract shall be recorded in the office of the register of deeds in the appropriate county.

**Section 37. NR 51.07 (1d) is created to read:**

**NR 51.07 (1d)** The sponsor shall declare the state's interest in the Stewardship property on the warranty deed in the appropriate county register of deeds office, using language provided by the department.

**Section 38. NR 51.07 (3)(intro.), (3)(b), (3)(c), and (3)(e) are amended to read:**

**NR 51.07 (3)(intro.)** If the sponsor violates any condition of the grant contract identified as essential pursuant to s. 23.096 (5), Stats., and fails to correct it within 6 months after written notification from the department, it shall be a violation of the grant contract, and all title, right and interest held by the sponsor in and to the property shall vest in the state without the necessity of reentry or legal judgment. The following conditions of the grant contract are essential:

**(3)(c) Property** The sponsor shall make property tax payments ~~shall be made~~ on time and ~~kept~~ keep taxes current unless property taxes are not required.

**(3)(e) Property** acquired with a ~~stewardship~~ grant under this chapter may not be closed to the public unless the department determines that it is necessary to protect species of plants, wild animals or other natural features or if the right of public access is not acquired as part of the rights purchased with an easement.

**Section 39. NR 51.07 (3)(f) is created to read:**

**NR 51.07 (3)(f)** All grant applications and approved projects must comply with the requirements for public access in ch. NR 52 and s. 23.0916, Stats.

**Section 40. NR 51.07 (4) is amended to read:**

**NR 51.07 (4)** ~~Additional~~ The Department may include additional conditions and restrictions ~~may be contained~~ in the grant contract.

**Section 41. NR 51.08 (intro.), (2), (2)(Note), (3)(Note), (4)(a), (4)(b)(intro.), (4)(b)2., and (4)(b)4. are amended to read:**

**NR 51.08 (intro.) Grant payments for acquisition projects.** The department may not approve grant payments to a sponsor until the following conditions have been satisfied:

(2) The department has ~~approved the determined the fair market value~~ of the property according to department appraisal guidelines ~~or as required by s. 23.0917 (7), Stats. and NR 51.006 (2).~~

(2)(Note) Note: The department's appraisal guidelines are available from the DNR, Bureau of Community Financial Assistance, Box 7921, Madison, WI 53707, or online at <http://dnr.wi.gov/org/land/facilities/documents/REContractAppraisalGuidelines.pdf>.

(3)(Note) Note: The department's environmental inspection report form is available from the DNR, Bureau of Community Assistance, Box 921, Madison, WI 53707 or online at <http://dnr.wi.gov/org/caer/cfa/LR/Stewardship/forms.html>

(4)(a) Except as provided in par. (b), a final title insurance or other evidence of marketable title policy insuring the full fair market value of the property has been approved by the department and the interests of the state under the grant contract have been declared in a recorded instrument of conveyance.

(4)(b)(intro.) Upon the request of the sponsor, the department may elect to pay out up to 100% of the grant award to a non-interest bearing escrow account before conveyance of the property to the sponsor if the department has approved the title commitment ~~or an attorney's opinion of title merchantability~~ and if the escrow holder has agreed to release the funds only under the following conditions:

(4)(b) 2. The escrow holder insures title to or receives title insurance for the property subject only to exceptions contained in the title commitment ~~which that~~ has been approved by the department; ~~or the escrow holder receives a department approved title opinion.~~

(4)(b) 4. ~~Funds shall be returned to the department~~ Escrow funds not used within 30 45 days of the closing date of department issuance shall be returned to the department if the closing does not occur as scheduled unless the department approves an extension.

**Section 42. NR 51.09 (1)(a)4. is created to read:**

**NR 51.09 (1)(a) 4.** Permit fees necessary for the completion for the project.

**Section 43. NR 51.09 (1)(b), (1)(c)2., (3)(a), (3)(d), (3)(e), and (3)(f) are amended to read:**

**NR 51.09 (1)(b)** Engineering or planning fees necessary to design and complete a project may be eligible and may be retroactive.

(1)(c)2. The maximum value of donated, non-professional labor shall be equal to prevailing federal Wisconsin minimum wage requirements.

(3)(a) The department may provide an advance payment equal to 50% of the grant award if the sponsor provides proof that it has its share of the project costs.

(3)(d) The sponsor shall return any unexpended grant ~~monies~~ advances to the department within 90 days after project completion or the project period end date, whichever is sooner.

(3)(e) The department may withhold final payment of the grant amount until all project, legal and program requirements have been satisfied. ~~Accounting~~ The sponsor shall provide accounting for all stewardship grants ~~shall be~~ in accordance with generally accepted accounting principles and practices. ~~Financial~~ The sponsor shall maintain financial records including documentation to support accounting records ~~shall be available for review by state officials~~ the department for a period of 4 years after final payment.

(3)(f) For projects that ~~continue longer than~~ are not complete in one year, the department may require the sponsor to submit one or more interim reports that contain details of progress and other information regarding the status of the project.

**Section 44. NR 51.22 (6) is amended to read:**

**NR 51.22 (6)** "Priority site list" means a list of sites existing and proposed natural area projects generated and revised periodically by the department based on the natural heritage inventory database, ~~if appropriate, and on the department review of proposed sites for natural area projects~~ state natural area program analyses, and other sources.

**Section 45. NR 51.22 (6m) is created to read:**

**NR 51.22 (6m)** "Project" means an area, defined in writing, that the sponsor wants to purchase for a specific natural area purpose. A project normally contains several parcels but may contain just one.

**Section 46. NR 51.24 is amended to read:**

**NR 51.24 Grant conditions.** Grants ~~awards~~ awarded under this subchapter shall be made with the condition that the property shall qualify for dedication and be dedicated as a state natural area under ss. 23.27 and 23.29, Stats., except for those sites that the department may, with good cause, exempt from the dedication requirement. Good cause includes, but is not limited to, sites that are buffer areas, have deed restrictions, or contain potentially ephemeral natural values such as rookeries and bird concentration areas individual rare species populations.

**Section 47. NR 51.25 (1) is amended to read:**

**NR 51.25 Application procedure. (1) APPLICATION DEADLINES.** Deadlines are as stated in ~~subch. 1 s.~~ NR 51.04.

**Section 48. NR 51.25 (2) is amended to read:**

**(2) PROJECT APPLICATIONS.** Applications shall include:

- (a) ~~A list of the goals of the project in terms of natural area protection: What natural values will be protected by the project?~~
- (b) ~~The boundary of the project mapped on a U.S.G.S. 7.5-minute quadrangle map;~~
- (c) ~~A history of the land use within the project boundary;~~
- (d) ~~A history of the land use surrounding the project;~~
- (e) ~~A history of the past disturbances;~~
- (f) ~~A discussion of the present threats to the natural values of the project;~~
- (g) ~~A proposed land management plan including detailed plans for restoration of those areas not of natural area quality within the project boundary;~~
- (h) ~~Recent air photos;~~
- (i) ~~A justification of the long-term viability of the site: Is the natural area protection goal realistic given the natural values to be protected, the size of the project, the surrounding land use, and the proposed land management plan?~~

(a) A proposed site conservation and land management plan containing a discussion of the following:

1. The project's goals, including the conservation targets of the project, and the importance of the project from a local, regional, statewide, or global perspective.
2. A detailed site description, including natural features and their acreages, any rare species present, and the context in which the project fits into the landscape
3. A history of land use and past site disturbances.
4. The present and potential threats to the natural values of the project.
5. A justification of the long-term viability of the site including an explanation for why the natural area protection goals are realistic given the natural values to be protected, the size of the project, the surrounding land use, and the proposed land management plan.
6. The proposed public access to and allowable uses of the site, including those required in s. 23.0916, Stats.
7. The proposed rules or restrictions proposed by the sponsor, if any.
8. A description of land management objectives and strategies designed to achieve management goals and to maintain the site's natural values and natural processes, including methods for controlling invasive plant and animal species and a management implementation schedule.
9. A plan for any proposed facility developments, such as trails, signs, parking areas, or boardwalks.

(b) Available plant and animal species lists, Natural Heritage Inventory records, ecological survey results, and any reports describing the site, its features, and its importance. Include citations to such data or to other sources of information that support the protection of the project.

(c) A detailed topographic map and/or aerial photograph showing the overall natural area boundary along with the boundary of the specific project and any specific use zones therein.

**Section 49. NR 51.26 (intro), (1), (2), and (3) are amended to read:**

**NR 51.26 (intro)** The department shall evaluate each project as follows by considering the following:

(1) If the A project that is within a boundary or boundaries approved by the department and is listed on the current state natural areas priority site list it shall be approved shall receive high priority for approval.

(2) If the A project that is not within the boundary of a current state natural area or listed on the current state natural areas priority site list, the department shall review proposed projects that are eligible be reviewed for natural area designation pursuant to s. 23.27 (1) (e) and (f), Stats. The criteria used to evaluate natural values of proposed project are as follows:

(a) The quality of the natural ~~value~~ values to be protected, including a comparison of the project with others and a consideration of the size, maturity, and unique attributes of the natural values.

(b) The condition of the natural ~~value~~ values to be protected, including an analysis of the degree to which the natural ~~value~~ has values have been damaged or altered from its optimal condition and character.

(c) The long-term viability of the natural ~~value~~ values to be protected, including the extent to which the project meets the minimum area size required by area-dependent species of concern; the adequacy of the project to maintain community function and dynamics; the impacts that fragmentation, isolation and size of community may have on its longevity; and the ability of the project to support minimum viable populations of species to be protected.

(d) The defensibility of the natural ~~value~~ values and the project from adverse effects, both natural and anthropogenic, that threaten it.

