

## CHAPTER 560

## DEPARTMENT OF COMMERCE

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## SUBCHAPTER I

## GENERAL PROVISIONS

**560.001 Definitions.** In this chapter:

(1) “Department” means the department of commerce.

(1m) “Economic development program” means a program or activity having the primary purpose of encouraging the establishment and growth of business in this state, including the creation and retention of jobs, and that satisfies all of the following:

(a) The program receives funding from the state or federal government that is allocated through an appropriation under ch. 20.

(b) The program provides financial assistance, tax benefits, or direct services to specific industries, businesses, local governments, or organizations.

(2) “Secretary” means the secretary of the department.

**History:** 1971 c. 321; 1979 c. 361; 1995 a. 27 s. 9116 (5); 2007 a. 125.

**560.01 Organization of the department. (1) PURPOSES.**

The functions of the department are of an advocacy, regulatory, consultative, advisory, informational, coordinative, and promotional nature. Through research, planning, consultation, and promotion of the development and maximum wise use of the natural and human resources of the state, it shall foster the growth and diversification of the economy of the state. It shall serve as the central agency and clearinghouse for developmental activities concerning the economy of the state. It shall make recommendations to the governor for the purpose of guiding a coordinated and economically efficient development of the state and shall seek closer cooperation and coordination between units of state government, educational institutions, local governments, local planning agencies, including regional planning commissions, and business and industry to foster and encourage a pattern of community development and of state–local and business relationships so that the economy of the state may continue to develop fully and meet citizen and community needs. It shall make continuing studies of the problems affecting economic and community development and recommendations for relieving those problems, and function in any other reasonable manner that will accomplish the stated purposes of this chapter. The department may also coordinate training for local government officials provided by state agencies including, but not limited to, the University of Wisconsin–Extension and the technical college system.

(2) **DUTIES.** (a) *State economic policy.* The department shall develop a state economic policy. The department shall promote and provide technical assistance, consultative services and other assistance to commercial, industrial and recreational development and expansion; facilitate the establishment and retention of business enterprises in this state, including small and minority business enterprises; encourage cooperation between financial institutions and business persons to encourage commercial, industrial and recreational business expansion in this state; encourage creation of jobs throughout the state and especially in urban and rural economically depressed areas; develop and coordinate state public and private economic development plans and federal economic development assistance programs affecting local governments and business and industry; encourage the growth of tourism in the state; promote state products and industries in both foreign and domestic markets; provide informational clearinghouses for businesses and communities in their dealings with other state and federal agencies; advise the governor and legislature on the role of the state in state–local affairs; study the problems affecting local government relations as they impact on economic development and make recommendations for relieving these problems; develop a state–local relations policy to facilitate closer coordination and cooperation between state and local governments; advise the governor and the legislature regarding problems faced by local governments; develop an improved pattern of

state–local relations; and develop recommendations for legislative or administrative action as may appear necessary.

(ae) *Goals and accountability measures for economic development programs.* The department shall do all of the following for each economic development program administered by the department:

1. Establish clear and measurable goals for the program that are tied to statutory policy objectives.

2. Establish at least one quantifiable benchmark for each program goal described in subd. 1.

3. Require that each recipient of a grant or loan under the program submit a report to the department. Each contract with a recipient of a grant or loan under the program shall specify the frequency and format of the report to be submitted to the department and the performance measures to be included in the report.

4. Establish a method for evaluating the projected results of the program with actual outcomes as determined by evaluating the information described in subds. 1. and 2.

5. Annually and independently verify, from a sample of grants and loans, the accuracy of the information required to be reported under subd. 3.

6. Establish by rule a requirement that the recipient of a grant or loan under the program of at least \$100,000 submit to the department a verified statement signed by both an independent certified public accountant licensed or certified under ch. 442 and the director or principal officer of the recipient to attest to the accuracy of the verified statement, and make available for inspection the documents supporting the verified statement. The department shall include the requirement established by rule under this subdivision in the contract entered into by a grant or loan recipient.

7. Establish by rule policies and procedures permitting the department to do all of the following if a recipient of a grant or loan or tax benefits under the program submits false or misleading information to the department or fails to comply with the terms of a contract entered into with the department under the program and fails to provide to the satisfaction of the department an explanation for the noncompliance:

a. Recoup payments made to the recipient.

b. Withhold payments to be made to the recipient.

c. Impose a forfeiture on the recipient.

**Cross-reference:** See also ch. [Comm 149](#), Wis. adm. code.

(am) *Economic development assistance reporting.* Annually, no later than October 1, the department shall submit to the joint legislative audit committee and to the appropriate standing committees of the legislature under s. [13.172 \(3\)](#) a comprehensive report assessing economic development programs administered by the department. The department shall make readily accessible to the public on an Internet–based system the information required under this paragraph. The report shall include all of the following information:

1. A description of each program.

2. Quantifiable performance measures directly related to the purpose of the program including, when applicable, all of the following information:

a. An accounting of the location, by municipality, of each job created or retained in the state in the previous fiscal year as a result of the program.

b. An accounting of the industry classification, by municipality, of each job created or retained in the state in the previous fiscal year as a result of the program.

3. A comparison of expected and actual program outcomes.

4. The number of grants made under the program in the previous fiscal year.

5. The number of loans made under the program in the previous fiscal year.

5m. The amount of tax benefits allocated and verified under the program in the previous fiscal year.

6. The amount of each grant and loan made under the program in the previous fiscal year.

7. The recipient of each grant or loan made under the program in the previous fiscal year.

7m. The recipients of tax benefits allocated and verified under the program in the previous fiscal year.

8. The sum total of all grants and loans awarded to and received by each recipient under the program in the previous fiscal year.

9. Any recommended changes to the program.

(as) *Coordination of economic development program goals and accountability measures; annual reporting requirements.* 1. The department of commerce shall coordinate the development of programmatic goals and accountability measures as required under ss. 23.167, 36.09 (1) (am), 38.04 (1m), 41.11 (1g), 84.01 (6m), 93.07 (18), and 234.032 to ensure that the goals and measures are adequate, compatible, and effective.

2. The department of commerce shall collaborate with the department of natural resources, the Board of Regents of the University of Wisconsin System, the technical college system board, the department of tourism, the department of transportation, the department of agriculture, trade, and consumer protection, and the Wisconsin housing and economic development authority to facilitate the reporting required under ss. 23.169, 36.11 (29r), 38.04 (10m), 41.11 (1r), 84.01 (11m), 93.07 (20), and 234.255.

(b) *Regulation of industry, buildings and safety.* The department shall administer and enforce laws regulating industry, safety and buildings under chs. 101, 107, 145 and 168 and ss. 32.19 to 32.27, 167.10, and 167.27 and as otherwise provided by statute.

(3) FOREIGN OFFICE AGREEMENTS. The department may enter into agreements regarding compensation, space and other administrative matters as are necessary to operate departmental offices in other states and foreign countries. Such agreements shall be subject to the approval of the secretary of administration.

**History:** 1971 c. 321; 1977 c. 29; 1979 c. 361; 1983 a. 27; 1993 a. 399; 1995 a. 27; 2001 a. 103; 2007 a. 125; 2009 a. 239.

**Cross-reference:** See also *Comm.*, Wis. adm. code.

### 560.02 Secretary. The secretary shall:

(1) Direct the execution of the statutory duties and powers assigned to the department and shall advise the governor and legislature on matters regarding economic growth and development and community development in the state.

(2) Appoint the administrators for the various divisions of the department subject to s. 230.08 (4) (a). Administrators appointed under the unclassified service shall serve at the pleasure of the secretary.

(3) Delegate any of his or her powers and duties to such officers and employees of the department as he or she designates, and may authorize successive redelegations of such powers and duties.

(4) Submit and adopt all necessary plans; enter into contracts; accept gifts, grants and federal funds; make rules and do all things necessary and proper to carry out this chapter.

**History:** 1971 c. 307 s. 104; 1971 c. 321; 1977 c. 29, 418; 1979 c. 361 ss. 29, 86.

**560.03 Business and industrial development.** The department shall foster, encourage and advocate economic development programs designed to broaden and strengthen the economy of the state, and it shall provide specific leadership in the following instances among others:

(1) Support and assist the efforts of local business and industry, local government, state, regional and local development corporations, industrial committees, chambers of commerce, labor organizations and other similar public and private agencies to foster expansion of existing agricultural, commercial, industrial and mining enterprises, and initiate efforts to attract new enterprises, including working jointly with the department of agriculture, trade and consumer protection to develop deer farming under s. 93.46 (1) (am).

(2) Identify for the governor's attention those significant business and industrial problems which may be relieved by state action.

(3) Assist in the formulation and implementation of integrated economic and community development programs for northern Wisconsin and other areas or regions of the state and cooperate with and provide technical assistance to any organizations created for the purpose of aiding and encouraging an orderly, productive and coordinated development of the state.

(4) Assist in the formulation and development of a more intensive program to aid and expand the mining industry.

(4m) Provide, to communities in northern Wisconsin that are affected by mining, technical assistance with planning to diversify their economies.

(5) Provide advice and assistance to Wisconsin business and labor.

(6) Locate and maintain information on prime industrial sites, together with recommendations for developing and preserving such sites.

(7) Perform such other functions as the governor may direct to aid in the industrial development of the state.

(8) Help local units of government to plan and initiate development projects.

