

1999 DRAFTING REQUEST

Bill

Received: **02/08/2000**

Received By: **kahlepj**

Wanted: **As time permits**

Identical to LRB:

For: **Commerce**

By/Representing: **Brenda Blanchard**

This file may be shown to any legislator: **NO**

Drafter: **kahlepj**

May Contact:

Alt. Drafters:

Subject: **Econ. Development - misc.
Econ. Development - bus. dev.**

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Direct department of commerce to create nonprofit organization to promote creation of high-tech businesses

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	kahlepj 02/10/2000	wjackson 02/11/2000		_____			
/P1			martykr 02/15/2000	_____	lrb_docadmin 02/15/2000		
/P2	kahlepj 02/16/2000	wjackson 02/17/2000	martykr 02/17/2000	_____	lrb_docadmin 02/17/2000		
/1	kahlepj 02/21/2000	wjackson 02/21/2000	martykr 02/22/2000	_____	lrb_docadmin 02/22/2000	lrb_docadmin 02/23/2000	

sent to Rep. Rhoades office per PJK
02-25-00

02/23/2000 03:36:32 PM

Page. 2

FE Sent For:

<END>

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/P2	kahlepj 02/16/2000	wjackson 02/17/2000	martykr 02/17/2000	_____	lrb_docadmin 02/17/2000		

1 wly 2/21 km 2/22 JJ km/22

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<END>

Please call Louie Cornelius (at the Dept. of Commerce) when this is ready 6-8629

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/P1		p2 2/17 WLJ	martykr 02/15/2000 <i>km 2/17</i>	_____	lrb_docadmin 02/15/2000 <i>kp 2/17</i>		

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1/?	kahlepj	/pl WLj 2/11	<i>[Signature]</i> 2/15	<i>[Signature]</i> 2/15			

FE Sent For:

<END>



P. O. Box 7970
Madison, Wisconsin 53707
(608) 266-1018
TDD #: (608) 264-8777
www.commerce.state.wi.us

Tommy G. Thompson, Governor
Brenda J. Blanchard, Secretary

February 3, 2000

Mr. Stephen R. Miller, Director
Legislative Reference Bureau
100 North Hamilton Street
Madison, WI 53701-2037

Dear Mr. Miller:

Governor Thompson highlighted the creation of a new High Technology Corporation to aggressively attract and develop science-based companies in his State of the State address on January 26, 2000. He has requested the Department of Commerce to take the lead role in having a bill drafted to create the corporation.

I am requesting that a bill be drafted to create the Wisconsin High Technology Corporation, and have attached drafting instructions. The corporation is to be funded with new General Purpose Revenue (GPR) monies.

If you have questions about the proposal, please contact Louie Cornelius, the Director of Policy and Budget at 266-8629.

Thank you in advance for your assistance in preparing this draft legislation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brenda J. Blanchard', is written over a horizontal line.

Brenda J. Blanchard
Secretary

Enclosure

ccs: Bob Wood, Office of the Governor
David Schmiedicke, State Budget Office
Chris Spooner, Department of Commerce
Louie Cornelius, Department of Commerce

See 560-28

~ budget

Wisconsin Department of Commerce

Organization for Facilitating Start-up and
Growth of High-Tech Businesses in Wisconsin

Drafting Instructions

Draft legislation directing the Department of Commerce to create a nonprofit corporation under Chapter 181 of the statutes.

Organizational Mission

The corporation will promote and support the creation, development and retention of science and technology based businesses in Wisconsin. To do so, the corporation will establish and implement key programs focused on partners crucial to the success of high technology firms -- entrepreneurs, business, professional services, seed and venture capital, universities, and state government.

Board of Directors

The corporation will be governed by a board of directors consisting of at least 11 members, including the following:

The secretary of Commerce or designee

The president of the UW System or designee

Representatives of the entrepreneurial, high tech, venture capital, investment banking, local government, and business development communities, and professionals experienced in providing services to these communities.

Funding

Create an annual GPR appropriation within s. 20.143 to provide assistance to the corporation. From this appropriation, the Department of Commerce will provide funds to the corporation on an initial grant of \$50,000, followed by dollar for dollar matching funds up to a maximum of \$200,000 in the first year of operation, followed by a dollar for dollar matching of up to a maximum of \$250,000 in subsequent years. Before the Department of Commerce may disburse funds to the corporation, the corporation must report to it on funds received from private sources.



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-4500/
PJK.../.....

WLj

PI

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

D-note

general

1 AN ACT ~~relating to~~; relating to ~~creating~~ a nonprofit corporation to promote the
2 development of high-technology businesses and making an appropriation.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a later version.