(3) The criteria used to evaluate and rank proposed projects are as follows:

(a) The rarity of the natural ~~value~~ values to be protected as rated by the Natural Heritage Inventory or other authority recognized by the scientific community.

(b) The number of natural values to be protected and/or their areal extent.

(c) The degree to which the natural ~~value~~ values and the project are threatened and the degree to which they are already protected.

(d) The value of the area for scientific research and conservation education.

(e) The degree to which acquisition, as opposed to other protection tools, will protect the natural ~~value~~ values.

(f) The degree to which this type of natural ~~value~~ is values are already protected in the state.

**Section 50. NR 51.26 (3)(g) is created to read:**

NR 51.26 (3)(g) The value of the site as an ecological benchmark or reference area.

**Section 51. NR 51.27 is amended to read:**

**NR 51.27 Approval of parcels.** In a given fiscal year, parcels within ~~the boundaries of~~ an approved project or projects on the current state natural areas priority site list shall be ~~funded unless there are more parcels than money available given a higher priority for funding~~ by the department.

**Section 52. NR 51.28 is amended to read:**

**NR 51.28 Unfunded parcels.** Parcels within an approved project or projects on the current state natural areas priority site list that are consistent with s. 23.0917 (6m), Stats., and that are not funded due to insufficient funds may be resubmitted the following fiscal year and shall receive first higher priority for funding within the appropriate priority groups listed in s. NR 51.2826.

**Section 53. NR 51.32 is amended to read:**

**NR 51.32 Definitions.** In addition to the definitions in s. NR 51.002, the following definition applies to this subchapter; ~~“bluff”~~ **“Bluff”** means a hill, ridge or similar landform significantly elevated above the surrounding landscape, having a broad, steep face or cliff, and adjoining the shoreline or coastal lowlands of Lake Michigan or Lake Superior. **“Bluff”** includes an elevated landform having a steep face or bedrock cliff associated with the escarpment of Niagara dolomite within 6 miles of the Lake Michigan shoreline in Door and Brown counties.

**Section 54. NR 51.35 is repealed.**

**Section 55. NR 51.40 is amended to read:**

NR 51.40 Purpose. The purpose of this subchapter is to establish the administrative framework for the implementation of the habitat areas program to protect, enhance, and restore wildlife habitat in Wisconsin in order to expand opportunities for wildlife-based recreation. The goals of the program will be achieved through acquisition of property, and habitat restoration and establishment of habitat restoration areas.

**Section 56. NR 51.41 is amended to read**

NR 51.41 Applicability. This subchapter applies to ~~the department’s habitat areas program under s. 23.092, Stats., and grants to nonprofit conservation organizations pursuant to s. 23.092, Stats., and 23.096, Stats., and conservation organizations pursuant to s. 23.197 (4), Stats.~~

**Section 57. NR 51.42 (1) is repealed.**

**Section 58. NR 51.42 (2) is renumbered to NR 51.42 (1)**

**NR 51.42 (1)** “Habitat restoration contract” means a recorded contract between the department and a nonprofit conservation organization, nonprofit organization, or conservation organization or landowner setting forth the obligations of each and identifying land management practices and their cost, installation schedule and maintenance requirements.

**Section 59. NR 51.42 (3), (4) and (5) are renumbered to NR 51.42 (2), NR 51.002 (17d) and NR 51.002 (17m), and are amended to read:**

**NR 51.42 (2)** “Habitat restoration grant” means a grant given ~~of stewardship funds under this subchapter~~ to a nonprofit conservation organization, nonprofit organization or conservation organization to undertake a habitat restoration project that includes the installation of land management practices

**NR 51.002 (17d)** “Land management practice” means a practice, technique or measure approved by the department ~~which~~ that is determined to be an effective, practicable means of protecting, restoring or enhancing wildlife or fish habitat.

(17m) "Landowner" means any individual, partnership, corporation, ~~municipality~~, city, village, town, county, tribe, nonprofit organization, taxing authority or other person holding title to the land by fee title in fee simple.

**Section 60. NR 51.42 (3), (4) and (5) are created to read:**

NR 51.42 (3) "Long-term" means planning to last longer than 3 years.

(4) "Timber Plantation" means a stand composed primarily of trees established by planting or artificial seeding.

(5) "Wildlife-based recreation" means activities where the primary purpose is the appreciation or enjoyment of wildlife and includes hunting, fishing, trapping, nature appreciation, and the viewing of game and non-game species.

**Section 61. NR 51.43 is repealed and recreated to read:**

NR 51.43 **Designation of habitat areas.** When the department issues a grant for a property acquisition under this subchapter, it has designated that property as a Habitat Area, pursuant to s. 23.092 (1m), Stats.

**Section 62. NR 51.45 (1) is amended to read:**

NR 51.45 **Grants for property acquisition.** (1) ELIGIBLE PROJECTS. Nonprofit conservation organizations may apply for stewardship grants to acquire property to protect, enhance or restore wildlife habitat. (a) Habitat area projects addressing the most pressing needs of wildlife in the state which have one or more of the following characteristics, shall receive preference for funding:

1. Places that contain or have the restoration potential for high priority wildlife habitat according to state, regional, or federal wildlife plans.

2. Places harboring unique or exceptional species or habitats for which Wisconsin plays a critical and central conservation role.

3. Places that provide critical landscape or ecosystem linkages.

4. Places that provide wildlife-based recreation.

(b) Secondary factors the department shall consider when evaluating projects include:

1. Places that have high levels of documented public and landowner support.

2. Places where acquisition efforts to protect conservation and recreation lands will complement, and be complemented by, local land use plans.

3. Places that are under imminent threat of loss or significant and long-term degradation

**Section 63. NR 51.45 (2) is amended to read:**

NR 51.45 (2) INELIGIBLE PROJECTS. ~~Ineligible projects which are not eligible to receive grants~~ include:

(a) Property containing or planned to contain buildings or other facilities designed for intensive recreational use such as including playgrounds, roads, picnic areas, boating and camping facilities, playing fields or shelters, and other uses that are not compatible with wildlife-based recreation, as defined under s. NR 51.42 (5), unless the facility occupies only

a small portion of the property and the department determines it does not diminish the property's wildlife habitat value.

(b) Property which is intended to be used for long-term timber plantations.

(c) Property which is intended for long-term agricultural use.

**Section 64. NR 51.45 (3) is repealed.**

**Section 65. NR 51.46 (1), NR 51.46 (3)(intro.), and NR 51.46 (4) are amended to read:**

**NR 51.46 Habitat restoration grants.** (1) Conservation organizations may apply for habitat restoration grants to install land management practices ~~which~~ that restore or enhance wildlife habitat that meet the project characteristics in s. NR 51.45. ~~Habitat~~ The department shall provide habitat restoration grants ~~shall be~~ in an amount up to 50% of the cost of the habitat restoration project. Project sponsors may request an advance payment of up to 50% of the grant amount or they may request interim payments.

(3)(intro.) ~~Sponsor shall be selected to receive~~ The department shall award habitat restoration grants based on the following:

(4) Sponsors shall install and maintain land management practices in accordance with provisions contained in the habitat restoration contract which shall be recorded in the office of the county register of deeds and with a land management plan for the property referenced in the habitat restoration contract.

**Section 66. NR 51.52 and 51.52 (Note) are amended to read:**

**NR 51.52 Definitions.** In addition to the definitions in NR 51.002, the following definition applies to this subchapter: ~~“wild lake”~~ “Wild lake” means a lake or flowage of at least 5 acres, or significant portions thereof, identified in the Wisconsin register of waterbodies, where human influence, such as structural development of its shorelands, is not significant or can be removed at costs deemed warranted by the department. If the waterbody is not found in the Wisconsin register of waterbodies database, department staff will make a determination on whether to add the waterbody to the register as a lake or flowage.

**(Note) Note:** The Wisconsin Register of Waterbodies, which is the state's official electronic database for identification of surface waters of the state, is maintained by the Bureau of Fisheries Management ~~and Habitat Protection~~ and is available for inspection at the Department's offices at 101 S. Webster Street, Madison, and at DNR service centers.

**Section 67. NR 51.53(intro.), (7), (8) and (9) are amended to read:**

**NR 51.53 (intro.)** The department shall consider the following priorities for stewardship grants or department projects for acquisition of property, not listed in order of priority:

(7) ~~Degree~~ The degree to which the acquisition adds to previously acquired shorelands along the lake or the extent that the acquisition continues or completes a previously started project.

(8) ~~Extent~~ The extent to which the acquisition reduces fragmentation of terrestrial or aquatic habitat as evidenced by the proximity to other public lands, clusters of lakes, and linkages to other surface waters.

(9) Other unique features, including, but not limited to, natural scenic beauty, archaeological, geological or cultural features.

**Section 68. NR 51.62 (intro.) and (1) are amended to read:**

**NR 51.62 (intro.) Definitions.** In addition to the definitions in s. NR 51.002, the following definitions apply to this subchapter:

(1) "Management plan" means a written plan describing conditions and activities which shall be enforced and allowed on property acquired by the department under s. 23.094, Stats., and as defined in s. NR 51.002 (17), for grant projects.

**Section 69. NR 51.62 (2) is repealed.**

**Section 70. NR 51.63 (intro.) and (3) (intro.) are amended to read:**

**NR 51.63 (intro.) Priority stream identification.** ~~Streams shall be identified by the department as~~ The department shall identify priority streams for department projects, using the following criteria, not listed in order of priority:

(3) (intro.) Streams satisfying subs. (1) and (2) above shall be further prioritized based on the following:

**Section 71. NR 51.64 is amended to read:**

**NR 51.64 Management plans.** ~~The department sponsor~~ shall prepare a management plan for each stream or stream segment on which it intends to acquire stream bank property. Grant projects require a department approved management plan that will be incorporated by reference into the grant contract.

