

2001 DRAFTING REQUEST

Bill

Received: 10/03/2000

Received By: kahlepj

Wanted: As time permits

Identical to LRB:

For: Administration-Budget 6-7329

By/Representing: Walker

This file may be shown to any legislator: NO

Drafter: kahlepj

May Contact:

Alt. Drafters:

Subject: Econ. Development - bus. dev.

Extra Copies: Commerce
MES

Pre Topic:

DOA:.....Walker -

Topic:

Replace the community-based economic development program with the new economy for Wisconsin program

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 10/17/2000	gilfokm 10/18/2000		_____			State
/P1			martykr 10/19/2000	_____	gretskl 10/19/2000		State
/1	kahlepj 01/08/2001	gilfokm 01/09/2001	martykr 01/09/2001	_____	lrb_docadmin 01/10/2001		

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/?	kahlepj 10/17/2000	gilfokm 10/18/2000		_____			State
/P1		<i>1-1/King</i> 19-01	martykr 10/19/2000	_____	gretski 10/19/2000		
FE Sent For:			<i>[Signature]</i>	<i>[Signature]</i>			

<END>

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1?	kahlepj	pl-10/18/00 mg	km 10/19	kt 10/19			

FE Sent For:

<END>

<u>Priority</u>	<u>Proposed Statutory Change</u>
High	<p><u>New Economy for Wisconsin (NEW) Program.</u> This change creates the New Economy for Wisconsin (NEW) program, as a replacement for the Community-Based Economic Development program {s. 560.14 and 20.143 (1) (fg)}. NEW will provide grants to <u>community-based business incubators and non-profit organizations that focus on high-tech businesses</u> or that promote entrepreneurship. Funding will equal the base funding for the old CBED program. No award may exceed \$100,000.</p>
	<p>Business incubators that provide at least two of the following four services will be eligible: below-market rental rates, shared services, management services, and access to capital. Not-for-profit organizations that provide services or opportunities that provide a link between entrepreneurs and potential investors will also be eligible.</p>
	<p>The following will be eligible activities: assisting small businesses in adopting new technology in their operations, assisting <u>technology-based small businesses</u> in activities furthering technology transfer, and building linkages between entrepreneurs and opportunities.</p>
	<p>Applicants will be evaluated on the basis of: potential for economic growth that will result from the project, past performance of the applicant and proposed partners, qualifications of those who will perform the work, the need for the project by business clients of the incubator, quality of the proposal, the commitment of the organization to the project, the strength of collaboration or partnerships with other organizations, the use of resources available from Wisconsin educational institutions, the ability of the project to produce sustainable and continuing benefits after the project is complete, and the economic distress of the area served by the project.</p>
	295



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-0641/P1
PJK...
KMG

DOA:.....Walker - Replace the ~~Community-Based Economic Development~~
~~Program with the New Economy for Wisconsin Program~~

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

SOON
(10-17)
D-note

do not
gen cat

→ Fix Request Sheet

1 AN ACT...; relating to: the budget.

Analysis by the Legislative Reference Bureau

COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

Under the community-based economic development programs in current law, the department of commerce (department) awards grants to political subdivisions (counties, cities, villages, and towns) and community-based organizations for various purposes related to promoting economic development at the community level. The bill eliminates these programs and creates a new economy for Wisconsin (NEW) program. Under NEW, the department may make grants, not exceeding \$100,000 each, to community-based business incubators and nonprofit organizations that provide services to high-technology businesses or that promote entrepreneurship. Grant proceeds may be used only for assisting small businesses (businesses with fewer than 100 employees) in adopting new technologies in their operations, for assisting technology-based small businesses in activities that further technology transfer, or for assisting entrepreneurs in discovering business opportunities.

→ Insert A

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:

1 SECTION 1. 20.143 (1) (fg) of the statutes is amended to read:

2 20.143 (1) (fg) ~~Community-based economic development programs~~ The

3 amounts in the schedule for grants under ss. 560.037 and 560.14 and for the grants

4 under 1993 Wisconsin Act 16, section 9115 (1e) and 1999 Wisconsin Act 9, section

5 9110 (6e) and (7v) 560.143.

