



2013 ASSEMBLY BILL 38

February 20, 2013 - Introduced by Representatives JORGENSEN, STONE, BARCA, KRUG, BERCEAU, BERNIER, BIES, CZAJA, HEBL, HONADEL, KAHL, KOLSTE, T. LARSON, MASON, OHNSTAD, J. OTT, PASCH, POPE, RICHARDS, RINGHAND, RIPP, SPIROS, SWEARINGEN, WRIGHT, ZAMARRIPA and SMITH, cosponsored by Senators MOULTON, LASSA, HANSEN, MILLER and SHILLING. Referred to Committee on Small Business Development.

1 **AN ACT to create** 238.14 of the statutes; **relating to:** a manufacturer marketing
2 assistance program for Wisconsin Tier II and Tier III manufacturers and
3 making an appropriation.

Analysis by the Legislative Reference Bureau

This bill requires the Wisconsin Economic Development Corporation (WEDC) to establish, or award a grant to an association that represents manufacturers in this state to establish, a manufacturer marketing assistance program and to promote manufacturers' products and services. The grant or any moneys WEDC itself uses for the program may not exceed a total of \$1,000,000 disbursed over five years. The bill specifies the purposes for which the grant proceeds may be used, including salaries and fringe benefits to certain association employees, operating expenses for a marketing and outreach office, and creating an Internet site for the association. The grant is funded by the economic development fund. The bill requires WEDC to review the program on an annual basis, and WEDC may cancel the program at any time.

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 38**SECTION 1**

1 **SECTION 1.** 238.14 of the statutes is created to read:

2 **238.14 Wisconsin Tier II and Tier III manufacturer marketing**
3 **assistance program. (1)** In this section:

4 (a) "Association" means an organization not organized or incorporated for
5 profit that represents Wisconsin-based Tier II and Tier III manufacturers.

6 (b) "Eligible business" means any of the following:

7 1. A Tier II manufacturer.

8 2. A Tier III manufacturer.

9 (c) "Tier II manufacturer" means a business operating in this state that
10 manufactures a product that is used as a part in a product produced or distributed
11 for sale or sold to a consumer.

12 (d) "Tier III manufacturer" means a business operating in this state that
13 manufactures a product that is used as a part in a product produced by a Tier II
14 manufacturer or as a part in a product produced or distributed for sale or sold to a
15 consumer.

16 **(2)** (a) The corporation shall establish, or grant moneys to an association under
17 sub. (4) to establish, a manufacturer marketing assistance program to conduct
18 marketing activities on behalf of, and to promote the manufacturing services of and
19 products created by, eligible businesses.

20 (b) From the appropriation under s. 20.192 (1) (r), the corporation shall
21 establish an account dedicated to the manufacturer marketing assistance program
22 under this section. On January 1, 2014, the corporation shall deposit \$250,000 into
23 that account. After the deposit of those moneys, the corporation shall make
24 additional deposits in the account as necessary to carry out the manufacturer

ASSEMBLY BILL 38

1 marketing assistance program under this section, except that the corporation may
2 not deposit more than a total of \$1,000,000 in the account.

3 (c) If the corporation does not make a grant to an association under sub. (4), the
4 corporation shall itself use the moneys deposited in the account under par. (b), in the
5 manner required under sub. (4) (b), to carry out the manufacturer marketing
6 assistance program under this section.

7 **(3)** (a) Subject to sub. (4), an association may apply to the corporation for a
8 5-year grant to establish and carry out the manufacturer marketing assistance
9 program under this section.

10 (b) An association's application under par. (a) shall contain all of the following:

11 1. An itemized budget detailing expected expenses for all activities for which
12 grant moneys are sought.

13 2. A description of how the activities for which grant moneys are sought will
14 benefit the association's ability to market products of eligible businesses.

15 **(4)** (a) Subject to the requirements under pars. (b) and (c), from the account
16 established under sub. (2) (b), the corporation may award one 5-year grant not to
17 exceed \$1,000,000 to an association that applies to the corporation for a grant under
18 sub. (3). The corporation shall disburse the grant moneys as follows:

19 1. In the first year, \$0.

20 2. In the 4 subsequent years, no more than \$250,000 in each year.

21 (b) An association that is awarded a grant under this subsection shall use grant
22 moneys awarded under this subsection to do all of the following:

23 1. Pay salaries and fringe benefits to staff whom the association employs
24 exclusively to carry out the purposes of the manufacturer marketing assistance
25 program under this section.

ASSEMBLY BILL 38**SECTION 1**

1 2. Purchase equipment and pay operating expenses for a marketing and
2 outreach office.

3 3. Create and maintain an Internet site to carry out the purposes of the
4 manufacturer marketing assistance program under this section.

5 4. Pay fees and costs of not more than 2 of the staff described under subd. 1. to
6 travel to and participate in trade shows on behalf of eligible businesses.

7 5. Pay the costs associated with constructing, repairing, and transporting a
8 display booth used at trade shows under subd. 4.

9 6. Pay the costs for travel to follow up on contacts made at trade shows under
10 subd. 4.

11 7. Pay the costs of creating and producing brochures, catalogs, or other
12 advertising material used to carry out the purposes of the manufacturer marketing
13 assistance program under this section.

14 (c) An association that is awarded a grant under this subsection shall enter into
15 a contract with the corporation that contains all of the following:

16 1. Conditions imposed by the corporation on the association's use of grant
17 moneys.

18 2. The manner in which the corporation may reduce the amount of grant
19 moneys received by the association on an annual basis over the 5-year contract term.

20 3. A requirement that the association submit annually a report to the
21 corporation that includes all of the following:

22 a. A detailed statement of the association's grant receipts and expenditures for
23 the fiscal year.

ASSEMBLY BILL 38

1 b. A detailed statement of manufacturing sales generated by the association
2 for eligible businesses as a result of the manufacturer marketing assistance program
3 established under this section.

4 c. Any other information the corporation considers relevant.

5 **(5)** (a) The corporation shall annually review the manufacturer marketing
6 assistance program under this section.

7 (b) The corporation may cancel the manufacturer marketing assistance
8 program at any time after the program is established under sub. (2) (a). If the
9 corporation cancels the program under this paragraph, the corporation may disburse
10 any moneys held in the account under sub. (2) (b) for use in the corporation's other
11 economic development programs.

12

(END)