**Section 72. NR 51.65 (1)(intro), (5), and (6) are amended to read:**

**NR 51.65 (1)(intro)** The following activities are prohibited on stream bank property acquired under this subchapter unless specifically approved by the department in the management plan:

(5) The department may allow installation and maintenance of management practices meeting USDA ~~soil~~ natural resource conservation service standards, such as cattle stream crossings, riprap and cattle watering areas, if the management practice does not conflict with the purpose of an easement.

(6) Public access to an eased area may be a condition of an easement if ~~the~~ public use does not conflict with the purpose of the easement.

**Section 73. NR 51.66 is amended to read:**

**NR 51.66 Grants to nonprofit conservation organizations.** The department may award grants to nonprofit conservation organizations to acquire property on stream corridors and within the watershed of the stream which meet the criteria established in s. NR 51.63.

**Section 74. NR 51.70 (2) is amended to read:**

**NR 51.70 (2)** The department may designate state trails ~~which~~ that meet the purposes of s. 23.175, Stats., as a part of the state trail system. The department may provide for or assist in the acquisition of state trails by nonprofit conservation organizations, and enter into agreements with nonprofit conservation organizations or governmental units for their development, administration and management.

**Section 75. NR 51.72 (2) is amended to read:**

**NR 51.72 (2)** “Certified” means the recognition and signing by the U.S. national park service of completed segments of the Ice Age trail as provided for in the Ice Age national scenic trail comprehensive plan for management and use, national park service, 1983.

**Section 76. NR 51.72(2m) is created to read:**

**NR 51.72 (2m)** “Managing cooperator” means the nonprofit conservation organization or governmental unit that owns and/or operates an acquisition as a state trail purchased with funds under this subchapter.

**Section 77. NR 51.73 (1) is amended to read:**

**NR 51.73 Designation. (1)** The 400, Ahnapee, ~~Amery to Dresser~~, Badger, Bearskin, Buffalo River, Capital City, Cattail, Chippewa River, Devil’s River, Eisenbahn, Elroy–Sparta, Fox River, Friendship, Gandy Dancer, Glacial Drumlin, Great River, Green Circle, Hank Aaron, Hillsboro, La Crosse River, Mascoutin Valley, Military Ridge, Mountain–Bay, Newton Blackmour, Nicolet, North Country, Oconto River, Old Abe, Pecos, Red Cedar, Saunders, Stower Seven Lakes, Sugar River, Tomorrow River, Tuscobia, White River, Wild Goose, Wild Rivers, Wiouwash, and Wolf River, trails are designated as state trails, and others as designated by the department.

**Section 78. NR 51.74 (1) (title) is created to read:**

**NR 51.74 (1)** LAND ACQUISITION.

**Section 79. NR 51.74 (1), (2)(intro), (2)(a), (2)(b), (2)(c), (2)(d), (2)(e), (2)(f), and (4) are renumbered NR 51.74 (1)(a), (1)(b), (1)(b) 1., (1)(b) 2., (1)(b) 3., (1)(b) 4. (1)(b) 5., (1)(b) 6., and (1)(c).**

**Section 80. NR 51.74 (5) is renumbered to NR 51.74 (1)(d) and is amended to read:**

**NR 51.74 (1)(d)** In addition to the provisions in sub. (1), the department may acquire lands for the Ice Age trail ~~out of~~ from monies appropriated under s. 20.866 (2), Stats., and dedicate them under the provisions of s. 23.293, Stats. The department may acquire lands for

the Ice Age trail as provided for in s. 23.293, Stats., only in project areas approved by the natural resources board.

**Section 81. NR 51.74 (6) is renumbered 51.74 (2).**

**Section 82. NR 51.74 (2) (title) is created to read:**

**NR 51.74 (2) (title) PURCHASE OF EQUIPMENT AND MAINTENANCE OF THE ICE AGE TRAIL.**

**Section 83. NR 51.74 (6)(a), (6)(b) are renumbered (2)(a), (2)(b) and are amended to read:**

**NR 51.74 (2)(a)** The department may expend funds received under ~~the provisions of s. 20.370 (7) (fa), Stats.,~~ for the purchase of equipment and materials for the maintenance of the Ice Age trail. Purchase may include leasing under the provisions of s. 16.754 (1) (d), Stats.

**(2)(b)** Portions of the Ice Age trail eligible for funding under this subsection are those under the ownership and management of the department, or those dedicated to the department under the provisions of s. 23.293, Stats., and managed by another party under the provisions of a management contract with the department, or recognized by the department, or certified by the U.S. national park service. Portions eligible for funding shall also meet the standards of the Ice Age national scenic trail. Sections where the trail overlaps developed, multi-use trails are not eligible for funding.

**Section 84. NR 51.74 (6)(b)(note) is renumbered to NR 51.74 (2)(b)(note).**

**Section 85. NR 51.74 (6)(c) and (6)(c)(Note) are renumbered (2)(c) and (2)(c)(Note) and amended to read:**

**(2)(c)** The department may expend the funds as grants. Nonprofit conservation organizations or governmental units managing portions of the Ice Age trail under the provisions of par. (b) may nominate maintenance projects on the appropriate department form, and include a cost estimate and supported by at least 2 quotes ~~to support cost estimates~~ for items above \$500.00. The grant amount shall be 50% of eligible project costs. Eligible project costs are defined in s. NR 51.09.

**(2)(c)(Note) Note:** The appropriate department form may be obtained from the Bureau of Community Financial Assistance, Department of Natural Resources, P.O. Box 7921, Madison, WI 53707, and on line at  
[http://dnr.wi.gov/org/caer/cfa/Grants/Forms/8700001\\_fill.pdf](http://dnr.wi.gov/org/caer/cfa/Grants/Forms/8700001_fill.pdf)

**Section 86. NR 51.74 (6)(d) and (6)(e) are renumbered NR 51.74 (2)(d) and (2)(e).**

**Section 87. NR 51.74 (6)(f) is renumbered to (2)(f) and is amended to read:**

**NR 51.74 (2)(f)** Upon signing the grant agreement, the sponsor may request up to ~~100%~~ 50% of the grant amount. The department may require proof that the sponsor has the remaining funds needed for the project.

**Section 88. NR 51.74 (6)(f)(note) and (6)(g) are renumbered to NR 51.74 (2)(f)(note) and (2)(g).**

**Section 89. NR 51.74 (6)(g)(note) is renumbered to NR 51.74 (2)(g)(note) and amended to read:**

**NR 51.74 (2)(g)(note) Note:** The appropriate department form may be obtained from the Bureau of Parks and Recreation, Department of Natural Resources, P.O. Box 7921, Madison, WI 53707, or online at <http://dnr.wi.gov/org/caer/cfa/LR/Stewardship/forms.html>

**Section 90. NR 51.75 (title), (intro.), (2), (5), and (13) are amended to read:**

**NR 51.75 (title) Grant contracts or grant agreements.**

**51.75 (intro)** Grant contracts or grant agreements between the department and sponsors for state trail acquisition and management shall, in addition to the requirements in subch. II, require the sponsor to:

(2) Specify which uses shall be permitted ~~and managed for~~.

(5) Keep the state trail open for public use after completion of the land acquisition and development. If the state trail ever ceases to be used for state trail purposes, then all rights shall revert to the department without necessity of reentry or legal judgment. The department has no obligation to develop and operate the trail and all permanent improvements made to the trail by the sponsor or its agent shall become the property of the department.

(13) If the trail is also a part of the Ice Age trail or the North Country trail and it qualifies for certification as a component of a national scenic trail, the managing cooperator shall, upon completion of the trail development, and where feasible, apply to the U.S. national park service for certification as a component of the Ice Age national scenic trail, or North Country national scenic trail and sign the trail accordingly.

**Section 91. NR 51.82 is amended to read:**

**NR 51.82 Allocation of funds.** The department may allocate up to \$250,000 each year under the ~~subprogram~~ grant program for property development and local assistance, under s. 23.0917 (4), Stats., for grants to friends groups and nonprofit conservation organizations. The department may not obligate or encumber more than \$20,000 in each fiscal year for any one department property.

**Section 92. NR 51.84 (3) (intro.) is amended to read:**

**NR 51.84 (3) (intro.)** ~~Additional factors that may be considered~~ The department may consider the following additional factors when awarding grants for projects on property owned and managed by the department ~~are~~:

**Section 93. NR 51.85 (1), (1)(note), (2), (3), (4), (6), (7), and (8) are amended to read:**

**NR 51.85 Application and grant award procedures.** (1) Applications for stewardship grants under this subchapter shall be submitted to the department property manager on forms

provided by the department. Applications shall include a detailed description of the proposed project, a cost estimate, timetable and other information required by the department.

**Note:** A copy of the application form may be obtained from the DNR, Bureau of ~~Community Financial Assistance~~ Parks and Recreation, Box 7921, Madison 53707, and on line at <http://dnr.wi.gov/org/caer/cfa/LR/stewardship/5500112.pdf>

(2) The department shall establish one or 2 application deadlines each year and shall evaluate and prioritize applications received by those deadlines according to the priorities in this subchapter. ~~Funds shall be allocated~~ The department shall allocate funds to projects based upon their priority until all funding is exhausted. Sponsors whose projects are not funded will receive an explanation of eligibility or priority ranking results. Sponsors may request that their projects be reconsidered in another fiscal year if the project is eligible for funding. Resubmissions will be judged without prejudice or preferential priority.

(3) ~~Grant applications shall be developed~~ Sponsors shall develop grant applications cooperatively with the department property manager.