(9) Establish and operate a small business ombudsman clearinghouse for business and industry to facilitate the flow of information from other state and federal agencies, to assist state agencies in establishing methods to encourage the participation of small businesses in rule making under s. 227.114 (4) and to serve as ombudsman for small business stationary sources, as defined in s. 285.79 (1), in connection with the implementation of the federal clean air act, 42 USC 7401 to 7671q. The department shall assign one full-time employee of the small business ombudsman clearinghouse to provide assistance to businesses as specified under s. 560.42 (1m).

(10) Explore the feasibility of new programs which will address, but not be limited to, the following areas of concern:

(a) The capital development financing needs of business, industrial and agricultural enterprises.

(b) The creation of job opportunities in inner cities and other economically depressed areas.

(c) Credit assistance for business and economic development.

(d) Optimum utilization of federal programs designed to encourage and aid economic development.

(e) The potential of a program to promote and encourage inventions and technological innovations.

(11) Prepare and maintain comprehensive plans for the dynamic development of the economy of each area of the state in cooperation with representatives of the area.

(16) Publish and distribute a list of all aid programs and services made available by this state to its communities. The department shall charge and collect a fee to cover the cost of publication and distribution under this subsection.

(17) Assist new businesses and small businesses receiving economic development loans under s. 234.65 (1) (a) or the assistance of the Wisconsin Housing and Economic Development Authority in locating sources of venture capital and in obtaining the state and federal licenses and permits necessary for business operations.

(18) Develop and implement a plan to promote and increase exports, including agricultural products, and foreign investment in this state. The plan shall provide for the secretary to take a leadership role in assuring collaboration and coordination among international trade activities conducted by governmental entities to assure efficiency and to avoid duplication and may include provisions for participation in trade fairs and missions, establishment and maintenance of foreign trade offices and preparation of research on foreign markets for exports from this state and on opportunities for foreign investment in this state. The plan shall

describe the allocation of funds for support staff in this state to implement the plan and for all other costs in implementing each provision of the plan. In developing and implementing the plan, the department shall consult with the department of agriculture, trade and consumer protection, the University of Wisconsin System, the technical college system and other public and private agencies and institutions supporting international trade education or activities. Any plan to establish a foreign trade office shall include the feasibility of establishing a system of graduated fees which a trade office may use to offset its operating costs, or a system of commissions for execution of successful transactions, or both.

(19) Establish an office of regulatory assistance in the department to provide services as set forth in subch. III.

(20) Provide technical assistance to community development corporations, as defined in s. 234.94 (2), and to persons who are forming community development corporations.

(21) Promulgate rules for the rural hospital loan guarantee program, as required by s. 231.35 (7).

(22) Assist American Indian communities in economic development activities.

(23) Review business plans of persons who intend to apply for a permit under s. 170.12 and who have not previously engaged in commercial log raising. If the department determines, after the review, that the business plan is viable, the department shall approve the plan.

(25) In cooperation with the department of financial institutions and the board of regents of the University of Wisconsin System, provide education and other support to facilitate the development networks of bona fide angel investors, as defined in s. 71.07 (5d) (a) 1.

(26) In cooperation with the department of financial institutions and the board of regents of the University of Wisconsin System, annually conduct and publish the results of a study of Wisconsin businesses to determine new business formation trends and identify obstacles faced by new Wisconsin businesses and areas where changes in governmental policy may satisfy the needs of new Wisconsin businesses. As part of the study, the department of commerce shall conduct a survey of Wisconsin businesses.

**History:** 1971 c. 211 s. 126; 1971 c. 321 ss. 10, 16; Stats. 1971 s. 560.03; 1979 c. 34; 1979 c. 361 ss. 45, 87 to 96; 1979 c. 362; 1983 a. 27, 83, 86, 90, 91, 192; 1985 a. 182 s. 57; 1985 a. 299; 1987 a. 27, 186; 1987 a. 399 s. 433; 1989 a. 317; 1991 a. 39, 302; 1993 a. 399; 1995 a. 27, 227; 1997 a. 27; 1999 a. 150 s. 672; 2001 a. 104; 2003 a. 255; 2007 a. 125; 2009 a. 28, 265.

**560.031 Grants for ethanol production facilities.** Notwithstanding ss. 560.138 (2) (a) and 560.17 (3), the department may not make a grant for an ethanol production facility on which construction begins after July 27, 2005, unless a competitive bidding process is used for the construction of the ethanol production facility.

**History:** 2005 a. 25; 2007 a. 20.

**560.032 Allocation of volume cap on tax-exempt bonds.** (1) ALLOCATION. The department, by rule, shall establish under 26 USC 146 and administer a system for the allocation of the volume cap on the issuance of private activity bonds, as defined under 26 USC 141 (a), among all municipalities, as defined in s. 67.01 (5), and any corporation formed on behalf of those municipalities, and among this state, the Wisconsin Health and Educational Facilities Authority, the Wisconsin Aerospace Authority, and the Wisconsin Housing and Economic Development Authority.

(2) AMENDMENT TO ALLOCATION. At any time prior to December 31 in any year, the department may promulgate rules to revise the allocation system established for that year under sub. (1), except that any revision under this subsection does not apply to any allocation under which the recipient of that allocation has adopted a resolution authorizing the issuance of a private activity bond, as defined in 26 USC 141 (a).

(3) CONDITIONS. The department may establish, by rule, any procedure for, and place any condition upon, the granting of an allocation under this section which the department deems to be in the best interest of the state including, but not limited to, a requirement that a cash deposit, at a rate established by the department in the rules, be a condition for an allocation.

(4) CERTIFICATION. If the secretary receives notice of the issuance of a bond under an allocation under subs. (1) to (3), the secretary shall certify that that bond meets the requirements of 26 USC 146.

**History:** 1987 a. 69, 403; 1989 a. 8; 1997 a. 27; 2005 a. 335.

**560.033 Reallocation of limitation on recovery zone facility bonds.** (1) REALLOCATION. The department, by rule, shall establish under 26 USC 1400U–1 (a) (3) (A) and administer a system for the reallocation of the waived allocation, waived as required under s. 66.1104 (2), of the limitation on the issuance of recovery zone facility bonds, as defined under 26 USC 1400U–3 (b) (1), among authorities, as defined in s. 66.1104 (1) (a), and local governmental units, as defined in s. 66.1104 (1) (b).

(2) AMENDMENT TO REALLOCATION. At any time, the department may promulgate rules to revise the reallocation system established under sub. (1), except that any revision under this subsection does not apply to any reallocation under which the recipient of that reallocation has adopted a resolution authorizing the issuance of a recovery zone facility bond, as defined in 26 USC 1400U–3 (b) (1).

(3) CONDITIONS. Subject to sub. (5), the department may, by rule, establish any procedure for, and place any condition upon, the granting of a reallocation under this section which the department deems to be in the best interest of the state, including, but not limited to, a requirement that a cash deposit, at a rate established by the department in the rules, be a condition for a reallocation.

(4) CONSIDERATION OF ALTERNATIVE FINANCING; REALLOCATION. Before making a reallocation under this section, the department shall consider the availability of qualified Midwestern disaster area bonds, as defined under 26 USC 1400N (a), as modified by P.L. 110–343, title VII, subtitle A, section 702 (d) (intro.) and (1), as an alternative source of financing for a project for which the issuance of recovery zone facility bonds, as defined in 26 USC 1400U–3 (b) (1), are sought, and shall ensure that sufficient unallocated bonding authority remains to comply with s. 66.1104 (2) (e).

(5) CONSIDERATION OF WAIVER; REALLOCATION. For a reallocation made under this section after March 1, 2010, but before June 1, 2010, before making the reallocation, the department shall consider the amount of recovery zone bond limitation allocation waived under s. 66.1104 (2) (a) or (b) by each city or county then seeking a reallocation under this section. The department shall reallocate from the aggregated waived allocation, as that term is used in sub. (1), an allocation of the recovery zone bond limitation to a project in a city or county that waived an allocation under s. 66.1104 (2) (a) or (b) in an amount up to the total limitation allocation waived by the city or county or equal to the limitation allocation determined by the city or county to be necessary for the project, whichever is less. In the event requests by cities and counties for a reallocation under this section exceed the aggregated waived allocation, the department shall prorate the available waived allocation among cities and counties in proportion to the amount waived by the cities and counties.

(5m) AVAILABILITY OF RECORDS. With regard to a letter addressed to the department from a prospective purchaser of a recovery zone bond, as described in s. 66.1104 (2) (a) 2., the name of any business or prospective bond purchaser named in the letter is not subject to the right of inspection or copying under s. 19.35 (1) before the first day of the 3rd month beginning after the letter is received by the department.

**History:** 2009 a. 112.

**Cross-reference:** See also ch. Comm 137, Wis. adm. code.

**560.0335 Disabled veteran-owned businesses.**

**(1) DEFINITIONS.** In this section, unless the context requires otherwise:

(a) “Business” means a sole proprietorship, partnership, limited liability company, joint venture, or corporation.

(b) “Disabled veteran” means a person who is verified by the department of veterans affairs as being all of the following at the time the person applies for certification under sub. (3):

1. A veteran, as defined in s. 45.01 (12).
2. A resident of this state.

3. A person who is in receipt of an award from the U.S. department of veterans affairs of a service-connected disability rating under 38 USC 1114 or 1134 of at least 30 percent.

(c) “Duly authorized representative” has the meaning given in s. 45.04 (1) (a).

(d) “Financial adviser” means a business that serves as an adviser with regard to the sale of evidences of indebtedness or other obligations.

(e) “Investment firm” means a business that serves as a manager, comanager, or in any other underwriting capacity with regard to the sale of evidences of indebtedness or other obligations or as a broker-dealer as defined in s. 551.102 (4).