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

3 SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
4 the following amounts for the purposes indicated:

5 1999-00 2000-01

6 20.143 Commerce, department of

7 (1) ECONOMIC AND COMMUNITY DEVELOPMENT

8 (d) High-technology business devel-

9 opment corporation GPR A 0 250,000

10 SECTION 2. 20.143 (1) (d) [√] of the statutes is created to read:

1 20.143 (1) (d) *High-technology business development corporation.* The
2 amounts in the schedule for the grant and matching funds specified in s. 560.27 (1)
3 (b).[✓]

4 **SECTION 3.** 560.27[✓] of the statutes is created to read:

5 **560.27 High-technology business development corporation.** (1) (a) The
6 department shall organize and maintain a high-technology business development
7 corporation as a nonstock, nonprofit corporation under ch. 181[✓] for the exclusive
8 purpose of promoting and supporting the creation, development and retention of
9 science-based and technology-based businesses in the state. In furtherance of its
10 purpose, the corporation shall establish and implement programs focused on key
11 elements necessary for the success of high-technology firms, including
12 entrepreneurs, businesses, professional services, seed and venture capital,
13 universities and state government.

14 (b) From the appropriation under s. 20.143 (1) (d),[✓] the department shall do all
15 of the following:

16 1. Make a one-time grant of \$50,000 to the high-technology business
17 development corporation for start-up capital and reasonable administrative
18 expenses of the corporation.

19 2. In fiscal year 2000-01, for projects undertaken by the high-technology
20 business development corporation, provide matching funds equal to 50% of the cost
21 of a project, up to a total of \$200,000 in the fiscal year.

22 3. In fiscal year 2001-02, and in each fiscal year thereafter, for projects
23 undertaken by the high-technology business development corporation, provide
24 matching funds equal to 50% of the cost of a project, up to a total of \$250,000 in a fiscal
25 year.

1 (c) Notwithstanding par. (b) 2.✓ and 3.✓, the department may not disburse any
2 matching funds to the corporation under par. (b) 2.✓ or 3.✓ for a project unless the
3 corporation provides to the department information requested by the department
4 about private funding the corporation has received or will receive for the project.

5 (2) (a) The corporation shall be governed by a board of directors, consisting of
6 the secretary, or his or her designee, the president of the University of Wisconsin
7 System, or his or her designee, and at least 9 other members, one or more of whom
8 represents each of the following categories:

- 9 1. Entrepreneurs in the state.
- 10 2. High-technology businesses in the state.
- 11 3. The state's venture capital industry.
- 12 4. The state's investment banking industry.
- 13 5. Local governments in the state.
- 14 6. The state's business development community.
- 15 7. Professionals in the state who are experienced in providing services to
16 persons specified in subds. 1.✓ to 6.✓

17 (b) The members who are representatives of the categories under par. (a) 1. to
18 7. shall serve 5-year terms and the initial members who are representatives of the
19 categories under par. (a) 1. to 7. shall be appointed by the governor. The
20 high-technology business development corporation, in its bylaws, shall specify the
21 method for electing new members who are representatives of the categories under
22 par. (a) 1. to 7. and for filling vacancies.

23 (3) Annually, the high-technology business development corporation shall
24 provide a report on its activities to the appropriate standing committees of each

1 house of the legislature in the manner provided under s. 13.172 (3) [✓] and to the
2 governor.

3 (4) The assets transferred to, and the assets and liabilities of, the
4 high-technology business development corporation shall be separate from all other
5 assets and liabilities of the state, of all political subdivisions of the state and of the
6 department. Neither the state, any political subdivision of the state nor the
7 department guarantees any obligation of or has any obligation to the
8 high-technology business development corporation. Neither the state, any political
9 subdivision of the state nor the department is liable for any debt or liability of the
10 high-technology business development corporation.

11

(END)

D-note

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-4500/dn ^{P1}

PJK.....

WLJ

This is a preliminary draft. I assumed that fiscal year 2000-01 would be the first year in which any ^g ~~monies~~ ^{moneyS} would be provided to the corporation. Some of the language included in this draft was taken from the vetoed budget provision related to the biotechnology development finance company. (See especially s. 560.27 (2) (b), (3) and (4).) Let me know what changes, if any, you would like before this draft is finalized and an analysis is added.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: Pam.Kahler@legis.state.wi.us

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-4500/P1dn
PJK:wjl:km

February 15, 2000

This is a preliminary draft. I assumed that fiscal year 2000-01 would be the first year in which any moneys would be provided to the corporation. Some of the language included in this draft was taken from the vetoed budget provision related to the biotechnology development finance company. (See especially s. 560.27 (2) (b), (3) and (4).) Let me know what changes, if any, you would like before this draft is finalized and an analysis is added.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: Pam.Kahler@legis.state.wi.us

add: Louie Conelius

expenditure plan - approved by secretary

50% match

provide info on private funding (to make
sure the \$ is there)
contract

(boilerplate language for grants)

have Commerce assist in org & maint. the corp



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-4500/44

PJK:wlj:km

v. wisner

*SOON
(2-16)*

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1 **AN ACT** ^{Regen} *to create* 20.143 (1) (d) and 560.27 of the statutes; **relating to:** a
2 nonprofit corporation to promote the development of high-technology
3 businesses and making an appropriation.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a later version.