(4) ~~Any~~ The department is responsible for any environmental assessments, historical or cultural assessments, permits and miscellaneous approvals required to implement the project shall be the responsibility of the department. ~~Work-Friends groups may not begin work until all applicable permits have been obtained.~~

(6) The department may advance up to 100% of the grant ~~payment award~~ to the sponsor once the sponsor provides documentation that it has its share of project costs has signed the grant agreement and returned it to the department. The department shall only provide one advance to a sponsor for each grant awarded under this subchapter. If the department does not provide an advance totaling 100% of the grant award, a sponsor may request partial reimbursement from the department of the grant award balance only after that sponsor has submitted to the department all documentation to justify costs associated with the expenditure of the entire advance. Sponsors requesting partial reimbursement shall do so in increments of not less than ten percent (10%) of the total grant award. Sponsors shall provide adequate documentation in support of their partial reimbursement request before the department considers the request. Sponsors may submit partial reimbursement requests to the department at any time after an advance is issued and before submitting a final report for the project.

(7) ~~Projects may be completed~~ Sponsors may complete projects in up to 3 phases and funded for a maximum of 3 fiscal years, subject to the project's annual priority ranking and availability of funds. No sponsor may receive more than \$60,000 under this subchapter for any one project that is completed in phases. A sponsor shall complete a usable component of the project at the end of each phase. The department may shall require that one phase be completed and that grant closed out before it awards a grant for the next phase.

(8) Each sponsor that receives a grant ~~award under this subchapter~~ shall maintain accurate and complete financial records of project expenses in accordance with generally accepted accounting principles and practices. A final report, which documents project expenses, shall be submitted to the department property manager within 90 days of the completion of the project or by the end date indicated in the grant agreement, whichever is sooner. Upon completion and submittal of the final grant report, the Department shall reimburse remaining grant funds for which the sponsor is eligible. If expenses for the project are less than

estimated, the sponsor shall return any unused grant funds advance with the final report. Sponsors that have not submitted a final report or returned unused advances within 90 days of the completion of the project or by the end date indicated in the grant agreement will not be eligible for new grant awards under this chapter until the past-due grant is closed out.

**Section 94. NR 51.880 is amended to read:**

**NR 51.880 Purpose.** The purpose of this subchapter is to establish standards and procedures for implementation of a grant program ~~for governmental units and nonprofit conservation organizations~~ to acquire property under s. 23.0917 (4m), Stats. Grants shall be used only to acquire property for conservation purposes in the Baraboo hills.

**Section 95. NR 51.882 is amended to read:**

**NR 51.882 Definitions.** In addition to the definitions in s. NR 51.002, the following definition applies to this subchapter:; “Baraboo hills” means the area within the boundaries of the Baraboo Range national natural landmark, as officially designated by the U.S. national park service as of March 29, 1999.

**Section 96. NR 51.883 (1) is amended to read:**

**NR 51.883 (1)** Sponsors shall submit applications on the prescribed department form. The department may consider applications as they ~~come in~~, are submitted year-round, to the extent that funds are available, or if substantially oversubscribed for available funding, the department may establish application deadlines in order to evaluate and prioritize competing applications.

**Section 97. NR 51.883 (3), (6), and (7) (b) 1. are amended to read:**

**NR 51.883 (3)** Grants shall be awarded for any amount up to ~~and including~~ 100% ~~of the lesser of the purchase price paid by the sponsor plus eligible acquisition costs, or the fair market value of property as established by department appraisal guidelines plus eligible acquisition costs, whichever is less.~~

**(6)** The department shall ~~notify successful sponsors and send~~ provide a grant contract ~~or grant agreement~~ to the successful sponsor ~~which that~~ shall be signed by both the department and the sponsor before any funds can be released to the sponsor.

**(7)(b)1.** The acquisition shall provide for the perpetual protection of the conservation values of the matching property.

**Section 98. NR 51.884 (1)(a) is amended to read:**

**NR 51.884 (1)(a)** ~~Shall be~~ Be located in the Baraboo hills. Property located within the acquisition boundary of any state park or state-owned natural area as of March 29, 1999, is not eligible for grants under this subchapter.

**Section 99. NR 51.885 (1)(intro.) and (1)(b) are amended to read:**

**NR 51.885 (1)(intro.)** The department shall select property for financial assistance in accordance with the following priorities ~~which~~ that are not listed in order of priority:

**(1)(b)** Acquisitions ~~which~~ that are identified for conservation or recreation in a plan approved by a governmental unit.

**Section 100. NR 51.902 (intro.) is amended to read:**

**NR 51.902 (intro.)** This subchapter is applicable to towns, villages, cities, counties, tribes, lake sanitary districts, as described in s. 30.50 (4q), Stats., public inland lake protection and rehabilitation districts, and the Kickapoo reserve management board that apply to the department for urban greenspace grants under s. 23.09 (19), Stats., subch. XIII, aids for the acquisition and development of local parks under s. 23.09 (20), Stats., and subch. XII, acquisition of development rights grants under s. 23.09 (20m), Stats., and subch. XV, and urban rivers grants under s. 30.277, Stats., and subch. XIV.

**Section 101. NR 51.903 is repealed and recreated to read:**

**NR 51.903 Definitions.** In addition to the definitions in NR 51.002, the following definition applies to this subchapter: "Force Account" means the resources of the sponsor, including personnel services or labor, equipment and materials.

**Section 102. NR 51.904 (1) (title) is created to read:**

**NR 51.904 (1) (title) Property management, boundaries, and deed.**

**Section 103. NR 51.904 (1) is renumbered (1)(a) and is amended to read:**

**NR 51.904 (1) (a)** The sponsor shall manage property purchased and ~~facilities~~ property that is developed with stewardship funds funding under this subchapter to preserve and enhance the conservation and recreation values of the property.

**Section 104. NR 51.904 (2) is renumbered (1)(b).**

**Section 105. NR 51.904 (1)(c) is created to read:**

**NR 51.904 (1)(c)** The sponsor shall declare the state's interest in the Stewardship property on the warranty deed and record the deed in the appropriate county register of deeds office, using language provided by the department.

**Section 106. NR 51.904 (3) through (8) are repealed.**

**Section 107. NR 51.904 (9)(intro.) and (9)(a) are renumbered NR 51.904 (2)(intro.), and NR 51.904 (2)(a).**

**Section 108. NR 51.904 (9)(b) is renumbered NR 51.904 (2)(b) and is amended to read:**

**NR 51.904 (2)(b)** The department may award ~~stewardship grants~~ under this subchapter for development projects on property not owned by the sponsor provided the sponsor has a lease of at least 2025 years or more, and oversight and control of the property for at least 2025 years.

**Section 109. NR 51.904 (2)(c) and (3) are is created to read:**

**NR 51.904 (2)(c)** The boundary map submitted by the sponsor shall encompass a viable public outdoor recreation area that is capable of being self-sustaining without reliance upon adjoining or additional areas not identified in the scope of the project. Except in unusual cases where it can be shown a smaller area is clearly a self-sustaining outdoor recreation resource, the area subject to Stewardship protection will be the park, open space, or recreation area being developed.

**(3) Requirements for Acquisition Projects.** Requirements that apply to acquisition projects can be found in s. NR 51.005.

**Section 110. NR 51.905 (intro.), and (2) are amended to read:**

**NR 51.905 General priorities.** ~~Except in fiscal year 2001~~ For fiscal years 2002 and later, factors that shall be considered in rating projects requesting funding under ~~ss. 23.09 (19), (20) and (20m) and 30.277, Stats.,~~ subchs. XII, XIII, XIV, and XV include:

**(2)** Whether the comprehensive planning plan incorporates intergovernmental cooperation.

**Section 111. NR 51.906 (1), (1)(Note), (2), (3), (4), (6), and (7) are amended to read:**

**NR 51.906 (1)** Project sponsors shall submit applications on prescribed department forms to the appropriate region office by delivered or postmarked no later than May 1 of each year; ~~except as provided in s. NR 51.943 (2).~~

**(1)(Note) Note:** ~~Application forms are available from department at region offices.~~ Copies of application forms and instructions are available from the DNR, Bureau of Community Assistance, Box 7921, Madison, WI 53707, or online at <http://dnr.wi.gov/org/caer/cfa/Grants/Forms/StewAppInstructions.pdf>.

**(2)** The department shall evaluate, score, and rank completed applications to determine which sponsors shall receive grants under ~~ss. 23.09 (19), (20) and (20m) and 30.277, Stats~~ subchapters XII, XIII, XIV, and XV of this chapter.

**(3)** The department shall fund projects in priority rank order within each grant program until all grant funds available within a grant program have been awarded.

**(4)** The department shall notify all sponsors ~~as to their success in obtaining a grant and regarding whether the grant has been awarded, and if awarded, the department~~ shall send a grant agreement contract.

**(6)** Project activities and costs incurred shall be within the project period, ~~project~~ scope and ~~project~~ amount as shown in the grant agreement contract.

(7) The sponsor may request a change in project period, scope, or grant amount prior to the project period end date.

**Section 112. NR 51.906 (8) is created to read:**

**NR 51.906 (8)** The department may make a conditional decision to approve a project or award a grant, but withhold a final decision or grant payment until all identified contingencies are satisfied.

**Section 113. NR 51.907 (1)(a) and (1)(b) are amended to read:**

**NR 51.907 (1)(a)** ~~Except for grants issued under s. 23.0917 (4m) (i) and (j), Stats., for the Baraboo hills, the department shall award grants for up to 50% of the acquisition cost as determined according to s. 23.0917 (7), Stats. The grant amount may not exceed 50% of the purchase price of the property and other eligible costs specified in s. NR 51.002 (1). The remainder of the acquisition cost shall come from local share. The sponsor shall indicate all known sources of local share when the grant application is submitted. Requirements and calculations of grant cost share for land acquisition projects shall be determined pursuant to s. NR 51.006 (1).~~

**(1)(b)** Land acquisition costs may be retroactive for up to one year before the grant application is submitted ~~upon prior written approval of the department providing to the department by the sponsor, provided that~~ the sponsor can demonstrate a need to proceed at the time.