(f) “Useful business function” means the provision of materials, supplies, equipment, or services to customers, including the state.

**(2) DISABLED VETERAN-OWNED BUSINESS DATABASE.** The department shall develop, maintain, and keep current a computer database of businesses certified under this section.

**(3) DISABLED VETERAN-OWNED BUSINESS, FINANCIAL ADVISER, AND INVESTMENT FIRM CERTIFICATION.** (a) Any business, financial adviser, or investment firm may apply to the department for certification under this section.

(b) The department shall certify a business, financial adviser, or investment firm under this section if, after conducting an investigation, the department determines that the business, financial adviser, or investment firm fulfills all of the following requirements:

1. One or more disabled veterans owns not less than 51 percent of the business, financial adviser, or investment firm or, in the case of any publicly owned business, financial adviser, or investment firm, one or more disabled veterans owns not less than 51 percent of the stock of the business, financial adviser, or investment firm.

2. One or more disabled veterans or one or more duly authorized representatives of one or more disabled veterans controls the management and daily business operations of the business, financial adviser, or investment firm.

3. The business, financial adviser, or investment firm has its principal place of business in this state.

4. The business, financial adviser, or investment firm is currently performing a useful business function. Acting as a conduit for the transfer of funds to a business that is not certified under this section does not constitute a useful business function, unless doing so is a normal industry practice.

(c) The department may charge each business, financial adviser, or investment firm applying for certification under this section a fee to cover the department’s expenses in making the certification determination.

(d) If a business, financial adviser, or investment firm fails to provide the department with sufficient information to enable the department to conduct an investigation or does not qualify for certification under par. (b), the department shall deny the application. A business, financial adviser, or investment firm whose application is denied may, within 30 days after the date of the denial, appeal in writing to the secretary. The secretary shall enter his or her final decision within 30 days after receiving the appeal.

(e) 1. The department may, at the request of any state agency or on its own initiative, evaluate any business, financial adviser, or investment firm certified under this section to verify that it continues to qualify for certification. The business, financial adviser, or investment firm shall provide the department with any records or information necessary to complete the examination.

2. If a business, financial adviser, or investment firm fails to comply with a reasonable request for records or information, the department shall notify the business, financial adviser, or investment firm and the departments of administration and transportation, in writing, that it intends to decertify the business, financial adviser, or investment firm.

3. If, after an evaluation under this paragraph, the department determines that a business, financial adviser, or investment firm no longer qualifies for certification under this section, the department shall notify the business, financial adviser, or investment firm and the departments of administration and transportation, in writing, that it intends to decertify the business, financial adviser, or investment firm.

(f) The business, financial adviser, or investment firm may, within 30 days after a notice is sent under par. (e) 2. or 3., appeal in writing to the secretary. If the business, financial adviser, or investment firm does not submit an appeal under this paragraph, the department shall immediately decertify the business, financial adviser, or investment firm. If an appeal is submitted under this paragraph, the secretary shall enter his or her final decision, in writing, within 30 days after receiving the appeal. If the secretary confirms the decision of the department, the department shall immediately decertify the business, financial adviser, or investment firm. A business, financial adviser, or investment firm decertified under this paragraph may, within 30 days after the secretary’s decision, request a contested case hearing under s. 227.42 from the department. If the final administrative or judicial proceeding results in a determination that the business, financial adviser, or investment firm qualifies for certification under this section, the department shall immediately certify the business, financial adviser, or investment firm. The department shall provide the business, financial adviser, or investment firm and the departments of administration and transportation with a copy of the final written decision regarding certification under this paragraph.

**(4) DEPARTMENT RULE MAKING.** The department shall promulgate by administrative rule procedures to implement this section.

**NOTE:** This section was created as s. 560.033 by 2009 Wis. Act 299 and renumbered to s. 560.0335 by the legislative reference bureau under s. 13.92 (1) (bm) 2.

**History:** 2009 a. 299 s. 100; s. 13.92 (1) (bm) 2.

**560.034 Employment impact estimates. (1)** The department shall prescribe the notice forms to be used under ss. 66.1103 (4m) (a) 1. and 234.65 (3) (a). The department shall include on the forms a requirement for information on the number of jobs the person submitting the notice expects to be eliminated, created or maintained on the project site and elsewhere in this state by the project which is the subject of the notice. The department shall prescribe the forms to be used under ss. 66.1103 (4m) (b) and 234.65 (3r).

**(2)** If the department receives a notice under s. 66.1103 (4m) (a), the department shall estimate, no later than 20 days after receipt of the notice, whether the project which is the subject of the notice is expected to eliminate, create or maintain jobs on the project site and elsewhere in this state and the net number of jobs expected to be eliminated, created or maintained as a result of the project.

**(3)** If the department receives a notice under s. 234.65 (3) (a), the department shall estimate, no later than 20 days after receipt of the notice, whether the project which is the subject of the notice is expected to eliminate, create or maintain jobs on the project site

and elsewhere in this state and the net number of jobs expected to be eliminated, created or maintained as a result of the project.

(5) The department shall issue an estimate made:

(a) Under sub. (2), to the city, village, town, or county which will issue the bonds to finance the project which is the subject of the estimate.

(b) Under sub. (3), to the Wisconsin Housing and Economic Development Authority.

**History:** 1985 a. 299; 1999 a. 85; 1999 a. 150 s. 672; 2001 a. 104; 2009 a. 112.

**560.035 Woman-owned businesses; certification; database.** (1) (a) In this subsection, “woman-owned business” means a sole proprietorship, partnership, limited liability company, joint venture, or corporation that fulfills all of the following requirements:

1. It is at least 51 percent owned, controlled, and actively managed by a woman.

2. It is currently performing a useful business function in this state.

(b) The department shall implement a program for the certification of woman-owned businesses. The department shall compile and periodically update a list of businesses certified under this section and shall make the list available to the public on the Internet.

(bm) The department may charge an applicant for certification under this subsection a processing fee of not more than \$50.

(c) The department shall promulgate rules necessary to implement this subsection.

(2) The department shall develop, maintain and keep current a computer database of businesses in the state that are owned by women, containing demographic statistics and information on the types of industries represented, sales volume and growth rates, generation of jobs by both new and existing businesses and any other relevant characteristics.

**History:** 1991 a. 39; 1999 a. 185; 2005 a. 358.

**Cross-reference:** See also ch. [Comm 104](#), Wis. adm. code.

**560.036 Minority businesses.** (1) **DEFINITIONS.** In this section:

(a) “American Indian” means a person who is enrolled as a member of a federally recognized American Indian tribe or band or who possesses documentation of at least one-fourth American Indian ancestry or documentation of tribal recognition as an American Indian.

(b) “Asian-Indian” means a person whose ancestors originated in India, Pakistan or Bangladesh.

(c) “Black” means a person whose ancestors originated in any of the black racial groups of Africa.

(d) “Hispanic” means a person of any race whose ancestors originated in Mexico, Puerto Rico, Cuba, Central America or South America or whose culture or origin is Spanish.

(e) 1. “Minority business” means a sole proprietorship, partnership, limited liability company, joint venture or corporation that fulfills both of the following requirements:

a. It is at least 51% owned, controlled and actively managed by a minority group member or members who are U.S. citizens or persons lawfully admitted to the United States for permanent residence, as defined under [8 USC 1101](#) (a) (20).

b. It is currently performing a useful business function.

(ep) “Minority financial adviser” means a sole proprietorship, partnership, limited liability company, joint venture or corporation that fulfills all of the following requirements:

1. It is at least 51% owned, controlled and actively managed by a minority group member or members who are U.S. citizens or persons lawfully admitted to the United States for permanent residence, as defined under [8 USC 1101](#) (a) (20).

2. It serves as an adviser with regard to the sale of evidences of indebtedness or other obligations.

(f) “Minority group member” means any of the following:

1. A Black.
2. A Hispanic.
3. An American Indian.
4. An Eskimo.
5. An Aleut.
6. A native Hawaiian.
7. An Asian-Indian.
8. A person of Asian-Pacific origin.

(fm) “Minority investment firm” means a sole proprietorship, partnership, limited liability company, joint venture or corporation that fulfills all of the following requirements:

1. It is at least 51% owned, controlled and actively managed by a minority group member or members who are U.S. citizens or persons lawfully admitted to the United States for permanent residence, as defined under [8 USC 1101](#) (a) (20).

2. It serves as a manager, comanager or in any other underwriting capacity with regard to the sale of evidences of indebtedness or other obligations or as a broker-dealer as defined in s. [551.102](#) (4).

(g) “Person of Asian-Pacific origin” means a person whose ancestors originated in Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, the U.S. Trust Territories of the Pacific or the Northern Marianas.

(h) “Useful business function” means the provision of materials, supplies, equipment or services to customers in addition to this state. Acting as a conduit to transfer funds to a nonminority business does not constitute a useful business function, unless doing so is a normal industry practice.

(2) **MINORITY BUSINESS, ADVISER AND FIRM CERTIFICATION.** (a) For the purposes of ss. [16.75](#) (3m), [16.855](#) (10m), [16.87](#) (2), [18.16](#), [18.64](#), [18.77](#), [25.185](#), [119.495](#) (2), [200.57](#), [231.27](#) and [234.35](#), the department shall establish and periodically update a list of certified minority businesses, minority financial advisers and minority investment firms. Any business, financial adviser or investment firm may apply to the department for certification. For purposes of this paragraph, unless the context otherwise requires, a “business” includes a financial adviser or investment firm.