History: 1979 c. 361; 1981 c. 20, 21, 349; 1983 a. 27, 83, 192, 381; 1985 a. 29 ss. 169 to 204, 3202 (14); 1985 a. 120, 332, 334; 1987 a. 27, 109, 317, 318, 399, 403; 1989 a. 31, 185, 237, 317, 325, 335, 336, 342, 359; 1991 a. 39, 259, 261, 269, 315; 1993 a. 5, 16, 75, 110, 232, 437; 1995 a. 27 ss. 483, 505 to 517, 608s, 609g, 609i, 964, 965, 977, 987, 988, 990 to 993, 1080b, 1085b, 1086b, 9116 (5); 1995 a. 116, 119, 216, 227; 1997 a. 9, 27, 35, 215, 237, 252, 310; 1999 a. 9, 84, 106, 185, 186.

6 SECTION 2. 66.1305 (2) (a) 2. of the statutes is amended to read:

7 66.1305 (2) (a) 2. "Technology-based incubator" has the meaning given in s.

8 560.14 (1) (h).

History: 1981 c. 314; 1989 a. 31; 1993 a. 16; 1999 a. 150 s. 408; Stats. 1999 s. 66.1305.
****NOTE: How do you want to treat this subdivision?

9 SECTION 3. 66.1305 (2) (c) 1. of the statutes is amended to read:

10 66.1305 (2) (c) 1. Study the feasibility and initial design for a technology-based

11 incubator in the development area where the redevelopment corporation operates.

History: 1981 c. 314; 1989 a. 31; 1993 a. 16; 1999 a. 150 s. 408; Stats. 1999 s. 66.1305.
****NOTE: How do you want to treat this subdivision?

12 SECTION 4. 66.1305 (2) (c) 2. of the statutes is amended to read:

13 66.1305 (2) (c) 2. Develop and operate a technology-based incubator in the

14 development area where the redevelopment corporation operates.

History: 1981 c. 314; 1989 a. 31; 1993 a. 16; 1999 a. 150 s. 408; Stats. 1999 s. 66.1305.
****NOTE: How do you want to treat this subdivision?

15 SECTION 5. 66.1305 (2) (c) 3. of the statutes is amended to read:

16 66.1305 (2) (c) 3. Apply for a grant under s. 560.14 (3) in connection with a

17 technology-based incubator.

History: 1981 c. 314; 1989 a. 31; 1993 a. 16; 1999 a. 150 s. 408; Stats. 1999 s. 66.1305.

③ New economy for Wisconsin program

****NOTE: How do you want to treat this subdivision?

1 SECTION 6. 66.1333 (2m) (d) 8. of the statutes is amended to read:

2 66.1333 (2m) (d) 8. Studying the feasibility of an initial design for a
3 technology-based incubator, developing and operating a technology-based
4 incubator and applying for a grant under s. 560.14 (3) in connection with a
5 technology-based incubator.

History: 1973 c. 172; 1975 c. 4, 94, 350; 1979 c. 89, 110, 221; 1981 c. 20, 112, 232; 1983 a. 24, 189; 1985 a. 219; 1987 a. 27, 403; 1989 a. 31, 89; 1991 a. 316; 1993 a. 16, 112, 172, 184, 268, 301; 1995 a. 27, 225; 1999 a. 9; 1999 a. 150 ss. 441 to 446; Stats. 1999 s. 66.1333; 1999 a. 185 s. 58.

****NOTE: How do you want to treat this subdivision?

6 SECTION 7. 66.1333 (2m) (t) of the statutes is amended to read:

7 66.1333 (2m) (t) "Technology-based incubator" has the meaning given in s.
8 560.14 (1) (h).

History: 1973 c. 172; 1975 c. 4, 94, 350; 1979 c. 89, 110, 221; 1981 c. 20, 112, 232; 1983 a. 24, 189; 1985 a. 219; 1987 a. 27, 403; 1989 a. 31, 89; 1991 a. 316; 1993 a. 16, 112, 172, 184, 268, 301; 1995 a. 27, 225; 1999 a. 9; 1999 a. 150 ss. 441 to 446; Stats. 1999 s. 66.1333; 1999 a. 185 s. 58.