**Section 114. NR 51.907 (1) (c) is repealed.**

**Section 115. NR 51.907 (2)(a)(intro.) and (2)(a) 3. are amended to read:**

**NR 51.907 (2)(a)(intro.)** The department may issue grants for up to 50% of necessary development project costs that are consistent with the project scope and incurred during the project period. The sponsor shall indicate all known sources of the local share sponsor match when the grant application is submitted to the department. Eligible costs include, but are not limited to:

**(2)(a)3.** The cost of leased equipment used for project related purposes. The cost of the use of equipment owned by the sponsor may not exceed the county highway rates established annually by the Wisconsin department of transportation.

**Section 116. NR 51.907 (2)(a) 5. is created to read:**

**NR 51.907 (2)(a)5.** Fees for permits necessary to complete the project.

**Section 117. NR 51.907 (2)(b)(intro.), (2)(b)1., (2)(b)2., and (2)(b) 5. are amended to read:**

**NR 51.907 (2)(b)** The substantiated value of materials, equipment, professional services or labor donated for the project may be used as all or part of the local share sponsor match of the project cost subject to all of the following:

(2)(b)1. All known sources of the ~~local share~~ sponsor match shall be ~~indicated~~ identified when the grant application is submitted.

(2)(b)2. The maximum value of donated, non-professional, labor shall be equal to the prevailing ~~federal~~ Wisconsin minimum wage requirements.

(2)(b)5. The value of an ~~approved~~ a property donation may be used as ~~local share~~ sponsor match for a development project.

**Section 118. NR 51.907 (2)(b)6. is created to read:**

NR 51.907 (2)(b)6. The donated value is reasonable and necessary for carrying out the project.

**Section 119. NR 51.908 (1), (2)(a), and (2)(c) are amended to read:**

NR 51.908 (1) Sponsors may request an advance payment of up to 50% of the grant amount at the time the grant agreement or grant contract is signed by the department and project sponsor.

(2)(a) The sponsor has submitted a claim supported by appropriate evidence of project expenditures. Accounting for all ~~stewardship~~ grants under this subchapter shall be in accordance with generally accepted accounting principles and practices. Financial records including documentation to support accounting records shall be available for review ~~state officials~~ by the department for a period of 4 years after final payment.

(2)(c) All requirements and conditions under ss. 23.09 (19), (20) and (20m) and 30.277, Stats., this chapter, and the grant agreement or grant contract have been complied with.

**Section 120. NR 51.908 (3)(Note) is created to read:**

NR 51.908 (3)(Note) Note: The payment forms can be found online at <http://dnr.wi.gov/org/caer/cfa/LR/Stewardship/forms.html>.

**Section 121. NR 51.908 (4) is amended to read:**

NR 51.908 (4) The sponsor shall submit claims for final reimbursement within 6 months of the completion of the project or the project period end date, whichever comes first.

**Section 122. NR 51.912 is amended to read:**

NR 51.912 In addition to the definitions in s. NR 51.002, the following definition applies to this subchapter: "Aids for the acquisition and development of local parks" means the program created under s. 23.09 (20), Stats., with funds appropriated under s. 20.866 (2) (ta), Stats.

**Section 123. NR 51.913 is amended to read:**

**NR 51.913** The department shall apportion funds to projects on a region allocation system. Seventy percent of the funds available under this subchapter shall be allocated on the basis of each region's proportionate share of the state population. The remaining 30% shall be divided equally between the counties and then apportioned to each region based on the number of counties in the region.

**Section 124. NR 51.914 (2) and (3) are amended to read:**

**NR 51.914 (2)** ~~Grant sponsors~~ Sponsors shall submit a local comprehensive outdoor recreational plan or documentation that the project has been identified in a comprehensive plan pursuant to s. 66.1001, Stats., ~~to the department~~ in order to be eligible for ~~aids for the acquisition or development of local parks grants under this subchapter~~. A plan shall be consistent with the outdoor recreation program under s. 23.30, Stats.

**(3)** ~~Cost~~ Sponsors may request additional grant funding for cost overruns beyond the amount of the original grant award ~~may be eligible~~ if funds are available.

**Section 125. NR 51.915 (9) is amended to read:**

**NR 51.915 (9)** Support facilities, including entrance and circulation roads, utility and sanitation systems, erosion control work, parking areas, toilet buildings, ~~and~~ educational facilities where there is a permanent professional naturalist staff and the facilities are for nature interpretation. Playgrounds that supplement the appreciation of nature, occupy a minor portion of the grant property, and do not distract from the primary purpose of the grant project may be considered an eligible support facility.

**Section 126. NR 51.916 (2) is amended to read:**

**NR 51.916 (2)** Property with frontage on rivers, streams, lakes, estuaries and reservoirs that will provide access to water-based outdoor recreation.

**Section 127. NR 51.917 (3) and (10) are amended to read:**

**NR 51.917 (3)** Acquisition and development of areas and facilities that do not meet the definition of nature-based outdoor recreation specified in s. NR 51.002, such as spectator sports, stand-alone playgrounds, swimming pools, dedicated sports fields, tennis courts and hockey rinks.

**(10)** ~~Buildings primarily devoted to operation, Construction, operation, or maintenance of buildings primarily devoted to~~ or indoor recreation.

**Section 128. NR 51.918 (1) is amended to read:**

**NR 51.918 (1)** Projects that provide basic facilities, such as picnic and undeveloped play areas, have priority over projects that provide more elaborate facilities.

**Section 129. NR 51.918 (16) is created to read:**

**NR 51.918 (16)** Projects that use sustainable technology.

**Section 130. NR 51.920 is amended to read:**

**NR 51.920** The purpose of this subchapter is to establish standards and procedures for administration of grants to acquire property for urban green space and nature-based outdoor recreation under s. 23.09 (19) (cg), Stats.

**Section 131. NR 51.922 is amended to read:**

**NR 51.922** In addition to the definitions in s. NR 51.002, the following definitions apply to this subchapter:

(1) “Community gardening” means a noncommercial activity in an urban community involving the raising of vegetables, fruits, flowers and herbs for personal consumption or use.

(2) “Urban green space” means open natural space within or in proximity to urban development that has scenic, ecological or natural ~~value~~ values. It may also include land set aside for community gardening.

**Section 132. NR 51.923 is amended to read:**

**NR 51.923** Sponsors shall compete for urban green space grants on a statewide basis. The department shall ~~distribute urban green space grants on a statewide basis except that~~ reserve 10% of the annual allocation ~~shall be reserved~~ for community gardening projects. If the department does not receive sufficient community gardening ~~projects~~ project requests by the annual application deadline as specified in s. NR 51.906, remaining ~~annual funds~~ reserves shall return to the general urban green space allocation.

**Section 133. NR 51.924 (2) is amended to read:**

**NR 51.924 (2)** The property to be acquired shall be identified in a local comprehensive outdoor recreation plan approved that has been adopted by a governmental unit before a grant is approved by the department.

**Section 134. NR 51.925 (2) is amended to read:**

**NR 51.925 (2)** Land to protect from urban development an area or naturally formed feature that is within or in proximity to an urban area and that has scenic, ecological or other natural ~~value~~ values.

**Section 135. NR 51.926 (1)(intro.), (1)(a)4., (1)(b)10., (1)(b)11., and (2) are amended to read:**

**NR 51.926 (1)(intro.)** The department shall select projects for grant assistance under this subchapter through a scoring and ranking process when ~~considering~~ that considers the following factors that are not listed in priority order:

(1)(a)4. Projects that implement elements of approved water quality plans or initiatives.

(1)(b)10. Land that preserves a natural community or could be restored ~~to~~ as a natural community.

(1)(b)11. Land that can be shown to be of regional, ~~or statewide,~~ or global significance.

(2) In the ~~grant rating system~~ scoring process, the priority for brownfields redevelopment shall receive additional preference pursuant to s. 23.09 (19) (cm), Stats.

**Section 136. NR 51.932 (intro.) is amended to read:**

**NR 51.932 (intro.) Definitions.** In addition to the definitions in s. NR 51.002, the following definitions apply to this subchapter:

**Section 137. NR 51.932 (1) is repealed.**

**Section 138. NR 51.932 (2), (3), and (4) are renumbered (1), (2), and (3).**

**Section 139. NR 51.933 (1) and (2) are amended to read:**

**NR 51.933 (1)** The department shall ~~distribute urban rivers grants~~ select projects for grant assistance under this subchapter on a statewide basis according to the provisions and priorities in this subchapter.

(2) No governmental unit may receive ~~in any fiscal year~~ more than 20% of the funds that are available for grants under this subchapter in any one fiscal year.

**Section 140. NR 51.934 (2), (3), (6), (8), (9), and (10)(a) are amended to read:**

**NR 51.934 (2)** To be eligible for a grant under this subchapter, a sponsor shall fund at least 50% of the cost of the project ~~by from~~ private, local, or federal funding, by ~~in-kind contributions~~ donations or by state funding. For purposes of this subchapter, state funding may not include grants under this subchapter, moneys appropriated to the department under s. 20.370, Stats., or money appropriated under s. 20.866 (2) (ta), (tp) to (tw), (ty) or (tz), Stats.

(3) ~~In-kind contributions, as defined in this subchapter,~~ Donations shall meet all eligibility requirements of subchapter XI and s. NR 51.006.

(6) Projects shall be supported by a town, village, city, tribe, or county comprehensive outdoor recreation plan or comprehensive plan ~~pursuant to s. 66.1001, Stats., which is being developed or that has been completed~~ and adopted by the governmental unit, before the grant is approved by the department.