(b) The department shall certify a business incorporated under ch. [180](#) or having its principal place of business in this state if the department, after conducting an investigation, determines that the business qualifies as a minority business under sub. (1) and any rules promulgated under sub. (3) (c). A determination that a business qualifies as a minority business may not be based on the number of minority group members employed by the business.

(c) The department, without investigation, may certify a business incorporated in this state or having its principal place of business in this state if the business is certified or otherwise classified as a minority business by an agency of this or another state or the federal government, or by a private business with expertise in certifying minority businesses if the private business uses substantially the same procedures as those used by the department in making a determination under par. (b).

(d) 1. If the business applying for certification is not incorporated under ch. [180](#) or does not have its principal place of business in this state, the department may certify it if it meets a condition specified under par. (b) or (c) and if either of the following conditions exists:

a. The state in which the business is incorporated or has its principal place of business has a statutory minority business procurement program and the business qualifies for participation in that program under a procedure substantially equivalent to the procedure used by the department in making a determination under par. (b).

b. The department determines that, with respect to a specified type of supply, material, equipment or service, there are not enough certified minority business suppliers in this state to enable this state to achieve compliance with ss. [16.75](#) (3m), [16.855](#) (10m), [16.87](#) (2) and [25.185](#).

(dm) The department may charge each business applying for certification under par. (d) a fee to cover the department's expenses in making the certification determination.

(e) If a business refuses to provide the department with sufficient information to enable it to conduct an investigation or if the business does not qualify for certification under par. (b), (c) or (d), the department shall deny the application. A business whose application is denied may, within 30 days after the date of the denial, appeal in writing to the secretary. The secretary shall enter his or her final decision within 30 days after receiving the appeal.

(f) The department may, at the request of any state agency, or at its own discretion, examine any certified business to verify that it qualifies for certification. The business shall provide the department with any records or information necessary to complete the examination. If the business fails to comply with a reasonable request for records or information, the department shall decertify it.

(g) If the department, after an examination under par. (f), determines that a business does not qualify as a minority business, the department shall notify the business and the departments of administration and transportation that it intends to decertify the business. The business may, within 30 days after the notice is sent, appeal in writing to the secretary. The secretary shall enter his or her final decision within 30 days after receiving the appeal. If the secretary confirms the decision of the department, the department shall immediately decertify the business. A decertified business may, within 30 days after the secretary's decision, request a contested case hearing under s. 227.42 from the department. If the final administrative or judicial proceeding results in a determination that the business qualifies as a minority business, the department shall immediately certify the business.

**(3) DEPARTMENT RULE MAKING.** (a) The department shall promulgate rules establishing procedures to implement sub. (2).

(b) The department may promulgate rules further defining sub. (1) (f) 1. to 8.

(c) The department may promulgate rules establishing conditions with which a business, financial adviser or investment firm must comply to qualify for certification, in addition to the qualifications specified under sub. (1) (e), (ep) and (fm), respectively.

**History:** 1983 a. 390; 1985 a. 182 s. 57; 1987 a. 27, 403; 1989 a. 31; 1991 a. 37, 39, 189; 1993 a. 112; 1997 a. 27; 1999 a. 150 s. 672; 2007 a. 196.

**Cross-reference:** See also s. *Comm 105.01*, Wis. adm. code.

**560.037 Women's business initiative corporation grants.** (1) Subject to sub. (3), the department may make grants from the appropriation under s. 20.143 (1) (fw) to the women's business initiative corporation to fund its operating costs if all of the following apply:

(a) The women's business initiative corporation submits a plan to the department for each grant detailing the proposed use of the grant and the secretary approves the plan.

(b) The women's business initiative corporation enters into a written agreement with the department that specifies the conditions for use of the grant proceeds, including reporting and auditing requirements.

(c) The women's business initiative corporation agrees in writing to provide services to individuals throughout the state.

(d) The women's business initiative corporation agrees in writing to submit to the department the report required under sub. (2) by the time required under sub. (2).

(2) If the women's business initiative corporation receives a grant under this section, it shall submit to the department, within 6 months after spending the full amount of the grant, a report detailing how the grant proceeds were used.

(3) The department may not make grants under sub. (1) that exceed \$125,000 in total in any year.

**History:** 1993 a. 16; 1997 a. 27; 2009 a. 28.

**560.04 Community development.** (1) **PURPOSE.** The legislature determines that a pattern of state–local relations shall be established that will facilitate closer coordination and cooperation between state and local governments. The department shall recommend methods for achieving such closer coordination and cooperation in order to meet citizen needs, provide a balanced economy and facilitate economic and community development.

(2) **DUTIES.** The department shall:

(a) Review proposed changes in local government boundaries and evaluate and recommend to communities involved those changes which are in the best interest of the state and the communities involved.

(b) Cooperate with and provide technical assistance to county, town, village, city and regional planning commissions and their governing bodies, community development groups, and similar agencies created for the purposes of aiding and encouraging orderly, productive and coordinated economic and community development in the state and assuring a productive and coordinated state–local relationship.

(c) Encourage and, when requested, assist the efforts of local governments to develop mutual and cooperative solutions to their common problems.

(e) Consult with and encourage participation by private groups, individuals, and organizations in carrying out the purposes of the department.

(g) Establish and operate a community development and local government clearinghouse to facilitate the exchange of information between other state and federal agencies and units of local government.

(h) Identify for the governor's attention those significant state–local relations problems, including economic development, which may be relieved by state action.

(j) Administer grant programs related to economic or community development, including economic development assistance programs and urban development comprehensive planning grants affecting local government, business or industry, to assist and strengthen local, regional and state economic and community development and support experimental and cooperative activities and intergovernmental relations, training of local government officials and personnel, and other activities consistent with the purposes of this chapter.

(2m) **DUTIES.** The department may assign one or more full-time equivalent positions to the functions of coordinating the development and scheduling of training programs for local government officials by the University of Wisconsin–Extension, technical college system, department of revenue, government accountability board, and other state agencies in order to assure the effective delivery of training programs and to prevent duplication of effort and of coordinating requests for management or personnel consultative services from government units other than the state and directing those requests to the appropriate division of the department of administration.

**History:** 1971 c. 125; 1973 c. 243 s. 82; 1975 c. 39, 224; 1977 c. 2; 1979 c. 34; 1979 c. 162 s. 38 (11); 1979 c. 175; 1979 c. 361 ss. 31 to 40, 48, 98, 113; Stats. 1979 s. 560.04; 1981 c. 349; 1983 a. 27; 1983 a. 36 s. 96 (3), (4); 1985 a. 29; 1987 a. 399; 1989 a. 31; 1991 a. 39; 1993 a. 399; 2001 a. 103; 2007 a. 1.

**Cross-reference:** See also ch. *Comm 108*, Wis. adm. code.

**560.045 Community development block grant administration.** (1) To the extent allowed under federal law or regulation, the department shall give priority in the awarding of grants under housing programs to grants for projects related to the redevelopment of brownfields, as defined in s. 560.13 (1) (a).

(2) The department shall expand the blight elimination and brownfield redevelopment program under subch. V of ch. *Comm*

108, Wis. Adm. Code, to fund redevelopment planning and projects that will result in end uses with taxable value.

**History:** 1991 a. 39; 1997 a. 27; 1999 a. 9; 2003 a. 33; 2007 a. 20.

**Cross-reference:** See also ch. [Comm 108](#), Wis. adm. code.

**560.047 Capital access program. (1) DEFINITIONS.** In this section:

(a) “Administrator” means Wisconsin Business Development Finance Corporation or an entity that is under contract with Wisconsin Business Development Finance Corporation to administer all or any portion of the program.

(b) “Bank” means either of the following:

1. A financial institution regulated by this state or by the United States that is in good standing with regulatory authorities.

2. An entity that has an existing portfolio of revolving loans to small businesses and that has as its primary purpose and mission the promotion of community development primarily in a limited geographic area of this state that is experiencing economic distress.

(c) “Borrower” means any organization or enterprise, operated for profit or not for profit, that fulfills all of the following conditions:

1. Is authorized to do business in this state.
2. Does not sell alcohol beverages, as defined in s. [125.02 \(1\)](#).
3. Is not an executive officer, director, or principal shareholder of a participating bank, a member of the immediate family of an executive officer, director, or principal shareholder of a participating bank, or an organization or enterprise controlled by any of those individuals.

(d) “Eligible project” means any business purpose in this state except any of the following:

1. Construction or purchase of residential housing.
2. Passive real estate investment.

(e) “Participating bank” means a bank that enters into an agreement with the administrator and makes loans under the program.

(f) “Program” means the capital access program under this section.

(g) “Reserve funds” means premiums contributed under sub. [\(2\) \(d\)](#) and interest accrued on the premiums.

**(2) DEPARTMENT GRANTS AND PROGRAM REQUIREMENTS.** The department shall award grants totaling \$350,000 from the appropriation under s. [20.143 \(1\) \(c\)](#) to Wisconsin Business Development Finance Corporation to fund a program if all of the following apply:

(a) The administrator enters into written agreements with banks desiring to participate in the program that specify the rights and obligations of the administrator and a participating bank under the program.

(b) The administrator develops a standard agreement form for use with banks desiring to participate in the program and any other standard forms necessary for use in the program.

(c) Under the program, a participating bank makes loans to borrowers for eligible projects for which financing might not otherwise be available due to the borrowers’ lack of adequate collateral, net worth, or credit history.