****NOTE: How do you want to treat this paragraph?

History: 1973 c. 172; 1975 c. 4, 94, 350; 1979 c. 89, 110, 221; 1981 c. 20, 112, 232; 1983 a. 24, 189; 1985 a. 219; 1987 a. 27, 403; 1989 a. 31, 89; 1991 a. 316; 1993 a. 16, 112, 172, 184, 268, 301; 1995 a. 27, 225; 1999 a. 9; 1999 a. 150 ss. 441 to 446; Stats. 1999 s. 66.1333; 1999 a. 185 s. 58.

9 SECTION 8. 560.135 (1) (d) of the statutes is amended to read:

10 560.135 (1) (d) "Community-based organization" has the meaning given in s.
11 560.14 (1) (e) means an organization that is involved in economic development and
12 that helps businesses that are likely to employ persons.

History: 1997 a. 27.

13 SECTION 9. 560.14 of the statutes is repealed.

14 SECTION 10. 560.143 of the statutes is created to read:

15 560.143 New economy for Wisconsin program. (1) DEFINITIONS. In this
16 section:

17 (a) "Community-based business incubator" means a person involved in local
18 economic development who operates a facility that is designed to encourage the
19 growth of new businesses

→ by providing office or
laboratory space and
services

1 (b) "Small business" means a business that has fewer than 100 full-time
2 employees.

3 (2) GRANTS; ELIGIBILITY. From the appropriation under s. 20.143 (1) (fg), the
4 department may make a grant not exceeding \$100,000 to any of the following:

5 (a) A community-based business incubator that focuses on providing services
6 to high-technology businesses, or on promoting entrepreneurship, and for which at
7 least 2 of the following apply:

8 1. Space in the facility is rented at a rate lower than the market rate in the
9 community.

10 2. Shared business services are provided in the facility.

11 3. Management and technical assistance are available at the facility.

12 4. Businesses using the facility may obtain financial capital through a direct
13 relationship with at least one financial institution.

14 (b) A nonprofit organization that focuses on providing services to
15 high-technology businesses, or on promoting entrepreneurship, and that provides
16 services or opportunities linking entrepreneurs with potential investors.

17 (3) USE OF PROCEEDS. A community-based business incubator or a nonprofit
18 organization that receives a grant under this section may use the grants proceeds for
19 a project that does any of the following:

20 (a) Assists small businesses in adopting new technologies in their operations.

21 (b) Assists technology-based small businesses in activities that further the
22 transfer of technology.

23 *****NOTE: Could you provide a description of or definition for a "technology-based" small business? See the definition for "technically oriented business" in S. 560.90.*

✓

only

J

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→

1 (4) BASES FOR GRANT AWARDS. In awarding grants under this section, the
2 department shall consider all of the following:

- 3 (a) The quality of the applicant's proposal.
- 4 (b) The applicant's commitment to the project.
- 5 (c) The project's potential for economic growth.
- 6 (d) The past performance of the applicant and of any proposed partners.
- 7 (e) The qualifications of the individuals who will work on the project.
- 8 (f) The need for the project by the applicant's clients.
- 9 (g) The strength of the applicant's collaboration or partnerships with other
10 organizations.

11 (h) The project's use of available resources from Wisconsin educational
12 institutions.

13 (i) The project's ability to produce sustainable and continuing benefits after the
14 project is completed.

15 (j) The economic distress of the area served by the project.

16

(END)

Insert 5-15

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0641/ins
PJK.....

INSERT A ✓

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The bill specifies ~~that~~ the department must consider in awarding the grants and requires the department to develop a grant application, promulgate rules on how the grants will be administered, and enter into a written agreement with each grant recipient that requires the recipient to submit a report to the department that details how the grant proceeds were used.

(END OF INSERT A)

INSERT 5-15 ✓

- (5) DEPARTMENT RESPONSIBILITIES. The department shall do all of the following:
- (a) Develop an application to be used for grants under this section and furnish the application to prospective applicants upon request.
 - (b) Promulgate rules for administering the grants under this section.
 - (c) Enter into a written agreement with a recipient of a grant under this section that requires the recipient to submit to the department, within 6 months after spending the full amount of the grant proceeds, a report detailing how the grant proceeds were used.

(END OF INSERT 5-15)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0641/7dn

PJK...:y:...

PI
Kmg

Bill:

1. Please review this draft carefully, especially the definitions, because I made a number of assumptions.
2. How do you want to treat the ch. 66 provisions in this draft? Probably the best options are to repeal the provisions or amend them so that "technology-based incubator" is replaced with "community-based business incubator."