(8) Riparian flowage lands may be eligible for ~~an urban rivers~~ a grant under this subchapter, if the project overall is more riverine in character than lake and if it is part of a comprehensive riverway plan, or if the acquisition is for the purpose of the removing the flowage and restoring the area to a natural river condition.

(9) Non-urban riverfront lands that are lying adjacent to an urban area or that are likely to be urbanized may be eligible for ~~an urban rivers~~ a grant under this subchapter if the

department determines acquisition of the land would contribute significantly to the overall success of an urban river project or comprehensive riverway plan of which it is a part.

(10)(a) Projects that support ~~the~~ nature-based outdoor recreation ~~activities~~ as defined in s. NR 51.002 (19).

**Section 141. NR 51.935 (intro.)(Note) is repealed.**

**Section 142. NR 51.935 (1) and (8) are amended to read:**

**NR 51.935 (1)** The project satisfies a relevant statewide or department region priority need identified in the SCORP.

**(8)** The project provides and enhances diverse outdoor, natural resource related recreation opportunities for all segments of the population. Appropriate outdoor recreation opportunities include, but are not limited to, fishing, wildlife observation, enjoyment of scenic beauty, boating, canoeing, hiking and bicycling.

**Section 143. NR 51.935 (16) is created to read:**

**NR 51.935 (16)** The project uses sustainable technology.

**Section 144. NR 51.942 (intro.) and (2) are amended to read:**

**NR 51.942 (intro.)** In addition to the definitions in s. NR 51.002, the following definitions apply to this subchapter:

**(2)** "Agriculture" ~~means the uses described in~~ has the meaning given in s. 30.40 (1), Stats.

**Section 145. NR 51.942 (3) and (4) are repealed.**

**Section 146. NR 51.943 is repealed and recreated to read:**

**NR 51.943** The department may award grants to governmental units and nonprofit conservation organizations for the acquisition of easements that restrict future development and protect the conservation values of property in perpetuity.

**Section 147. NR 51.944 (1) is repealed and recreated to read:**

**NR 51.944 (1)** Projects that are supported by a town, village, city, tribe, or county comprehensive outdoor recreation plan or comprehensive plan that has been completed and adopted by the governmental unit, shall receive higher priority for funding.

**Section 148. NR 51.944 (2) and (6) are amended to read:**

**NR 51.944 (2)** For easements acquired with a stewardship grant under this subchapter, the sponsor may not convert or approve conversion of land encumbered by the easement to uses inconsistent with the easement. Residential, industrial or commercial development is prohibited on ~~those areas of easement property that are~~ encumbered by a stewardship grant

under this subchapter. Additional restrictions or conditions may be imposed by the easement or grant contract.

~~(6) Vegetative buffers shall be established and maintained~~ The sponsor shall establish and maintain vegetative buffers along lakes, ponds, wetlands, marshes, rivers, streams and ditches. Whenever possible, the area of the vegetative buffer shall extend at least 75 feet from each edge of the surface water or wetland. There may be no activity that adversely affects the natural flow of surface or underground waters within the area of the easement.

**Section 149. NR 51.946 (intro.), (5), and (6) are amended to read:**

**NR 51.946 (intro.) Factors that shall be considered in project selection.** The department shall select projects for financial assistance under this subchapter by evaluating each project according to the following factors, not listed in order of priority:

(5) Whether the project has been identified in a comprehensive outdoor recreation plan pursuant to ~~s. 66.1001, Stats.~~, another plan that has as one of its purposes the protection of natural resources, or the natural heritage inventory database.

(6) The amount of funding available for the project from other sources.

**Section 150. Subchapter XVI (title) is amended to read:**

**Subchapter XVI — ~~Heritage State Park and Forest Trust Grants~~ Heritage State Park and Forest Trust Grants from the Heritage Fund**

**Section 151. NR 51.990 is renumbered 51.950 and is amended to read:**

**NR 51.950** The purpose of this subchapter is to establish criteria and procedures for the implementation of ~~heritage state park and forest trust grants to friends groups for property maintenance and operations~~ issuance of grants from the Heritage Fund under s. 27.016, Stats.

**Section 152. NR 51.991 is renumbered 51.951.**

**Section 153. NR 51.992 (title) and 51.922 are renumbered 51.952 (title) and 51.952 (1) and are amended to read:**

**NR 51.952 (title) Eligible and Ineligible projects.**

**(1) ELIGIBLE PROJECTS.** The department ~~shall~~ may award grants for the operation and maintenance of state parks, southern state forests, state trails, or state recreation areas. All projects shall be consistent with department approved plans for the property. Eligible projects are those which fall within the priorities of NR 51.953

**Section 154. NR 51.952 (2) is created to read:**

**(2) INELIGIBLE PROJECTS.** Ineligible projects include, but are not limited to:

- (a) Acquisition and development of areas and facilities that do not meet the definition of nature-based outdoor recreation specified in s. NR 51.002, such as spectator sports, swimming pools, dedicated sports fields, tennis courts, and hockey rinks.
- (b) Construction of new facilities.

**Section 155. NR 51.993 (intro.) is renumbered 51.953 (intro.) and is amended to read:**

**NR 51.953** Priority shall be given to these projects that do any of the following, not listed in order of priority, ~~that do any of the following:~~

**Section 156. NR 51.993 (1) and (2) are renumbered 51.953 (1) and (2).**

**Section 157. NR 51.993 (3) is renumbered 51.953 (3) and is amended to read:**

**NR 51.953 (3)** Assist in the restoration or rehabilitation of ~~property using native flora or fauna or both~~ native plant communities and projects that protect or enhance species of special conservation needs.

**Section 158. NR 51.993 (4) is repealed.**

**Section 159. NR 51.993 (5) is renumbered 51.953 (4).**

**Section 160. NR 51.994 (title) is renumbered 51.954 (title) and amended to read:**

**NR 51.954 (title)** Application, local match, and grant award procedures.

**Section 161. NR 51.994 (1)(title) is created to read:**

**NR 51.994 (1)(title)** APPLICATION.

**Section 162. NR 51.994 (1) is renumbered 51.951 (1)(a).**

**Section 163. NR 51.954 (1)(a)(title), (1)(a)(Note), and (1)(b) are created to read:**

**NR 51.954 (1)** APPLICATION.

**(1)(a)(Note) NOTE:** Applications are available from the DNR, Bureau of Parks and Recreation, PO Box 7921, Madison, WI, 53707, or online at <http://dnr.wi.gov/org/caer/cfa/lr/stewardship.html>

**(b)** To receive a grant under this subchapter, applications must be postmarked no later than November 15 each year.

**Section 164. NR 51.994 (2) is repealed.**

**Section 165. NR 51.994 (3), (4), and (5) are renumbered 51.954 (2), (3)(a), and (3)(b), and are amended to read:**

**NR 51.954 (2)** To qualify for a grant under this ~~program~~ subchapter, a friends group shall have established an endowment fund for the benefit of a state park, a southern forest, a state trail, or a state recreation area and shall have entered into a written agreement with the department for operation or maintenance of state property. A friends group may only use the interest generated by the endowment fund for the purpose of providing local match.

**(3)(a)** The department shall award grants for up to 50% of the amount of matching funds provided by the friends group and are restricted by all other conditions of s. 27.016, Stats approved total project costs. Project costs not funded with a grant under this subchapter shall be paid by local match as described in s. 51.954 (2). The maximum amount the department may award each friends group is not exceed more than \$30,000 for each friends group or state property in a given year grant cycle.

**(3)(b)** The department shall only evaluate ~~all completed~~ complete applications to determine which applications shall receive ~~grants according to the priorities in this subchapter~~ grant funding. The department may advance grant funds to the successful sponsor once the sponsor can show it has 100% of its share of the project monies the sponsor match.

**Section 166. NR 51.954 (2)(title) and (3)(title) are created to read:**

**NR 51.952 (2)(title) LOCAL MATCH.**

**(3)(title) GRANT AWARD PROCEDURES.**

**Section 167. NR 51.994 (6) and (6)(Note) are renumbered NR 51.955 and 51.955 (Note) and are amended to read:**

**NR 51.955 Records Retention.** Each friends group that receives a grant award under this subchapter shall maintain accurate and complete financial records of project expenses for 4 years following final payment from the department in accordance with department reporting requirements. ~~Accounting shall be~~ Each friends group shall perform accounting in accordance with generally accepted accounting principles and practices. Each sponsor shall submit a final accounting of project expenditures to the property manager within 90 days of the completion of the project or by the date indicated in the grant agreement, whichever is sooner. If the project is to provide for general operations or maintenance on the property, then with the approval of the department, the final accounting of project expenditures may consist of a year-end financial statement. If actual expenses for the project are less than estimated, the friends group shall return any unused grant funds it has received with the final report.

**51.955 (Note) Note:** Copies of the department's financial reporting requirements and forms are available from the department property manager.

**Section 168. Subchapter XVII (title) is created to read:**

**Subchapter XVII — County Forest Grants**

**Section 169. NR 51.960 is created to read:**

**NR 51.960 Purpose and Applicability.** (1) **PURPOSE.** The purpose of this chapter is to establish procedures and standards for the administration of grants to counties for acquisition of land pursuant to s. 23.0953 (2) (a) 1., Stats.

(2) **APPLICABILITY.** This subchapter applies to counties seeking financial assistance from the department under s. 23.0953 (2) (a) 1, Stats., to acquire land for a county forest under s. 28.11(4), Stats., that have entered into a memorandum of agreement with the department under s. NR 51.963.

**Section 170. Section NR 51.961 is created to read:**

**NR 51.961 Definitions.** In addition to the definitions in s. NR 51.002, the following definitions apply to this subchapter:

(1) "County forest comprehensive land use plan" has the meaning given in s. 28.11 (5), Stats.