(d) Whenever a participating bank makes a loan under the program, the borrower and the participating bank each contribute a premium in an amount determined by the participating bank, but not less than 1.5 percent nor more than 3.5 percent of the principal amount of the loan or the principal amount of the loan to be covered under the program. The administrator contributes a premium in an amount not less than 100 percent nor more than 150 percent of the total combined premium paid by the borrower and the participating bank and deposits all of the premiums into an account at the participating bank that contains the premiums, and interest accrued on those premiums, and that may also contain premiums and interest under a capital access program administered by Mil-

waukee Economic Development Corporation, from all of the loans made under the program by that participating bank.

(e) Reserve funds are owned and controlled by the administrator but reserved for the use of the participating bank that made the loans represented by the reserve funds.

(f) A participating bank may enroll a loan in the program only if the administrator approves the enrollment of the loan after reviewing an application submitted by the bank.

(g) A refinanced prior loan to a borrower for an eligible project may not be enrolled in the program except to the extent of any additional funds loaned to the borrower.

(h) Reserve funds held by a participating bank may not be withdrawn for use by the participating bank except in case of a loss on a loan that is enrolled in the program.

(i) In case of a loss on a loan that is enrolled in the program, the participating bank submits a claim to the administrator. The amount of the claim, up to the total amount of reserve funds held by the bank, may not exceed the amount of the loan’s principal covered under the program and actually charged off by the participating bank, plus accrued interest and verifiable out-of-pocket collection expenses.

(j) The administrator is subrogated to the rights of a participating bank to recover against a borrower, including the right to enforce a security interest in collateral.

(k) Each participating bank agrees to reimburse the administrator for any funds, less out-of-pocket expenses, paid to the bank from its reserve funds that are later recovered by the bank.

(L) Each participating bank files a report with the administrator, at times requested by the administrator, listing the outstanding balance for each loan enrolled by the bank in the program.

(m) Upon notice to a bank, the administrator may inspect the records and files of the bank relating to any enrolled or charged-off loan.

(n) Wisconsin Business Development Finance Corporation may contract with a 3rd party to administer the program or any portion of the program, if the 3rd party has as its primary purpose and mission the promotion of community development, is described in section [501 \(c\) \(3\)](#) of the Internal Revenue Code, and is exempt from federal tax under section [501 \(a\)](#) of the Internal Revenue Code.

(o) Wisconsin Business Development Finance Corporation may withdraw up to 50 percent of the interest component of reserve funds and may use the moneys withdrawn to promote the program and to contract with a 3rd party to administer the program.

(p) The administrator may terminate a participating bank’s right to make any new loans under the program.

(q) The administrator may not pay more than \$150,000 into a bank’s reserve funds on behalf of any borrower in a 3-year period unless it has given written approval in advance.

(r) No grant may be awarded under this subsection after November 1, 2010.

**(3) REPORTS ON PROGRAM.** The administrator shall provide to the governor and to the presiding officer of each house of the legislature all of the following:

(a) No later than December 31, 2011, an interim report on the effects of the program.

(b) No later than June 30, 2013, a comprehensive evaluation of the program.

**History:** 2009 a. 268.

**560.05 Additional powers to provide facilities. (1)** As used in this section unless the context requires otherwise:

(a) The term “corporation” in relation to any conveyance, lease or sublease made under sub. [\(2\)](#) means a nonstock corporation organized under ch. [181](#) that is a nonprofit corporation, as defined in s. [181.0103 \(17\)](#).

(b) “Existing building” in relation to any conveyance, lease or sublease made under sub. (2) means all administrative buildings, all storage facilities and garages, all buildings used for exhibition or promotional events for agricultural, industrial, educational, recreational or athletic purposes and such other buildings, structures, facilities and permanent improvements as in the judgment of the department are needed or useful and all equipment therefor and all improvements and additions thereto which were erected, constructed or installed prior to the making of such conveyance, lease or sublease.

(c) “New building” in relation to any conveyance, lease or sublease made under sub. (2) means all administrative buildings, all storage facilities and garages, all buildings used for exhibition or promotional events for agricultural, industrial, educational, recreational or athletic purposes and such other buildings, structures, facilities and permanent improvements as in the judgment of the department are needed or useful and all equipment therefor and all improvements and additions thereto which are erected, constructed or installed after the making of such conveyance, lease or sublease.

(2) In order to provide new buildings and to enable the construction and financing thereof, to refinance indebtedness hereafter created by a corporation for the purpose of providing new buildings or additions or improvements thereto which are located on land owned by or owned by the state and held for the department or by a corporation or for any one or more of said purposes but for no other purpose unless authorized by law, the department has the following powers and duties:

(a) Without limitation by reason of any other provisions of the statutes, the power to sell and to convey title in fee simple to a corporation any land and any existing buildings thereon owned by or owned by the state and held for the department for such consideration and upon such terms and conditions as in the judgment of the department are in the public interest.

(b) The power to lease to a corporation for terms not exceeding 50 years each any land and any existing buildings thereon owned by or owned by the state and held for the department upon such terms and conditions as in the judgment of the department are in the public interest.

(c) The power to lease or sublease from a corporation and to make available for public use any such land and existing buildings conveyed or leased to such corporation under pars. (a) and (b) and any new buildings erected on such land or on any other land owned by such corporation, upon such terms, conditions and rentals, subject to available appropriations, as in the judgment of the department are in the public interest.

(d) The duty to submit the plans and specifications for all such new buildings and all conveyances, leases and subleases made under this section to the department of administration and the governor for written approval before they are finally adopted, executed and delivered.

(e) The power to pledge and assign all or any part of the revenues derived from the operation of such new buildings as security for the payment of rentals due and to become due under any lease or sublease of such new buildings under par. (c).

(f) The power to covenant and agree in any lease or sublease of such new buildings made under par. (c) to impose fees, rentals or other charges for the use and occupancy or other operation of such new buildings in an amount calculated to produce net rentals sufficient to pay the rentals due and to become due under such lease or sublease.

(g) The power to covenant and agree in any lease or sublease made under par. (c) to impose fees, rentals or other charges for the use and occupancy or other operation of existing buildings in an amount calculated to produce net rentals sufficient to pay the rentals due and to become due under such lease or sublease.

(h) The power and duty, upon receipt of notice of any assignment by a corporation of any lease or sublease made under par. (c), or of any of its rights under any such sublease, to recognize and

give effect to such assignment, and to pay to the assignee thereof rentals or other payments then due or which may become due under any such lease or sublease which has been so assigned by such corporation.

(3) The state shall be liable for accrued rentals and for any other default under any lease or sublease made under sub. (2) (c) and may be sued therefor on contract as in other contract actions under ch. 775, except that it shall not be necessary for the lessor under any such lease or sublease or any assignee of such lessor or any person or other legal entity proceeding on behalf of such lessor to file any claim with the legislature prior to the commencement of any such action.

(4) Nothing in this section empowers the department to incur any state debt.

(5) All conveyances, leases and subleases made pursuant to this section shall be made, executed and delivered in the name of the department and shall be signed by the secretary.

(6) All laws conflicting with this section are, insofar as they conflict with this section and no further, superseded by this section.

(7) The department may not convey or lease under sub. (2) (a) or (b) on or after September 1, 1980.

**History:** 1979 c. 32 s. 92 (5); 1979 c. 361 ss. 58, 103; Stats. 1979 s. 560.05; 1983 a. 189; 1997 a. 79.

**560.07 Promotion.** The department shall provide coordinating services to aid state and local groups in the promotion of economic enterprises and shall conduct such publicity and promotional activities as are desirable to stimulate all facets of the economy and to this end it shall specifically:

(1) Collect and disseminate information regarding the advantages of developing business and industrial enterprises in this state.

(2) Stimulate and foster the development of the private industry of this state.

(2m) In cooperation with the University of Wisconsin Small Business Development Center, the University of Wisconsin Center for Cooperatives, the technical college system board and the University of Wisconsin–Extension, collect and disseminate information regarding employee–owned businesses and promote the appropriate establishment of employee–owned businesses.

(3) For the purpose of attracting persons interested in locating new enterprises in this state:

(a) Serve as the state’s official liaison agency between persons interested in locating new economic enterprises in Wisconsin, and state and local groups seeking new enterprises. In this respect the department shall aid communities in organizing for and obtaining new business or expanding existing business and shall respond to requests that reflect interest in locating economic enterprises in the state. When the secretary considers appropriate, the department shall refer requests for economic development assistance to Forward Wisconsin, Inc., and shall attempt to prevent duplication of efforts between the department and Forward Wisconsin, Inc.

(c) Whenever appropriate, submit to the secretary of administration a report setting forth the amount of private contributions received by Forward Wisconsin, Inc., since the time the department last submitted such a report.

(4) Collect and disseminate information regarding the ports of the state and promote the advantages of developing new business for the ports of the state.

(5) Study, promote and implement means of expanding foreign and domestic markets for products of this state.

(6) The secretary shall annually meet with the secretary of agriculture, trade and consumer protection to mutually agree on any joint program efforts.

(7) Encourage public and private agencies or bodies to publicize the facilities and attractions of the state.

**History:** 1971 c. 321 ss. 11, 16; Stats. 1971 s. 560.04; 1979 c. 361 ss. 97, 99, 106; Stats. 1979 s. 560.07; 1983 a. 27, 381, 387; 1985 a. 29; 1987 a. 27, 186, 318, 399; 1991 a. 39; 1993 a. 399; 1995 a. 27; 2001 a. 103; 2007 a. 125; 2009 a. 28.

**560.075 Repayment of grants, loans, and tax benefits.**

(1) In this section, “tax benefits” means the credits under ss. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), and (3t), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3g), and (3t), 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3g), and (3t), and 76.636.

