

Committee Name:

Senate Committee – Economic Development, Job Creation and Housing (SC–EDJCH)

Appointments

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Committee Hearings

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Clearinghouse Rules

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Hearing Records

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Misc.

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Wisconsin State AFL-CIO *...the voice for working families.*

David Newby, President • Sara J. Rogers, Exec. Vice President • Phillip L. Neuenfeldt, Secretary-Treasurer

TO: Senate Economic Development, Job Creation and Housing Committee

FROM: Phil Neuenfeldt, Secretary-Treasurer

DATE: November 6, 2003

RE: **ASSEMBLY BILL 523 / INDUSTRIAL REVENUE BONDS**

The Wisconsin State AFL-CIO originally had serious concerns with this bill because it repealed certain protections against the abuse of IRBs by businesses that used the taxpayer assistance to merely shift jobs from one part of the state to another, often to seek lower wages and benefits. The amendments passed in the Assembly restored those job protections. The original bill also repealed competitive bidding requirements and the Assembly amended the bill to restore those provisions as well.

We ask members of the committee to approve the bill with amendments as passed in the Assembly. In that case, the Wisconsin State AFL-CIO will not oppose AB 523.

PN/JR/mj

AB 523 Industrial Development Revenue Bonds
Testimony for Representative Terri McCormick
Senate Committee on Economic Development
November 6, 2003

Good morning Chairperson Stepp and committee members. Thank you for the opportunity to speak today.

I am here to urge your support for AB 523. I am sure that as members of the Senate Economic Development Committee, you share the passion that I do for job growth and economic development in our state. As you know, the state continues to face challenging economic times. Each week, the newspapers share horrifying stories of Wisconsin based businesses that are fleeing the state, leaving a wake of people left without jobs or income. Solving Wisconsin's economic crisis needs to start with making sure the good people of our state have jobs and can contribute to our economy. This starts with changing Wisconsin's unfriendly business climate, and working to retain and recruit new opportunities to increase job growth.

In March of this year, I introduced a map for economic development in the state of Wisconsin, called the "Blueprint for Change: A Design for Job Growth in Wisconsin." The Blueprint is meant to serve as a guideline for legislation with end goals of growing jobs by investigating the forces that encourage and discourage industry and organizational development in the Badger state.

Over the course of the past six months, I have worked with industry and business leaders and other important decision makers to identify the market dynamics that are needed to advance the delivery of high quality, efficient and low cost services to the public, stimulating private sector job growth and development. In addition I have researched private sector partnerships underscoring the dynamics of a competitive global marketplace through expanded infrastructure development and models of excellence. The bill before you today, AB 523, is one in a series of legislation I will be introducing to change the way Wisconsin does business.

The Industrial Development Bond statute allows municipalities to borrow money and enter into revenue agreements related to industrial projects, but unfortunately it has several notice or reporting requirements that make its use significantly more burdensome than in neighboring states. Changes in federal tax laws relating to tax exemption for these bonds now make these provisions obsolete. This bill lifts a number of requirements that must be met before revenue agreements may be entered into or industrial projects undertaken. AB 523 is about good government and government getting out of the way by removing barriers for municipalities when entering in revenue agreements for industrial projects.

These are outdated requirements for businesses that are no longer necessary. This is a simple bill that lifts burdensome –and not necessary- provisions for business. As proof, AB 523 passed the Assembly Economic Development Committee with a 8-0 vote and passed the Assembly on October 23 with a vote of 74-23.

This is a time of incredible opportunity for the state of Wisconsin. Despite a challenging budget, I believe Wisconsin has the ability to forge ahead and investigate those factors that make our state competitive in the Midwest and to discover those that are inhibiting our growth.

Thank you again for the opportunity to share my thoughts with you. I would be happy to take any questions at this time.