(2) "Matching Funds" means the portion of the acquisition cost which is not funded by the state, except as provided for in this chapter

**Section 171. Section NR 51.962 is created to read:**

**NR 51.962 Eligible applicants, eligible and ineligible projects, and matching funds.**

(1) **ELIGIBLE APPLICANTS.** Only counties that have land entered in the county forest law program under s. 28.11(4), Stats., may apply to the department for a grant under this subchapter.

(2) **ELIGIBLE PROJECTS.** Eligible projects under this subchapter are the fee simple acquisition of land for a county forest under s. 28.11, Stats.

(3) **INELIGIBLE PROJECTS.** (a) Any property that has restrictions or other covenants that prevents or limits the property from being managed under s. 28.11(1), Stats., or s. 23.09(2)(d), Stats., or that would preempt the department's reversionary interests.

(b) Any property that was acquired more than one year before a request for funding under this subchapter is submitted to the department.

(c) Any property that is used or may be used for licensed game farms, fur farms, deer farms, shooting preserves, forest nurseries or experimental stations.

(d) Any property used for commercial or industrial purposes inconsistent with the purposes of the county forest law under s. 28.11(1), Stats.

(e) Any property with a perpetual easement for a use inconsistent with the purposes of the county forest law set forth in s. 28.11(1), Stats., and this subchapter.

(4) **MATCHING FUNDS.** (a) To receive a grant under this subchapter, counties must contribute matching funds that are equal to at least 50% of total eligible costs. Notwithstanding s. NR 51.006(3)(a), eligible sources of matching funds shall include any combination of the following:

1. Cash from the county.
2. Funds generated by local or federal governments.
3. Grants or contributions from foundations, businesses, private individuals or nonprofit organizations
4. County forest loans, as provided under s. 28.11(8)(b), Stats.
5. The amount of the difference between the fair market value of the land being acquired by the county, as determined by a department approved appraisal, and the price for which the land was purchased, if the price is less than the fair market value.

6. The fair market value of land already in public ownership acquired by the county not more than one year prior to the date the county submits an application for funding under s. NR 51.966, if the department determines that land is suitable as stewardship program match, and if land is within the blocking boundary of the county forest as depicted in the county forest comprehensive land use plan under s. 28.11(5)(a), and eligible for county forest entry under s. 28.11(4)(b), Stats.

7. Fifty percent of the fair market value of land owned by the county at the time of application that was acquired by the county more than one year prior to the date the county submits an application for funding under s. NR 51.966, if the department determines that land is suitable as stewardship program match, and if land is within the blocking boundary of the county forest as depicted in the county forest comprehensive land use plan under s. 28.11(5)(a), and eligible for county forest entry under s. 28.11(4)(b), Stats.

(b) Land used as match must be entered into the county forest law under s. 28.11(4), Stats., within one year of the date of stewardship grant award.

**Section 172. NR 51.963 is created to read:**

**NR 51.963 Memorandum of agreement.** In order to be eligible for grants under this subchapter, counties must enter into a memorandum of agreement with the department.

**Note:** Memorandum of agreement is available from DNR Division of Forestry, Bureau of Forest Management, County Forest Specialist – FR/4, 101 S. Webster St., P.O. Box 7921, Madison, WI. 53707-7921

**Section 173. NR 51.964 is created to read:**

**NR 51.964 Program criteria, application ranking, and funding availability.**

(1) PROGRAM CRITERIA AND APPLICATION RANKING. The department shall consider the following broad criteria as well as specific indicators referenced in the memorandum of agreement in s. NR 51.963 when evaluating and ranking applications submitted under this subchapter.

(a) All the purposes identified in s. 28.11(1), Stats.

(b) Whether the project has regional or statewide significance including recreational trail connectivity, watershed protection, the presence of regionally important wildlife or communities as identified in the natural heritage database or a conservation opportunity area as identified in the wildlife action plan.

(c) Degree to which the site is threatened by development or conversion to other land use.

(d) Whether the project is within the county forest acquisition boundary identified in the county forest comprehensive land use plan.

(e) Whether the project is identified as an important acquisition within an existing plan or database including the land legacy report, statewide forestry plan, forest legacy plan, county outdoor recreation plan, county forest comprehensive land use plan, natural heritage inventory database, or other similar plans.

(2) FUNDING AVAILABILITY. The department shall provide notice of the annual maximum funding allotment from s. 23.0917(3), Stats., to counties through the processes defined in the memorandum of agreement identified in s. NR 51.963. Any portion of each year's funding allotment not awarded by the following February 28 shall revert to the department for land acquisition under s. 23.0917(3), Stats.

**Section 174. NR 51.965 is created to read:**

**NR 51.965 Eligible and Ineligible Costs.** (1) ELIGIBLE COSTS. Eligible costs include all the components under ss. NR 51.002 (1) and NR 51.006(2). The department shall consider as eligible those project costs incurred up to one year before the date the grant application is submitted, provided that the county can demonstrate a need to proceed with the purchase at the earlier time.

(2) INELIGIBLE COSTS. Costs not listed as eligible shall not be funded by a grant under this subchapter, including environmental clean up costs, brokerage fees paid by the buyer, real estate transfer taxes, or any other cost not identified in ss. NR 51.002 (1) and NR 51.006(2).

**Section 175. NR 51.966 is created to read:**

**NR 51.966 Application Content and Application Deadline.**

(1) APPLICATION CONTENT. To apply for a grant under this subchapter, eligible applicants shall submit applications to the department as stipulated in the memorandum of agreement referenced in s. NR 51.963.

(2) APPLICATION DEADLINE. The department shall accept applications throughout the year as stipulated in the memorandum of agreement under s. NR 51.963.

**Section 176. NR 51.967 is created to read:**

**NR 51.967 Application reviews, appraisals, legislative review, and calculating grant award.** (1) APPLICATION REVIEW. The department shall only consider complete applications. If the department finds that an application is incomplete, the Department shall request missing information from the county. The department may also request from the county more detailed information deemed necessary for review of the application. The department shall base its evaluation of applications on information submitted in the application as well as site visits and technical review comments. Property shall be evaluated and grants awarded according to criteria and priorities identified in the memorandum of agreement referenced in s. NR 51.963.

(2) APPRAISALS. For property valued less than \$350,000, the county must order one appraisal. No appraisal ordered by the seller shall be accepted. If the property value is more than \$350,000, the department shall order a second appraisal.

(3) REVIEW BY THE WISCONSIN LEGISLATURE. Pursuant to s. 23.0917, Stats., any grant of \$750,000 or more awarded under this chapter must be reviewed by the joint committee on finance of the Wisconsin legislature.

(4) CALCULATING GRANT AWARD. The department shall calculate the grant award amount in accordance with s. 23.0917(7), Stats. The department shall issue grant awards not to exceed 50% of the eligible costs.

**Section 177. NR 51.968 is created to read:**

**NR 51.968 Grant contract, contract conditions, contract violations, and project signage.** (1) GRANT CONTRACT. The department shall formalize each grant award by issuing a grant contract to each successful county. The grant contract recognizes the department's interest in the property acquired and ensures that the county provides adequate land management and maintenance in accordance with the county forest comprehensive land use plan. The county shall record the grant contract on the property deed at the county register of deeds office where the property being purchased is located.

(2) **CONTRACT CONDITIONS.** (a) A county acquiring property with a grant under this subchapter shall meet the requirements of s. 28.11, Stats. Further, within one year of the execution of a grant contract, the county shall enter the property and any property used to meet the matching funds requirement of this subchapter into the county forest law program as stipulated in s. 28.11(4), Stats., and amend its county forest comprehensive land use plan as required by s. 28.11(5), Stats. The county's failure to comply with this provision shall result in termination of the grant contract by the department and all title, rights and interest held by the county in and to the property shall vest in the department without the necessity of reentry or legal judgment. Properties entered into the county forest law program shall be subject to management review afforded by ss. 28.11(5) and 28.11(6), Stats.

(b) The county shall not convert any property acquired under this subchapter to any use other than that provided under s. 28.11, Stats., unless the property is withdrawn from county forest law as approved in writing by the department and provided under s. 28.11(11), Stats. In such an instance, the county shall replace the property with a different one of at least equal value and benefit to the county forest law program as the property withdrawn.

(c) The county shall not convey any permanent interest or encumbrance in property acquired under this chapter to a third party through the use of a lease or easement inconsistent with the purposes set forth in s. 28.11(1), Stats., and this subchapter. The county may allow temporary non-exclusive use permits.

(d) The county may charge reasonable entrance, service or user fees to defray operation and maintenance costs. Such costs are subject to department review and approval and shall be consistent with s. 23.09165(3)(h), Stats., when fees for hunting permits are charged. The county shall use income accruing to property purchased with a grant under this subchapter to be distributed according to s. 28.11, Stats.

(e) A county receiving a grant under this subchapter shall not discriminate against any person in the use and enjoyment of the property on the basis of age, race, creed, color, handicap, marital status, conviction record, arrest record, gender, national origin, ancestry, sexual orientation or membership in the national guard, state defense force, or any other reserve component of the military forces of the United States or this state.

(3) **CONTRACT VIOLATIONS.** If a county violates an essential condition of the grant contract, as identified in the grant contract, and fails to correct that violation within 6 months after written notification from the department, the county shall be in violation of the grant contract, and all title, right and interest held by the county in and to the property shall vest in the department without the necessity of reentry or legal judgment.

(4) **PROJECT SIGNAGE.** A county receiving a grant under this subchapter shall acknowledge the state's assistance in acquiring fee title ownership of the property by placement of signs or in any other manner as approved by the department. Signage shall be in compliance with s. 23.09165 (3), Stats.

**Section 178. NR 51.969 is created to read:**

**NR 51.969 Grant payments.** (1) The department shall provide grant payment in the form of an escrow check if requested by the county.