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

4 **SECTION 1.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
5 the following amounts for the purposes indicated:

				1999-00	2000-01
6					
7	20.143	Commerce, department of			
8	(1)	ECONOMIC AND COMMUNITY DEVELOPMENT			
9	(d)	High-technology business devel-			
10		opment corporation	GPR A	0	250,000

1 SECTION 2. 20.143 (1) (d) of the statutes is created to read:

2 20.143 (1) (d) *High-technology business development corporation.* The

3 amounts in the schedule for the ~~grant and matching funds~~ ^{grants} specified in s. 560.27 (1)

4 (b). *and (3)'*

5 SECTION 3. 560.27 of the statutes is created to read:

6 560.27 *High-technology business development corporation.* (1) (a) The

7 department shall ~~create and maintain~~ *create and maintain* a high-technology business development

8 corporation as a nonstock, nonprofit corporation under ch. 181 for the exclusive

9 purpose of promoting and supporting the creation, development and retention of

10 science-based and technology-based businesses in the state. In furtherance of its

11 purpose, the corporation shall establish and implement programs focused on key

12 elements necessary for the success of high-technology firms, including

13 entrepreneurs, businesses, professional services, seed and venture capital,

14 universities and state government.

15 (b) From the appropriation under s. 20.143 (1) (d), the department shall ~~use~~

16 *of the following:*

17 ~~no~~ *make* a one-time grant of \$50,000 ^{*in fiscal year 2000-01*} to the high-technology business

18 development corporation for start-up capital and reasonable administrative

19 expenses of the corporation.

businesses from maintenance - in - mean

20 2. In fiscal year 2000-01, for projects undertaken by the high-technology
 21 business development corporation, provide matching funds equal to 50% of the cost
 22 of a project, up to a total of \$200,000 in the fiscal year.
 23 3. In fiscal year 2001-02, and in each fiscal year thereafter, for projects
 24 undertaken by the high-technology business development corporation, provide

1 matching funds equal to 50% of the cost of a project, up to a total of \$250,000 in a fiscal
2 year

3 (c) Notwithstanding par. (b) 2. and 3., the department may not disburse any
4 matching funds to the corporation under par. (b) 2. or 3. for a project unless the
5 corporation provides to the department information requested by the department
6 about private funding the corporation has received or will receive for the project.

High-technology business
development

7 (2) (a) The corporation shall be governed by a board of directors, consisting of
8 the secretary, or his or her designee, the president of the University of Wisconsin
9 System, or his or her designee, and at least 9 other members, one or more of whom
10 represents each of the following categories:

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- 16 6. The state's business development community.
- 17 7. Professionals in the state who are experienced in providing services to
18 persons specified in subds. 1. to 6.

19 (b) The members who are representatives of the categories under par. (a) 1. to
20 7. shall serve 5-year terms and the initial members who are representatives of the
21 categories under par. (a) 1. to 7. shall be appointed by the governor. The
22 high-technology business development corporation, in its bylaws, shall specify the
23 method for electing new members who are representatives of the categories under
24 par. (a) 1. to 7. and for filling vacancies.

Insert 3-24

① ② 4 ← ③ Annually, the high-technology business development corporation shall
2 provide a report on its activities to the appropriate standing committees of each
3 house of the legislature in the manner provided under s. 13.172 (3) and to the
4 governor.

⑤ ⑥ 5 ← ④ The assets transferred to, and the assets and liabilities of, the
6 high-technology business development corporation shall be separate from all other
7 assets and liabilities of the state, of all political subdivisions of the state and of the
8 department. Neither the state, any political subdivision of the state nor the
9 department guarantees any obligation of or has any obligation to the
10 high-technology business development corporation. Neither the state, any political
11 subdivision of the state nor the department is liable for any debt or liability of the
12 high-technology business development corporation.