(2) The department may not award a grant or loan under this chapter to a person or certify a person to receive tax benefits unless the department enters into an agreement with the person that requires the person to repay the grant, loan, or tax benefits if, within 5 years after receiving the grant or loan or being certified to receive tax benefits, the person ceases to conduct in this state the economic activity for which the person received the grant or loan or for which the person was certified to receive tax benefits and commences substantially the same economic activity outside this state.

**History:** 2005 a. 25, 259.

**560.08 Economic and community development planning and research. (1) PURPOSE.**

The legislature determines that the proper development of the state as an attractive place to live and work will be enhanced through the development and expansion of comprehensive economic and community development planning programs and research programs undertaken by the department in order to accomplish the stated purposes of this chapter.

**(2) DUTIES.** The department shall:

(a) Study the impact of the St. Lawrence Seaway on the economy of the state, conduct research on port development and new businesses for port communities, communicate the results of such studies to appropriate port, public and business agencies and formulate, coordinate and direct a program of port development for the state. The department shall serve as a liaison agency between local port authorities, state and federal agencies and individuals or private agencies who need or request information relative to the ports of the state. The department shall appear before federal, state and local agencies, whenever it deems such action advisable, in the matter of the welfare of the ports of the state.

(b) Assemble and correlate information relating to all facets of the state’s economic resources, including without limitation, the labor supply, markets for Wisconsin products, power development, highways, watersheds, waterways, waterfront and harbor developments, water freight rates, tariffs, demurrage charges and state and federal regulations affecting ports, river basins, flood prevention, parks, reservations, river valleys, forests, wildlife refuges, aviation facilities, drainage and sanitary systems, waste disposal, waterworks, soil conservation, railroad rights-of-way, power transmission facilities, urban development, food, housing and water systems, and factors which influence the development of new economic enterprises such as taxes and the regulation of industry.

(c) Assess the economic resources of each area of the state, including its human resources, natural resources, and economic strengths and problems and advance proposals to develop its strengths and solve its problems.

(d) Identify gaps in government services as they relate to economic and community development in each area of the state and recommend specific actions to the local and state agencies concerned.

(e) Coordinate its comprehensive economic development plans with local and regional economic planning and economic development agencies, both governmental and nongovernmental, and assist these agencies to implement agreed upon economic development plans.

(f) Carry out continuing studies and analyses of the economic and community development problems faced by Milwaukee and other urban areas within the state and develop such recommendations as appear necessary. In carrying out such studies and analyses, particular attention should be paid to the development of

financing methods and programs which will effectively supplement local effort.

(g) Carry out continuing studies and analyses of the problems faced by local governments within the state and develop such recommendations for administrative or legislative action as appear necessary.

(h) Study existing legal provisions that affect the structure and financing of local government and those state activities which involve significant relations with local government units; recommend such changes in these provisions and activities as appear necessary to strengthen local government, encourage economic and community development and facilitate closer state–local relations.

(i) Encourage, assist and advise regional, county and local agencies or bodies responsible for planning and zoning in the programs they administer or may wish to initiate.

(j) Assist planning for metropolitan or regional areas, or areas where rapid urbanization or decline has resulted or is expected to result, including areas extending into adjoining states.

(m) No later than September 30 of each even–numbered year, submit to the investment board a report describing the types of investments in businesses in this state which will have the greatest likelihood of enhancing economic development in this state.

**History:** 1971 c. 125; 1979 c. 361 ss. 32, 43, 44, 47, 88, 92; 1985 a. 53; 1989 a. 335; 1993 a. 75; 1995 a. 378; 2007 a. 155.

**560.081 State main street program. (1)** In this section:

(a) “Business area” means a commercial area existing at the time services under the state main street program are requested and having historic significance.

(b) “Municipality” means a city, village or town.

(c) “Revitalization” means the process of engaging in activities to increase economic activity, while preserving and building upon a location’s historically significant characteristics.

(2) The department shall establish and administer a state main street program to coordinate state and local participation in programs offered by the national main street center, created by the national trust for historic preservation, to assist municipalities in planning, managing and implementing programs for the revitalization of business areas. The department shall do all of the following:

(a) Enter into contracts to obtain business area revitalization services provided by the national main street center.

(b) Employ, in the state classified service, staff for the state main street program.

(c) With help from the council on main street programs and from interested individuals and organizations, develop a plan describing the objectives of the state main street program and the methods by which the department shall:

1. Coordinate the activities of that program with private and public sector revitalization of business areas.

2. Solicit and use private sector funding for revitalization of business areas.

3. Help municipalities engage in revitalization of business areas.

(d) Coordinate with other state and local public and private entities which provide services to municipalities undertaking projects for the revitalization of business areas.

(e) Annually select, upon application, up to 5 municipalities to participate in the state main street program. The program for each municipality shall conclude after 3 years, except that the program for each municipality selected after July 29, 1995, shall conclude after 5 years. The department shall select program participants representing various geographical regions and populations. A municipality may apply to participate, and the department may select a municipality for participation, more than one time. In selecting a municipality, however, the department may give priority to those municipalities that have not previously participated.

(f) For use in selecting the participants in the state main street program under par. (e), develop objective criteria relating to at least the following issues:

1. Private and public sector interest in and commitment to revitalization of a business area selected by the municipality.
2. Potential private sector investment in a business area selected by the municipality.
3. Local organizational and financial commitment to employ a program manager for not less than 3 years, or not less than 5 years for participants selected after July 29, 1995.
4. Local assistance in paying for the services of a design consultant recommended by the council on main street programs.
5. Local commitment to assist in training persons to direct activities related to business areas in municipalities that do not participate in the state main street program.

(h) Provide training, technical assistance and information on the revitalization of business areas to municipalities which do not participate in the state main street program. The department may charge reasonable fees for the services and information provided under this paragraph. The department shall deposit all fees collected under this paragraph in the appropriation account under s. 20.143 (1) (g).

(i) As part of the report required under s. 15.04 (1) (d), include a report on the effects of the state main street program.

**History:** 1987 a. 109; 1993 a. 16; 1995 a. 27; 1999 a. 9.

**Cross-reference:** See also s. Comm 127.01, Wis. adm. code.

**560.082 Council on main street programs.** The council on main street programs shall do all of the following:

(1) Help the secretary develop a plan to operate the state main street program, and review the effectiveness of and recommend to the secretary procedures to improve that program.

(2) Recommend to the secretary municipalities to participate in the state main street program under s. 560.081 (2) (e).

**History:** 1987 a. 109; 1993 a. 16.

**560.09 Cooperation.** (1) **LIAISON WITH STATE AND FEDERAL AGENCIES.** The department shall assist, cooperate with, and seek information and advice from other state agencies, federal agencies, organizations of elected officials in the state, units of local government, local business and industry, and other appropriate agencies or organizations in carrying out its assigned functions and duties. Appropriate units of the University of Wisconsin–Extension shall coordinate their activities with the department, and the department shall cooperate by providing information necessary to the conduct of research and professional advice. Particularly, the University of Wisconsin–Extension and the department shall develop processes that will enhance coordination and cooperation in relation to the small business development centers and business advisory service programs and recreation related programs.

(2) **RESEARCH.** The department shall utilize and coordinate with research programs of other state agencies and shall make such agreements as may be necessary to effectuate its own research program. It shall initiate research and economic planning and shall seek to make full use of and strengthen the research resources of state agencies, including the university or such other institutions of higher education as will enhance the work of the department.

(3) **COMMUNICATIONS.** The department shall establish strong lines of communication among all state agencies concerned with the economic and community development of the state to assure that all factors in such programs are given adequate consideration.

(4) **PUBLICATIONS.** The department may issue pamphlets and bulletins pertaining to the economy and the resources of the state and activities of the department. The department may make charges for its pamphlets and bulletins as prescribed in s. 20.908.

**History:** 1971 c. 321 ss. 13, 16; 1979 c. 34; 1979 c. 361 ss. 100, 102, 107; 1989 a. 335; 1993 a. 75; 1995 a. 27; 1997 a. 27; 1999 a. 9; 2001 a. 103.

**560.097 Notification of position openings; compliance.** The department shall monitor compliance with the positioning–opening notification requirements under ss. 66.1103 (6m) and 106.16.

**History:** 1987 a. 27; 1995 a. 27; 1999 a. 150 s. 672.

**560.11 Small business environmental council.** (1) The small business environmental council shall do all of the following:

(a) Advise the department of natural resources concerning the effectiveness of the small business stationary source technical and environmental compliance assistance program under s. 285.79, difficulties encountered by small business stationary sources, as defined in s. 285.79 (1), in complying with s. 299.15 and ch. 285 and the degree and severity of enforcement of s. 299.15 and ch. 285 against small business stationary sources.

(c) Review information to be provided to small business stationary sources in connection with s. 299.15 and ch. 285 to ensure that the information can be understood by persons without technical training.

(d) Provide other advice, as directed by the secretary, related to assisting small businesses in complying with federal and state air pollution laws.

(2) The employees of the department of commerce who staff the small business ombudsman clearinghouse under s. 560.03 (9) and the employees of the department of natural resources who staff the small business stationary source technical and environmental compliance assistance program under s. 285.79 shall provide the small business environmental council with the assistance necessary to comply with sub. (1).

**History:** 1991 a. 302; 1995 a. 227; 2007 a. 125.

**560.125 Diesel truck idling reduction grants.** (1) **DEFINITIONS.** In this section:

(a) “Common motor carrier” has the meaning given in s. 194.01 (1).