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-0641/P1dn

PJK:kmg:km

October 19, 2000

Bill:

1. Please review this draft carefully, especially the definitions, because I made a number of assumptions.
2. How do you want to treat the ch. 66 provisions in this draft? Probably the best options are to repeal the provisions or amend them so that "technology-based incubator" is replaced with "community-based business incubator."

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

Kahler, Pam

From: Walker, William
Sent: Monday, January 08, 2001 11:41 AM
To: Kahler, Pam
Subject: RE: LRB 641/P1

I guess I've come around to Julie's view. Let's do "or."

Leave it to the rules please.

How are things going? I've hit you with a lot of last minute items.

-----Original Message-----

From: Kahler, Pam
Sent: Monday, January 08, 2001 11:37 AM
To: Walker, William
Subject: RE: LRB 641/P1

I need your advice/decision on the following of Julie Keal's comments:

3. The "and" certainly could be changed to an "or" so that Commerce would be able to make grants to more organizations. It's your call. If you want to limit the grants to organizations that do (1) or (2) *and* (3), that is your prerogative. What would you like, "and" or "or"?

4. Rather than defining "technology-based small business" we could leave it to the rules under sub. (5) (b). If I used Julie's definition, I'm afraid I would also have to define "value-added products or services"! (What are those?)

-----Original Message-----

From: Walker, William
Sent: Saturday, January 06, 2001 2:23 PM
To: Kahler, Pam
Subject: FW: LRB 641/P1

Your drafting note asked: *How do you want to treat the ch. 66 provisions in this draft? Probably the best options are to repeal the provisions or amend them so that "technology-based incubator" is replaced with "community-based business incubator."*

I suggest the latter (amend with "community-based business incubator")

Also, some comments from Julie Keal with my notes:

-----Original Message-----

From: Keal, Julie
Sent: Thursday, December 14, 2000 2:14 PM
To: Walker, William
Cc: Cornelius, Louie
Subject: LRB 641/P1

A few items:

1. Page 2 -- We also need to delete s. 560.037, and the reference to it in 20.143 (1) (fg).

[Walker, William] No we don't. Eliminating 560.037 was more than the original proposal and was never briefed on.

2. Page 2, line 7. "Tech based incubator" means an incubator as defined in 560.143 (1)(a) that focuses on technology-based businesses. The other chapter 66 sections are okay, except that the reference to 560.14 needs to be changed to 560.143.

[Walker, William] She seems right on this one.

3. Page 4, line 11. Change the "and" to an "or", so that we can make a grant to an organization that does any of these types of activities.

[Walker, William] I don't agree with her. There are three items: (1) service to high-tech; (2) promoting entrepreneur; (3) link entrepreneurs with investors. (1) and (2) are options but (3) is a requirement. Your opinion?

4. Page 4, note between lines 18 and 19. Tech based small business means: A business that uses advanced procedures that employ new technologies, a business that provides products or services to other businesses that employ new technologies, or a business that provides value-added products or services using materials or parts that are produced using new technologies.

[Walker, William] I like the definition in s. 560.90 better (your suggestion). Julie's relies on the word "new" but new is not necessarily "high". Your opinion?

5. Page 5, following line 11. Add section (k) -- The readiness of the applicant to implement the proposal.

[Walker, William] Ok with me.

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DOA:.....Walker - Replace the community-based economic development program with the new economy for Wisconsin program

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

SOON
(1-08)

do not
you cost

1 AN ACT; relating to: the budget.

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

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Insert A

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:

***NOTE: bud

Community-based business

1 SECTION 1. 20.143 (1) (fg) of the statutes is amended to read:

2 20.143 (1) (fg) ~~Community-based economic development programs~~ New
3 economy for Wisconsin program. The amounts in the schedule for grants under ss.
4 560.037 and 560.14 and for the grants under 1993 Wisconsin Act 16, section 9115 (1e)
5 and 1999 Wisconsin Act 9, section 9110 (6e) and (7v) 560.143.

