



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-2773/1
JK:kjf

2015 ASSEMBLY BILL 304

August 7, 2015 - Introduced by Representatives KOLSTE, JORGENSEN, BARNES, BERCEAU, BROSTOFF, CONSIDINE, DANOU, GENRICH, HEBL, JOHNSON, MILROY, OHNSTAD, POPE, SINICKI, SPREITZER, SUBECK, C. TAYLOR and ZAMARRIPA, cosponsored by Senators HANSEN, ERPENBACH, CARPENTER, RINGHAND and WIRCH. Referred to Committee on Ways and Means.

1 **AN ACT** *to amend* 15.01 (2) and 15.06 (2); and *to create* 15.06 (1) (bb), 15.06 (3)
2 (a) 5., 15.225 (3) and 103.355 of the statutes; **relating to:** making companies
3 that outsource jobs ineligible for state tax benefits, grants, and loans, providing
4 an exemption from rule-making procedures, and granting rule-making
5 authority.

Analysis by the Legislative Reference Bureau

This bill prohibits any person who operates a business in this state and who outsources work to another state or country from receiving any grant, loan, or tax benefit from this state for five years following the year in which the person has outsourced work to another state or country. The bill also creates the Wisconsin Job Development and Retention Commission to determine when a person who is receiving state tax benefits, loans, or grants is outsourcing jobs. The commission consists of three members who represent employees, three members who represent employers, and one member who is an employee of the Department of Workforce Development who also serves as the nonvoting chairperson.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

ASSEMBLY BILL 304**SECTION 1**

1 **SECTION 1.** 15.01 (2) of the statutes is amended to read:

2 15.01 (2) “Commission” means a 3-member governing body in charge of a
3 department or independent agency or of a division or other subunit within a
4 department, except for the Wisconsin waterways commission which shall consist of
5 5 members, the Wisconsin job development and retention commission which shall
6 consist of 7 members, and the parole commission which shall consist of 8 members.
7 A Wisconsin group created for participation in a continuing interstate body, or the
8 interstate body itself, shall be known as a “commission”, but is not a commission for
9 purposes of s. 15.06. The parole commission created under s. 15.145 (1) shall be
10 known as a “commission”, but is not a commission for purposes of s. 15.06.

11 **SECTION 2.** 15.06 (1) (bb) of the statutes is created to read:

12 15.06 (1) (bb) Members of the Wisconsin job development and retention
13 commission shall be appointed by the secretary of workforce development as
14 provided under s. 15.225 (3).

15 **SECTION 3.** 15.06 (2) of the statutes, as affected by 2015 Wisconsin Act 55, is
16 amended to read:

17 15.06 (2) SELECTION OF OFFICERS. Each commission may annually elect officers
18 other than a chairperson from among its members as its work requires. Any officer
19 may be reappointed or reelected. At the time of making new nominations to
20 commissions, the governor shall designate a member or nominee of each commission,
21 other than the public service commission, to serve as the commission’s chairperson
22 for a 2-year term expiring on March 1 of the odd-numbered year except that the
23 labor and industry review commission shall elect one of its members to serve as the
24 commission’s chairperson for a 2-year term expiring on March 1 of the
25 odd-numbered year and the secretary of workforce development shall appoint the

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1 chairperson of the Wisconsin job development and retention commission, as provided
2 under s. 15.225 (3).

3 **SECTION 4.** 15.06 (3) (a) 5. of the statutes is created to read:

4 15.06 (3) (a) 5. The members of the Wisconsin job development and retention
5 commission.

6 **SECTION 5.** 15.225 (3) of the statutes is created to read:

7 15.225 (3) WISCONSIN JOB DEVELOPMENT AND RETENTION COMMISSION. There is
8 created in the department of workforce development the Wisconsin job development
9 and retention commission appointed by the secretary of workforce development to
10 consist of 3 representatives of employers and 3 representatives of employees
11 appointed to serve for 6-year terms and a permanent classified employee of the
12 department of workforce development who shall serve as nonvoting chairperson. A
13 member may not serve on the commission if he or she loses the status on which his
14 or her appointment is based.

15 **SECTION 6.** 103.355 of the statutes is created to read:

16 **103.355 Requirements for receiving state incentives. (1) DEFINITIONS.**

17 In this section:

18 (a) "Agency" has the meaning given in s. 16.70 (1e).

19 (b) "Business" means any organization or enterprise operated for profit,
20 including a sole proprietorship, partnership, firm, business trust, joint venture,
21 syndicate, corporation, limited liability company, or association.

22 (c) "Commission" means the Wisconsin job development and retention
23 commission.

24 **(2) OUTSOURCING PROHIBITED.** Notwithstanding any other provision of state law
25 to the contrary, a person who operates or intends to operate a business in this state

ASSEMBLY BILL 304**SECTION 6**

1 and who outsources work from this state to another state or country is ineligible to
2 receive any grants or loans from a state agency, any tax exemption under ch. 70, not
3 including the exemption under s. 70.11 (27), or any credit, deduction, exclusion, or
4 exemption under ch. 71 for a period of 5 years following the year in which the
5 commission determines that the person has outsourced work to another state or
6 country.

7 (3) RULES. The commission shall promulgate rules to implement and
8 administer this section.

9 (4) REVIEW. A determination of ineligibility under sub. (2) is subject to review
10 under subch. III of ch. 227.

11 **SECTION 7. Nonstatutory provisions.**

12 (1) RULE MAKING; SCOPE STATEMENT. Notwithstanding section 227.135 (1) of the
13 statutes, the Wisconsin job development and retention commission is not required
14 to prepare a statement of the scope of the rules required under section 103.355 (3)
15 of the statutes, as created by this act.

16 (2) RULE MAKING; GOVERNOR'S APPROVAL. Notwithstanding section 227.185 of the
17 statutes, the Wisconsin job development and retention commission is not required
18 to present the rules required under section 103.355 (3) of the statutes, as created by
19 this act, in final draft form to the governor for approval.

20 (3) PROPOSED RULES. The Wisconsin job development and retention commission
21 shall submit in proposed form the rules required under section 103.355 (3) of the
22 statutes, as created by this act, to the legislative council staff under section 227.15
23 (1) of the statutes no later than the first day of the 13th month beginning after the
24 effective date of this subsection.

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1 (4) REVIEW AND REPORTING. Notwithstanding section 227.137 (6) of the statutes,
2 the requirements for review of and reporting on the economic impact analysis by the
3 department of administration and the requirement for approval by the secretary of
4 administration do not apply to rules required under section 103.355 (3) of the
5 statutes, as created by this act.

6 (5) LEGISLATIVE COUNCIL REVIEW. Notwithstanding section 227.137 (2) and (6)
7 of the statutes, the Wisconsin job development and retention commission may
8 submit the rules required under section 103.355 (3) of the statutes, as created by this
9 act, to the legislative council staff for review under section 227.15 (1) of the statutes
10 before the commission completes the economic impact analysis for the rules.

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(END)