(b) “Contract motor carrier” has the meaning given in s. 194.01 (2).

(c) “Idling reduction unit” means a device that is installed on a diesel truck to reduce the long–duration idling of the truck by providing heat, air conditioning, or electricity to the truck while the truck is stationary and the main drive engine of the truck is not operating.

(d) “Post–1998 diesel truck engine” means a heavy–duty highway diesel engine that complies with the air pollutant emission standards promulgated by the federal environmental protection agency under 42 USC 7521 for engine model year 1998 or a later engine model year.

(e) “Private motor carrier” has the meaning given in s. 194.01 (11).

(f) “Truck tractor” has the meaning given in s. 340.01 (73).

(2) **AUTHORITY.** Beginning on July 1, 2006, and ending on June 30, 2015, the department may award a grant to an eligible applicant for the purchase and field testing of one or more idling reduction units as provided in subs. (3) and (4).

(3) **ELIGIBLE APPLICANTS.** An applicant is eligible for a grant under this section only if all of the following apply:

(a) The applicant is a common motor carrier, contract motor carrier, or private motor carrier that transports freight.

(b) The applicant is headquartered in this state.

(c) The applicant pays 50 percent of the eligible costs for each idling reduction unit covered by a grant under this section without the use of grants, loans, or other financial assistance from this state or from a local governmental unit in this state.

(d) The applicant agrees to collect information relating to the operation and performance of each idling reduction unit covered by a grant under this section, as required by the department, and to report that information to the department.

(4) **GRANTS.** (a) Except as provided in par. (b), the costs that an applicant has incurred or will incur to purchase and install an

idling reduction unit on a truck tractor that is owned and operated by the applicant and that has a post–1998 diesel truck engine are eligible costs under this section if the use of the idling reduction unit will result, in the aggregate, in a decrease in the emissions of one or more air contaminants, as defined in s. 285.01 (1), from the truck tractor on which the idling reduction unit is installed or in a decrease in the use of energy by the truck tractor on which the idling reduction unit is installed.

(b) The following costs are not eligible costs:

1. The cost of shipping an idling reduction unit from the manufacturer to the facility where the idling reduction unit will be installed on the truck tractor.

2. The cost of operating an idling reduction unit.

3. The cost of maintaining an idling reduction unit.

(cm) Subject to par. (d), the department may make grants under this section from July 1, 2009 to June 30, 2015, of 50 percent of the eligible costs for an idling reduction unit installed on a truck tractor, unless the department has previously awarded a grant under this section for an idling reduction unit installed on the truck tractor.

(d) In any fiscal year, the department may not pay to any one applicant more than 20 percent of the amount appropriated under s. 20.143 (3) (sm) for the fiscal year.

(e) The department may pay a grant over more than one fiscal year, subject to the availability of funds and to par. (d).

(f) The department shall require that applicants receiving grants under this section covering more than one idling reduction unit purchase idling reduction units of more than one type and from more than one manufacturer. The department may impose other conditions on the receipt of grants.

(g) The department shall withhold payment of at least 20 percent of a grant under this section until the recipient has complied with the conditions of the grant established by the department, including providing to the department information relating to the operation and performance of each idling reduction unit covered by the grant.

**(5) INFORMATION.** The department shall collect information from recipients of grants under this section relating to the operation and performance of idling reduction units. The department shall summarize the information collected and make it available to common motor carriers, contract motor carriers, and private motor carriers in an accessible and cost-effective manner, such as on department’s Internet site.

**(5m) RULES.** The department shall promulgate rules for the administration of the program under this section.

**(6) SUNSET.** Subsections (2) to (4) do not apply after December 31, 2016.

**History:** 2005 a. 25; 2007 a. 20; 2009 a. 28.

**Cross-reference:** See also ch. Comm 131, Wis. adm. code.

**560.126 Renewable energy grants and loans. (1d)** In this section, “biorefinery” has the meaning given in s. 16.956 (1) (bg).

**(1s)** The department may award a grant or make a loan from the appropriations under s. 20.143 (1) (ie) or (tm) to a business or researcher to fund any of the following projects:

(a) Research and development, including demonstration projects, into renewable energy technologies.

(b) Development of renewable energy sources and infrastructure in Wisconsin, including the conversion of nonrenewable energy sources to renewable energy sources.

(c) The commercial application of renewable energy technologies.

(d) The construction of one or more biorefineries.

**(2)** (a) The department shall consider all of the following criteria to evaluate applications for a grant or loan under this section:

1. The extent to which the project will aid in the research, development, or use of renewable energy sources in Wisconsin.

2. The extent to which the project will improve the competitive position or enhance the capabilities of Wisconsin’s renewable energy industries.

3. Whether the project is one in which Wisconsin holds a competitive advantage over other states.

4. The likelihood that the project will lead to the commercial application of new practices or technologies that involve the development, production, processing, or distribution of renewable energy.

5. The extent to which the project will use existing, surplus, or by-products of natural resources in this state.

6. The extent to which the project will strengthen Wisconsin’s existing industries by converting wastes or by-products generated by existing industries into renewable energy.

7. The extent to which the project will develop technologies to increase the capacity of Wisconsin’s manufacturing industries to utilize renewable energy sources.

(b) The department may also consider the following criteria to evaluate applications for a grant or loan under this section:

1. The criteria under ss. 560.602 and 560.605.

2. Whether the applicant is a small business, a minority business under s. 560.036 (1) (e), a locally owned business, or a farm.

3. The geographical distribution of grants awarded and loans made under this section.

**(3)** A grant under this section may not exceed 50 percent of the costs of an eligible project.

**(4)** In consultation with the department of agriculture, trade and consumer protection, the department of natural resources, and the public service commission, the department may promulgate rules necessary to administer this section.

**History:** 2007 a. 20; 2009 a. 28, 401.

**560.128 Loans to manufacturing businesses. (1)** From the appropriations under s. 20.143 (1) (c), (gm), (hr), (ie), (m), (mr), and (n), the department may make a loan to a manufacturing business in this state to do any of the following:

(a) Implement energy efficiency or renewable energy measures in their facilities to enhance their competitiveness.

(b) Retool existing facilities to manufacture products that support the green economy.

(c) Expand or establish domestic clean energy manufacturing operations.

(d) Create or retain jobs for workers engaged in activities under pars. (a) to (c).

**(2)** The department shall promulgate rules establishing eligibility criteria that do all of the following:

(a) Set clear job-creation or job-retention standards for loan recipients.

(b) Establish minimum energy savings that an eligible manufacturer must expect will result from the loan’s utilization.

(c) Give priority to existing manufacturing businesses and idle manufacturing facilities.

(d) Ensure that loans under this section will be distributed to manufacturing businesses throughout the state.

(e) Require all work paid for with the proceeds of a loan under this section be performed by one of the following:

1. Employees who are paid an hourly wage that is not less than 150 percent of the federal minimum wage.

2. A contractor or subcontractor that agrees to pay all employees who perform work paid for with the proceeds of a loan under this section an hourly wage that is not less than 150 percent of the federal minimum wage.

**History:** 2009 a. 332.

**560.13 Brownfields grant program. (1)** In this section:

(a) “Brownfields” means abandoned, idle or underused industrial or commercial facilities or sites, the expansion or redevelopment

ment of which is adversely affected by actual or perceived environmental contamination.

(b) “Brownfields redevelopment” means any work or undertaking by a person to acquire a brownfields facility or site and to raze, demolish, remove, reconstruct, renovate, or rehabilitate the facility or existing buildings, structures, or other improvements at the site for the purpose of promoting the use of the facility or site for commercial, industrial, or other purposes. “Brownfields redevelopment” does not include construction of new facilities on the site for any purpose other than environmental remediation activities.

(d) “Environmental remediation activities” means investigation, analysis and monitoring of a brownfields facility or site to determine the existence and extent of actual or potential environmental pollution; abating, removing or containing environmental pollution at a brownfields facility or site; or restoring soil or groundwater at a brownfields facility or site.

(g) “Person” means an individual, partnership, limited liability company, corporation, nonprofit organization, city, village, town, county, or trustee, including a trustee in bankruptcy.

(2) (a) Subject to subs. (4) and (5), from the appropriation under s. 20.143 (1) (qm) the department may make a grant to a person if all of the following apply:

1. The recipient uses the grant proceeds for brownfields redevelopment or associated environmental remediation activities.

1m. The recipient does not use the grant proceeds to pay lien claims of the department of natural resources or the federal environmental protection agency based on investigation or remediation activities of the department of natural resources or the federal environmental protection agency or to pay delinquent real estate taxes or interest or penalties that relate to those taxes.

2. All of the following are unknown, cannot be located, or are financially unable to pay the cost of environmental remediation activities:

a. The party that caused the portion of the environmental contamination that is the basis for the grant request.

b. Any person who possessed or controlled the environmental contaminant that is the basis for the grant request before the contaminant was released.

3. The recipient contributes to the cost of the project as provided in par. (b).

(b) 1. The contribution required under par. (a) 3. may be in cash or in-kind. Cash contributions may be of private or public funds, excluding funds obtained under the program under s. 560.17 or under any program under subch. II or V of this chapter. In-kind contributions shall be limited to actual remediation services.

2. For a grant that does not exceed \$300,000, the recipient shall be required to contribute not less than 20% of the cost of the project. For a grant that is greater than \$300,000 but that does not exceed \$700,000, the recipient shall be required to contribute not less than 35% of the cost of the project. For a grant that is greater than \$700,000 but that does not exceed \$1,250,000, the recipient shall be required to contribute not less than 50% of the cost of the project.