6 SECTION 2. 66.1305 (2) (a) 2. of the statutes is amended to read:

7 66.1305 (2) (a) 2. "~~Technology-based~~ incubator" has the meaning given in s.
8 ~~560.14 (1) (h)~~ 560.143(1)(a) ✓

***NOTE: How do you want to treat this subdivision?

9 SECTION 3. 66.1305 (2) (c) 1. of the statutes is amended to read:

10 66.1305 (2) (c) 1. Study the feasibility and initial design for a ~~technology-based~~
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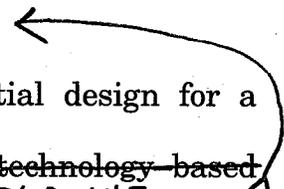
15 SECTION 5. 66.1305 (2) (c) 3. of the statutes is amended to read:

16 66.1305 (2) (c) 3. Apply for a grant under s. ~~560.14 (3)~~ 560.143 ✓
17 ~~technology-based~~ incubator. Community-based business

***NOTE: How do you want to treat this subdivision?

18 SECTION 6. 66.1333 (2m) (d) 8. of the statutes is amended to read:

community-based business



1 66.1333 (2m) (d) 8. Studying the feasibility of an initial design for a
2 ~~technology-based~~ incubator, developing and operating a ~~technology-based~~
3 incubator and applying for a grant under s. ~~560.14 (3)~~ in 560.143
4 ~~technology-based~~ incubator.

***NOTE: How do you want to treat this subdivision?

change component

renumbered 66.1333 (2m) (f) and

5 SECTION 7. 66.1333 (2m) (t) of the statutes is amended to read:

6 66.1333 (2m) (f) "~~Technology-based~~ incubator" has the meaning given in s.

7 ~~560.14 (1) (h)~~ 560.143 (1) (a) ✓

***NOTE: How do you want to treat this paragraph?

Community-based business

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11 that helps businesses that are likely to employ persons.

12 SECTION 9. 560.14 of the statutes is repealed.

13 SECTION 10. 560.143 of the statutes is created to read:

14 **560.143 New economy for Wisconsin program.** (1) DEFINITIONS. In this
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16 (a) "Community-based business incubator" means a person involved in local
17 economic development who operates a facility that is designed to encourage the
18 growth of new businesses by providing office or laboratory space and services.

19 (b) "Small business" means a business that has fewer than 100 full-time
20 employees.

21 (2) GRANTS; ELIGIBILITY. From the appropriation under s. 20.143 (1) (fg), the
22 department may make a grant not exceeding \$100,000 to any of the following:

1 (a) A community-based business incubator that focuses on providing services
2 to high-[✓]technology businesses, or on promoting entrepreneurship, and for which at
3 least 2 of the following apply:

4 1. Space in the facility is rented at a rate lower than the market rate in the
5 community.

6 2. Shared business services are provided in the facility.

7 3. Management and technical assistance are available at the facility.

8 4. Businesses using the facility may obtain financial capital through a direct
9 relationship with at least one financial institution.

10 (b) A nonprofit organization that focuses on providing services to
11 high-[✓]technology businesses, or on promoting entrepreneurship, ~~and~~ ^{or} that provides
12 services or opportunities linking entrepreneurs with potential investors.

13 (3) USE OF PROCEEDS. A community-based business incubator or a nonprofit
14 organization that receives a grant under this section may use the grant proceeds only
15 for a project that does any of the following:

16 (a) Assists small businesses in adopting new technologies in their operations.

17 (b) Assists technology-based small businesses in activities that further the
18 transfer of technology.

~~NOTE: Could you provide a description of or definition for a "technology-based"
small business? See the definition for "technically-oriented business" in s. 560.90~~

19 (c) Assists entrepreneurs in discovering business opportunities.

20 (4) BASES FOR GRANT AWARDS. In awarding grants under this section, the
21 department shall consider all of the following:

22 (a) The quality of the applicant's proposal.

23 (b) The applicant's commitment to the project.

- 1 (c) The project's potential for economic growth.
- 2 (d) The past performance of the applicant and of any proposed partners.
- 3 (e) The qualifications of the individuals who will work on the project.
- 4 (f) The need for the project by the applicant's clients.
- 5 (g) The strength of the applicant's collaboration or partnerships with other
- 6 organizations.
- 7 (h) The project's use of available resources from Wisconsin educational
- 8 institutions.
- 9 (i) The project's ability to produce sustainable and continuing benefits after the
- 10 project is completed.
- 11 (j) The economic distress of the area served by the project.