(2) The department may issue final grant payments for miscellaneous costs after the following conditions have been satisfied:

(a) The county has submitted a reimbursement request on a form provided by the department. The county shall attach to the reimbursement request all receipts, cancelled checks, and other supporting documentation related to the project. The county shall use generally accepted accounting principles and practices in its administration of the project.

The county shall retain all financial records associated with the project for a period of 4 years after the department issues final payment.

**Note:** Reimbursement request forms are available from any Department region office or the DNR Bureau of Community Financial Assistance, Box 7921, Madison, WI 53707, or online at <http://dnr.wi.gov/org/caer/cfa/LR/Stewardship/forms.html>.

(b) The county has complied with all requirements and conditions under this subchapter and the grant contract.

(3) The county shall submit all claims for payment on department prescribed forms within 6 months of the project period end date.

(4) The department may withhold final payment of the grant amount until the county has complied with all project, legal and program requirements.

**Section 179. Subchapter XVIII (title) is created to read:**

**Subchapter XVIII — Grants to Counties Assisting the Department**

**Section 180. NR 51.970 is created to read:**

**NR 51.970 Purpose and Applicability.** (1) **PURPOSE.** The purpose of this subchapter is to establish procedures and standards for the administration of grants to counties for acquisition of land or rights in land pursuant to s. 23.0953 (2) (a) 2., Stats.

(2) **APPLICABILITY.** This subchapter applies to counties willing to assist the Department with any land acquisition project under s. 23.0917 (3), Stats.

**Section 181. NR 51.971 is created to read:**

**NR 51.971 Definitions.** In addition to the definitions in s. NR 51.002, the following definition applies to this subchapter: “Matching funds” means the portion of the acquisition cost which is not funded by the state.

**Section 182. NR 51.972 is created to read:**

**NR 51.972 Eligible Grantees.** Only counties who have been asked in writing by the Secretary or its designee to assist with the acquisition of title in fee simple or conservation easement acquisition are eligible to receive a grant under this subchapter.

**Section 183. NR 51.973 is created to read:**

**NR 51.973 Eligible and Ineligible Projects.** (1) **ELIGIBLE PROJECTS.** Title in fee simple or conservation easement acquisition of land for the purpose of conservation or providing nature-based outdoor activities as defined in s. 23.09 (2) (d), Stats.

(2) **INELIGIBLE PROJECTS.** (a) Any property that has restrictions or other covenants that prevent or limit the property from being managed for conservation or public recreational purposes under s. 23.09 (2) (d), Stats., or that would preempt the department’s reversionary interests.

(b) Any property that is used or may be used for licensed game farms, fur farms, deer farms, shooting preserves, forest nurseries or experimental stations.

(c) Any property used for commercial or industrial purposes.

**Section 184. NR 51.974 is created to read:**

**NR 51.974 Eligible and Ineligible Costs.** (1) ELIGIBLE COSTS. Eligible costs include all the components under ss. NR 51.002 (1) and NR 51.006(2). The department shall consider as eligible those project costs incurred up to one year before the date on which the department requested assistance in writing, provided that the county can demonstrate a need to proceed with the purchase at the earlier time.

(2) INELIGIBLE COSTS. Costs not listed as eligible shall not be funded by a grant under this subchapter, including environmental clean up costs, brokerage fees paid by the buyer, real estate transfer taxes, or any other cost not identified in s. NR 51.002 (1).

**Section 185. NR 51.975 is created to read:**

**NR 51.975 Project Data and Matching funds.** (1) PROJECT DATA. No application is required by counties that are assisting the Department.

(a) The Department shall provide the following:

1. A comprehensive description of the property to be acquired, including proposed land use, future operation and maintenance plans, and public access provisions consistent with ch. NR 52.

2. A map of the property that identifies items such as land forms, water features, forest types, trail systems and wildlife habitat.

3. A completed checklist as provided under s. NR 52.03 (2) (a).

4. An estimate of eligible project costs as provided under s. NR 51.965 (1).

5. Real estate option or offer to purchase signed by the seller.

6. A letter of intent, signed by the Department Secretary or its designee, addressed to the county, indicating the department's commitment with regard to the parcel in question.

(b) The county shall provide the following:

1. Proof of matching funds for the project, consistent with s. NR 51.975 (2).

2. A resolution approved by its governing body that indicates the county's willingness to assist the department and the availability of matching funds.

3. A management plan for the property developed by the county.

(2) MATCHING FUNDS. To receive a grant under this subchapter, counties must contribute matching funds that are equivalent to at least 50% of total project costs. Notwithstanding s. NR 51.006(3)(a), eligible sources of matching funds shall include any combination of the following:

(a) Cash from the sponsor.

(b) Funds generated by local or federal governments.

(c) Grants or contributions from foundations, businesses, private individuals or nonprofit organizations

(d) The amount of the difference between the fair market value of the land being acquired by the county, as determined by a department approved appraisal, and the price for which the land was purchased, if the price is less than the fair market value.

(e) The fair market value of land or land rights already in public ownership acquired by the county not more than one year prior to the date the department submits a request in writing to the county under s. NR 51.972, if the department determines that land is suitable as stewardship program match.

(f) Fifty percent of the fair market value of land or land rights owned by the county at the time of application that was acquired by the county more one year prior to the date the department submits a request in writing to the county under s. NR 51.972, if the department determines that land or land rights are suitable as stewardship program match.

**Section 186. NR 51.976 is created to read:**

**NR 51.976 Grant Contract and Contract Violations.** (1) GRANT CONTRACT. The department shall formalize each grant award by also issuing a grant contract to each successful county. The grant contract recognizes the Department's interest in the property acquired and ensures that the county provides adequate land management and property maintenance in accordance with the management plan submitted to the department. The county shall record the grant contract on the property deed at the county register of deeds office.

(2) CONTRACT VIOLATIONS. If a county violates any condition of the grant contract and fails to correct that violation within 6 months after written notification from the department, the county shall be in violation of the grant contract, and all title, right and interest held by the county in and to the property shall vest in the department without the necessity of reentry or legal judgment.

**Section 187. NR 51.977 is created to read:**

**NR 51.977 Grant payments.** (1) The Department shall provide grant payment in the form of an escrow check if requested by the county.

(2) The Department may issue final grant payments for miscellaneous costs after the following conditions have been satisfied:

(a) The county has submitted a reimbursement request on a form provided by the department. The county shall attach to the reimbursement request all receipts, cancelled checks, and other supporting documentation related to the project. The county shall use generally accepted accounting principles and practices in its administration of the project. The county shall retain all financial records associated with the project for a period of 4 years after the department issues final payment.

Note: Reimbursement request forms are available from any Department region office or the DNR Bureau of Community Financial Assistance, Box 7921, Madison, WI 53707, or online at <http://dnr.wi.gov/org/caer/cfa/LR/Stewardship/forms.html>

(b) The county is in compliance with all requirements and conditions under this subchapter and the grant contract.

(3) The county shall submit all claims for payment on department prescribed forms within 6 months of completion of the project or the project period end date, whichever comes first.

(4) The department may withhold final payment of the grant amount until the county has complied with all project, legal, and program requirements.

**Section 188. Subchapter XIX (title) is created to read:**

**Subchapter XIX —Grants for Recreational Boating Aids**

**Section 189. NR 51.980 is created to read:**

**NR 51.980 Purpose.** The purpose of this subchapter is to establish procedures and standards for the administration of grants pursuant to s. 30.92, Stats., that are funded under s. 23.0917 (4j), Stats.

**Section 190. NR 51.981 is created to read:**

**NR 51.981 Applicability.** This subchapter applies to all grants awarded under s. 23.0917(4j), Stats.

**Section 191. NR 51.982 is created to read:**

**NR 51.982 Definitions.** Definitions for this subchapter are found in s. NR 7.02, except “Local Governmental Units” has the definition given in s. 23.0917 (4j) (a), Stats.

**Section 192. NR 51.983 is created to read:**

**NR 51.983 Eligible Applicants.** Eligible applicants include local governmental units as defined in s. 23.0917 (4j) (a), Stats.

**Section 193. NR 51.984 is created to read:**

**NR 51.984 Eligible and Ineligible Projects.** (1) ELIGIBLE PROJECTS. Projects eligible for a maximum of 50% funding under this subchapter are defined in ss. NR 7.05 (1)-(9), and (11), except components of these sections that do not have a useful life of 20 years.

(2) INELIGIBLE PROJECTS. Projects not eligible for funding under this subchapter include requests for planning grants or parts of projects that do not have a useful life of 20 years.

**Section 194. NR 51.985 is created to read:**

**51.985 General Provisions.** General provisions applicable for this subchapter are listed in s. NR 7.04.

**Section 195. NR 51.986 is created to read:**

**NR 51.986 Grant Application Content and Matching Funds.** Sponsors shall comply with the provisions of ss. NR 7.08, 7.083, 7.084, 7.085, and 7.087 when requesting funds under this subchapter.

**Section 196. NR 51.987 is created to read:**

**NR 51.987 Grant Awards.** Grant shall be awarded in compliance with s. NR 7.09. If, by the date of a grant award, a project sponsor fails to establish boat launch fees as a method to pay for maintenance of existing landings under the sponsor's jurisdiction, the Waterways Commission may reduce that grant award by a percentage to be determined by the Commission during each grant cycle and not to exceed 25% of the total grant award amount.

**Section 197. Effective Date.** This rule 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.

**Section 198. Board Adoption.** This rule was approved and adopted by the State of Wisconsin Natural Resources Board on \_\_\_\_\_.

Dated in Madison, Wisconsin \_\_\_\_\_.

STATE OF WISCONSIN  
DEPARTMENT OF NATURAL RESOURCES

(SEAL)

BY \_\_\_\_\_  
Matthew J. Frank, Secretary