13

(END)

1999-2000 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4500/P2ins
PJK:wjg/cm

INSERT 3-24

1 (3) (a) Subject to par. (c), the department may make a grant to the
2 high-technology business development corporation, from the appropriation under s.
3 20.143 (1) (d), if all of the following apply:

4 1. The corporation submits an expenditure plan to the department detailing
5 the proposed use of the grant proceeds and the secretary approves the plan.

6 2. The corporation enters into a written agreement with the department that
7 specifies the conditions for the use of the grant proceeds, including reporting and
8 auditing requirements.

9 3. The corporation provides matching funds equal to 50% of the grant proceeds.

10 4. The corporation provides to the department information requested by the
11 department about private funding the corporation has received or will receive for the
12 purposes detailed in the expenditure plan under subd. 1.

****NOTE: Is this too specific? Would you prefer to end the sentence after "will receive"?

13 5. The corporation agrees in writing to submit to the department the report
14 required by par. (b) by the time required under par. (b).

15 (b) If the corporation receives a grant under this subsection, the corporation
16 shall submit to the department, within 6 months after spending the full amount of
17 the grant, a report detailing how the grant ^{proceeds} ~~proceeds~~ were used.

18 (c) The department may not make grants under this subsection that exceed
19 \$200,000 in total in fiscal year 2000-01, or that exceed \$250,000 in total in any fiscal
20 year thereafter.

(END OF INSERT 3-24)

2-21

Lowé Conchis (Commerce)

LRB-4500

change to
p. 2, l. 6 A "dept shall organize
and assist in
maintaining"

re, **** note on p 3 - language is okay

may have a hearing on it on Wed.
(at earliest)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-4500/EE

PJK:wj:km

in is new

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

*needed
by 9:00 am
Tuesday*

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10	opment corporation	GPR	A	0	250,000
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6 department shall assist in ~~organizing and~~ maintaining a high-technology business
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14 (b) From the appropriation under s. 20.143 (1) (d), the department shall make
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16 development corporation for start-up capital and reasonable administrative
17 expenses of the corporation.

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11 par. (a) 1. to 7. and for filling vacancies.

12 (3) (a) Subject to par. (c), the department may make a grant to the

13 high-technology business development corporation, from the appropriation under s.

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16 the proposed use of the grant proceeds and the secretary approves the plan.

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9 (4) Annually, the high-technology business development corporation shall
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19 subdivision of the state nor the department is liable for any debt or liability of the
20 high-technology business development corporation.

21

(END)

1999-2000 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4500/lins
PJK:wj:km

INSERT A

This bill requires the department of commerce (department) to organize and assist in maintaining a nonprofit corporation to promote and support the creation, development and retention of science-based and technology-based businesses in the state through the establishment and implementation of programs that focus on various elements that are important for the success of high-technology firms, such as entrepreneurs, seed and venture capital, universities and state government. The department must make a one-time grant of \$50,000 to the corporation for start-up capital and administrative expenses. Thereafter, the department may make grants to the corporation if the corporation submits an expenditure plan that is approved by the secretary of commerce (secretary), the corporation provides 50% of the funding for the project from other sources, the corporation provides information requested by the department related to funds received from private sources and the corporation enters into a written agreement with the department related to the use of the grant proceeds. Every time the corporation receives a grant from the department, it must submit a report to the department with detailed information on how it spent the grant proceeds. Not including the start-up grant, the department may grant no more than \$200,000 to the corporation in fiscal year 2000-01 and no more than \$250,000 in a fiscal year thereafter.

for the project

The corporation is to be governed by a board of directors that will consist of the secretary, or his or her designee, the president of the University of Wisconsin System, or his or her designee, and at least nine other members who are appointed by the governor and who represent entrepreneurs in the state, high-technology businesses in the state, the state's venture capital industry, the state's investment banking industry, local governments in the state and professionals who are experienced in providing services to persons in the aforementioned categories. Every year, the corporation must submit a report on its activities to the appropriate standing committees of the legislature, and to the governor.

Under current law, the department provides some funding for the promotion of technology. From the Wisconsin development fund, the department may award grants or loans to businesses and associations of businesses and higher educational institutions for technology research and for purposes related to the development of new, or the improvement of an existing, industrial product or process. In the 1999-2001 biennium, the department may make a grant to an association of business, governmental and educational entities for a manufacturing technology training center. Also under current law, an appropriation to the department provides funding to Forward Wisconsin, Inc., which is a private corporation, for its economic development promotion activities. Current law, however, does not contain any provision for the organization and support of a nonprofit corporation that would promote technology-based and science-based businesses in the state.

(END OF INSERT A)

2-23-00

Please jacket LRB-4500
for the Assembly

and send it to

Rep. Kitty Rhoades

312 North

(per Kevin Moore 6-1526)

FJK