12 (5) DEPARTMENT RESPONSIBILITIES. The department shall do all of the following:

- 13 (a) Develop an application to be used for grants under this section and furnish
- 14 the application to prospective applicants upon request.
- 15 (b) Promulgate rules for administering the grants under this section.
- 16 (c) Enter into a written agreement with a recipient of a grant under this section
- 17 that requires the recipient to submit to the department, within 6 months after
- 18 spending the full amount of the grant proceeds, a report detailing how the grant
- 19 proceeds were used.

20 (END)

(K) The readiness of the applicant to implement the project.

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0641/lins
PJK:kmg:km

INSERT A

Under current law, a corporation carrying on urban redevelopment activities is authorized to develop and operate a technology-based incubator and apply for a grant under a community-based economic development program administered by the department. The bill provides that such a corporation may instead develop and operate a community-based business incubator and apply for a grant under NEW. Another provision in current law provides that blight elimination and urban renewal projects include studying the feasibility of developing and operating a technology-based incubator and applying for a grant under a community-based economic development program administered by the department. The bill provides that blight elimination and urban renewal projects include, instead, developing and operating a community-based business incubator and applying for a grant under NEW.

(END OF INSERT A)



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-0641/1

PJK:kmg:km

DOA:.....Walker - Replace the community-based economic development program with the new economy for Wisconsin program

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1 AN ACT ...; relating to: the budget.

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COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

Under the community-based economic development programs in current law, the department of commerce (department) awards grants to political subdivisions (counties, cities, villages, and towns) and community-based organizations for various purposes related to promoting economic development at the community level. The bill eliminates these programs and creates a new economy for Wisconsin (NEW) program. Under NEW, the department may make grants, not exceeding \$100,000 each, to community-based business incubators and nonprofit organizations that provide services to high-technology businesses or that promote entrepreneurship. Grant proceeds may be used only for assisting small businesses (businesses with fewer than 100 employees) in adopting new technologies in their operations, for assisting technology-based small businesses in activities that further technology transfer, or for assisting entrepreneurs in discovering business opportunities. The bill specifies the factors that the department must consider in awarding the grants and requires the department to develop a grant application, promulgate rules on how the grants will be administered, and enter into a written agreement with each grant recipient that requires the recipient to submit a report to the department that details how the grant proceeds were used.

Under current law, a corporation carrying on urban redevelopment activities is authorized to develop and operate a technology-based incubator and apply for a grant under a community-based economic development program administered by the department. The bill provides that such a corporation may instead develop and operate a community-based business incubator and apply for a grant under NEW. Another provision in current law provides that blight elimination and urban renewal projects include studying the feasibility of developing and operating a technology-based incubator and applying for a grant under a community-based economic development program administered by the department. The bill provides that blight elimination and urban renewal projects include, instead, developing and operating a community-based business incubator and applying for a grant under NEW.

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:

1 **SECTION 1.** 20.143 (1) (fg) of the statutes is amended to read:

2 20.143 (1) (fg) ~~Community-based economic development programs~~ New
3 economy for Wisconsin program. The amounts in the schedule for grants under ss.
4 560.037 and 560.14 and for the grants under 1993 Wisconsin Act 16, section 9115 (1e)
5 and 1999 Wisconsin Act 9, section 9110 (6e) and (7v) 560.143.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

6 **SECTION 2.** 66.1305 (2) (a) 2. of the statutes is amended to read:

7 66.1305 (2) (a) 2. ~~“Technology-based Community-based business incubator”~~
8 has the meaning given in s. 560.14 (1) (h) 560.143 (1) (a).

9 **SECTION 3.** 66.1305 (2) (c) 1. of the statutes is amended to read:

10 66.1305 (2) (c) 1. Study the feasibility and initial design for a ~~technology-based~~
11 community-based business incubator in the development area where the
12 redevelopment corporation operates.

13 **SECTION 4.** 66.1305 (2) (c) 2. of the statutes is amended to read:

1 66.1305 (2) (c) 2. Develop and operate a ~~technology-based~~ community-based
2 business incubator in the development area where the redevelopment corporation
3 operates.

