

When Wisconsin manufacturers look to expand, the state's Industrial Revenue Bond (IRB) Program can provide a low-cost option to generate funding for eligible projects. Especially when prevailing market interest rates are high, qualifying companies can borrow at favorable rates, which requires cooperation with either the municipality, the county, or a local development authority for the bond issue. These tax-exempt bonds are regulated by the federal government, with the Wisconsin Economic Development Corporation (WEDC) administering the program for Wisconsin.



### Do I qualify?

The maximum amount for each IRB is \$10 million (and if a company has multiple locations, they may not have more than \$40 million in outstanding IRBs at once), except for projects involving an environmental purpose—such as solid waste disposal, sewage, or producing local energy or gas—in which case bond issues for a larger amount are allowed. Although company size is not part of the application criteria, the program rules (which limit participating companies from spending more than \$20 million for capital projects during the six-year period covering the three years before and the three years after the bond issue) effectively exclude many larger companies.



### What are the steps in the process?

A company seeking IRB funding must engage bond counsel and communicate with the bonding authority (a municipality, county, or local development authority) for approval to move forward. The bond counsel and bonding authority can work to engage a suitable lender for the bond issue. Before the bond issue takes place, the bonding authority approves an initial resolution, then holds a public hearing before adopting the final resolution.



### How can I use the funds?

Most often, the funds are used to build new factory space or add onto an existing plant. The funds can be used for nearly every type of processing that results in a change to the condition of tangible personal property. The bond may not be used for wholesaling, retailing, repair services, or the provision of recreational services. They cannot be used for inventory or working capital. They also cannot be used for software, intellectual property, or biotechnology.



### What requirements come along with this funding?

Participating companies typically cover the costs incurred by the bonding authority (such as public notices and issuance costs) as well as their own legal fees. The bond attorney will work with a participating company to ensure the timely filing of the required paperwork, including a closing notice, a good faith estimate of attorney's fees, the initial resolution, a notice of intent, a notice of estimate, a job retention certification form, the final resolution, quarterly reports on employment positions, and a follow-up report. Funds from the bond issue can be used to cover eligible expenses incurred up to 60 days before the passage date of the initial resolution for approval of the bond issue. Companies generally have three years to spend the funds.

**To get started, contact:**  
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