4 **SECTION 5.** 66.1305 (2) (c) 3. of the statutes is amended to read:

5 66.1305 (2) (c) 3. Apply for a grant under s. ~~560.14 (3)~~ 560.143 in connection
6 with a ~~technology-based~~ community-based business incubator.

7 **SECTION 6.** 66.1333 (2m) (d) 8. of the statutes is amended to read:

8 66.1333 (2m) (d) 8. Studying the feasibility of an initial design for a
9 ~~technology-based~~ community-based business incubator, developing and operating
10 a ~~technology-based~~ community-based business incubator and applying for a grant
11 under s. ~~560.14 (3)~~ 560.143 in connection with a ~~technology-based~~ community-based
12 business incubator.

13 **SECTION 7.** 66.1333 (2m) (t) of the statutes is renumbered 66.1333 (2m) (f) and
14 amended to read:

15 66.1333 (2m) (f) “~~Technology-based~~ Community-based business incubator”
16 has the meaning given in s. ~~560.14 (1) (h)~~ 560.143 (1) (a).

17 **SECTION 8.** 560.135 (1) (d) of the statutes is amended to read:

18 560.135 (1) (d) “Community-based organization” ~~has the meaning given in s.~~
19 ~~560.14 (1) (e)~~ means an organization that is involved in economic development and
20 that helps businesses that are likely to employ persons.

21 **SECTION 9.** 560.14 of the statutes is repealed.

22 **SECTION 10.** 560.143 of the statutes is created to read:

23 **560.143 New economy for Wisconsin program. (1) DEFINITIONS.** In this
24 section:

1 (a) “Community-based business incubator” means a person involved in local
2 economic development who operates a facility that is designed to encourage the
3 growth of new businesses by providing office or laboratory space and services.

4 (b) “Small business” means a business that has fewer than 100 full-time
5 employees.

6 (2) GRANTS; ELIGIBILITY. From the appropriation under s. 20.143 (1) (fg), the
7 department may make a grant not exceeding \$100,000 to any of the following:

8 (a) A community-based business incubator that focuses on providing services
9 to high-technology businesses, or on promoting entrepreneurship, and for which at
10 least 2 of the following apply:

11 1. Space in the facility is rented at a rate lower than the market rate in the
12 community.

13 2. Shared business services are provided in the facility.

14 3. Management and technical assistance are available at the facility.

15 4. Businesses using the facility may obtain financial capital through a direct
16 relationship with at least one financial institution.

17 (b) A nonprofit organization that focuses on providing services to
18 high-technology businesses, or on promoting entrepreneurship, or that provides
19 services or opportunities linking entrepreneurs with potential investors.

20 (3) USE OF PROCEEDS. A community-based business incubator or a nonprofit
21 organization that receives a grant under this section may use the grant proceeds only
22 for a project that does any of the following:

23 (a) Assists small businesses in adopting new technologies in their operations.

24 (b) Assists technology-based small businesses in activities that further the
25 transfer of technology.

1 (c) Assists entrepreneurs in discovering business opportunities.

2 (4) BASES FOR GRANT AWARDS. In awarding grants under this section, the
3 department shall consider all of the following:

4 (a) The quality of the applicant's proposal.

5 (b) The applicant's commitment to the project.

6 (c) The project's potential for economic growth.

7 (d) The past performance of the applicant and of any proposed partners.

8 (e) The qualifications of the individuals who will work on the project.

9 (f) The need for the project by the applicant's clients.

10 (g) The strength of the applicant's collaboration or partnerships with other
11 organizations.

12 (h) The project's use of available resources from Wisconsin educational
13 institutions.

14 (i) The project's ability to produce sustainable and continuing benefits after the
15 project is completed.

16 (j) The economic distress of the area served by the project.

17 (k) The readiness of the applicant to implement the project.

18 (5) DEPARTMENT RESPONSIBILITIES. The department shall do all of the following:

19 (a) Develop an application to be used for grants under this section and furnish
20 the application to prospective applicants upon request.

21 (b) Promulgate rules for administering the grants under this section.

22 (c) Enter into a written agreement with a recipient of a grant under this section
23 that requires the recipient to submit to the department, within 6 months after

1 spending the full amount of the grant proceeds, a report detailing how the grant
2 proceeds were used.

3 (END)