(3) The department may consider the following criteria in making awards under this section:

(a) The potential of the project to promote economic development in the area.

(c) The level of financial commitment by the applicant to the project.

(d) The extent and degree of soil and groundwater contamination at the project site.

(e) The adequacy and completeness of the site investigation and remediation plan.

(f) Any other factors considered by the department to be relevant to assessing the viability and feasibility of the project.

(4) (b) The department may not award a grant that exceeds \$1,250,000.

(c) The department shall award at least 7 grants for projects that are located in municipalities with a population of less than 30,000.

(5) Before the department awards a grant under this section, the department shall consider the recommendations of the department of administration and the department of natural resources.

(6) The department shall promulgate rules that establish criteria, within the guidelines under subs. (2) and (3), for awarding grants under this section, including the circumstances under which grant proceeds may be used for assessment services.

(6m) Receipt of a grant under this section shall not render the recipient ineligible for a loan or any other grant awarded by the state, unless under the eligibility criteria of the loan or other grant the recipient is excluded by virtue of having received the grant.

**History:** 1997 a. 27; 1999 a. 9; 2001 a. 16; 2007 a. 20, 125; 2009 a. 28.

**Cross-reference:** See also ch. Comm 110, Wis. adm. code.

### 560.138 Gaming economic diversification grants and loans. (1) In this section:

(ac) “Brownfields” has the meaning given in s. 560.13 (1) (a).

(an) “Native American business” means a sole proprietorship, partnership, limited liability company, joint venture or corporation that is at least 51% owned, controlled and actively managed by a member or members of a federally recognized American Indian tribe or band in this state.

(at) “Professional services” has the meaning given in s. 560.17 (1) (c).

(b) “Qualified business” means an existing or start-up business, including a Native American business, that is located in or expanding into this state.

(c) “Remediating brownfields” means abating, removing, or containing environmental pollution at a brownfields facility or site, or restoring soil or groundwater at a brownfields facility or site.

(2) (a) Subject to subs. (3) and (4), from the appropriations under s. 20.143 (1) (ig) and (kj), the department may make a grant or loan to a qualified business for a project for any of the following purposes:

1. Diversifying the economy of a community.
2. Remediating brownfields.

(b) In determining whether to award a grant or loan under this section, the department shall consider all of the following:

1. A project’s potential to retain or increase the number of jobs.
2. A project’s potential to provide for significant capital investment.
3. A project’s contribution to the economy of the community.
4. Whether a project will take place in a rural community, as determined by the department.

(2m) Subject to subs. (3) and (4), from the appropriations under s. 20.143 (1) (ig) and (kj), the department may do all of the following for the purpose of improving the profitability of a qualified business that has been negatively impacted by the existence of a casino:

(a) Make a grant that does not exceed \$15,000 to a qualified business for professional services.

(b) Make a grant or loan that does not exceed \$100,000 to a qualified business for fixed asset financing.

(3) As a condition of approval of a grant or loan under this section, the department shall require that a qualified business provide matching funds for at least 25% of the cost of a project. The department may waive the requirement under this subsection if the department determines that the qualified business is subject to extreme financial hardship.

(4) The department may not award a grant or loan under this section to a qualified business for any purpose that is related to tourism unless the department of tourism concurs in the award.

(5) (a) The department shall deposit into the appropriation account under s. 20.143 (1) (ig) all moneys received in repayment of loans made under this section.

(b) The department may forgive all or any part of a loan made under this section.

(6) If the department awards a grant under this section, the department may contract directly with and pay grant proceeds directly to any person providing technical or management assistance to the grant recipient.

(7) The department may charge the recipient of a grant or loan under this section an origination fee of not more than 2 percent of the grant or loan amount if the grant or loan equals or exceeds \$100,000. The department shall deposit all origination fees collected under this subsection into the appropriation account under s. 20.143 (1) (gm).

**History:** 1999 a. 9; 2001 a. 16; 2005 a. 25; 2007 a. 125 ss. 54, 57, 58, 65 to 68; 2009 a. 28.

**560.139 Economic development grants. (1)** REMEDIATION AND ECONOMIC REDEVELOPMENT. (a) 1. Subject to subd. 2., from the appropriation under s. 20.143 (1) (kj), the department shall make grants to the city of Milwaukee to fund a program to be administered by the Milwaukee Economic Development Corporation. Under the program, the Milwaukee Economic Development Corporation shall provide grants to persons for remediation and economic redevelopment projects in the Menomonee valley. A person may not receive a grant unless the person provides matching funds for at least 50% of the cost of the project.

2. The department may not expend more than \$900,000 in grants to the city of Milwaukee under this paragraph.

(c) 1. From the appropriation under section 20.143 (1) (qm) of the statutes, the department shall make a grant of \$375,000 in fiscal year 2001–02 and a grant of \$375,000 in fiscal year 2002–03 to the Milwaukee Economic Development Corporation and a grant of \$375,000 in fiscal year 2001–02 and a grant of \$375,000 in fiscal year 2002–03 to the Menomonee Valley Partners, Inc. The grants in fiscal year 2001–02 shall be made no later than 120 days after September 1, 2001, and the grants in fiscal year 2002–03 shall be made no later than October 1, 2002.

2. The proceeds of the grants under subd. 1. must be used to fund projects that are selected for funding on the basis of the degree of blight and underused economic potential in the area, the area's potential for redevelopment, and the project's compatibility with the Menomonee Valley land use plan. The grant proceeds may be used to fund the cost of acquisitions, demolition, environmental assessments, removal of underground storage tanks and abandoned containers, site investigations, cleanup, and monitoring, and other costs associated with such activities.

3. A person may not receive for a project a grant from the Milwaukee Economic Development Corporation or the Menomonee Valley Partners, Inc., that is funded with the proceeds of a grant under subd. 1. unless the person provides matching funds at least equal to the amount of the grant received by the person.

(4) ORIGINATION FEE. The department may charge the recipient of a grant or loan under sub. (1) (a) an origination fee of not more than 2 percent of the grant or loan amount if the grant or loan equals or exceeds \$100,000. The department shall deposit all origination fees collected under this subsection into the appropriation account under s. 20.143 (1) (gm).

**History:** 1999 a. 9; 2001 a. 16; 2007 a. 125 ss. 64, 69; 2009 a. 28, 276.

**560.145 Grants to Center for Advanced Technology and Innovation.** From the appropriation under s. 20.143 (1) (c), the department shall annually award to the Center for Advanced Technology and Innovation in Racine County a grant of \$50,000 if the Center for Advanced Technology and Innovation obtains, from a source other than the state, matching funds of at least

\$50,000. The department shall enter into an agreement with the Center for Advanced Technology and Innovation specifying the uses for the grant proceeds and auditing and reporting requirements.

**History:** 2009 a. 28.

**560.15 Economic adjustment program. (1)** The department, with the advice and assistance of the community response committees created under sub. (3), and in cooperation with the department of workforce development, shall perform the responsibilities under sub. (2) if the following conditions are met:

(a) A business, regardless of its size or form of organization, is considering ceasing its operations or has decided to cease its operations or has ceased its operations at any place of business located in this state; is considering laying off or has decided to lay off or has laid off, whether permanently or temporarily, any of its employees at any place of business located in this state.

(b) The department has received notification of an act by a business under par. (a) from any of the following:

1. The department of workforce development under s. 109.07 (1m) (a).

3. The business.

4. An employee of the business or a former employee laid off by an act under par. (a).

6. A small business development center of the University of Wisconsin System.

7. A faculty member of the University of Wisconsin–Extension.

8. An economic development coordinator of a technical college.

(2) Upon notification of an act by a business under sub. (1), the department shall provide assistance, or provide referrals to other persons or arrange and coordinate assistance from other persons, including federal, state or local governmental units, agencies or programs, other businesses, service organizations, educational institutions and financial institutions, to the following persons for the following purposes and upon the following conditions:

(a) A business which has performed an act under sub. (1) (a), for the purpose of enabling continued or renewed operation of the business or avoiding or rescinding temporary or permanent layoffs, if the business requests or chooses to accept the assistance of the department.

(b) One or more employees of a business, or former employees laid off by an act under sub. (1) (a), if the business has performed an act under sub. (1) (a), for the purpose of retraining the employees or former employees, matching their skills with jobs for other employers or accomplishing the transfer of ownership, control or management of a business which has decided to or has ceased operations to employees or former employees, members of the community or others, if one or more employees or former employees request or choose to accept the assistance of the department.

(c) A business or one or more employees of a business or former employees laid off by an act under sub. (1) (a), if the business has performed an act under sub. (1) (a), for any of the purposes set forth in pars. (a) and (b), if the business and one or more employees or former employees request or choose to accept the assistance of the department.

(3) (a) If a business, or one or more employees of a business or former employees laid off by an act under sub. (1) (a), request or accept assistance under sub. (2), the department shall send written notice thereof to the chief executive officer of the village, town or city where the business has or had its place of business.

(b) A chief executive officer receiving notification under par. (a), after consultation with the business affected, may create a community response committee which shall consist of the following members to be appointed by and serve at the pleasure of the chief executive officer:

1. A representative from the business if the business requests or accepts assistance under sub. (2).

2. A representative from the employees of the business or former employees laid off by an act under sub. (1) (a), if one or more employees or former employees request or accept assistance under sub. (2).

3. A representative from the village, town, city or county where the business has or had its place of business.

4. A representative from a local economic development organization.

(c) A committee created under par. (b) may appoint additional members to serve at the pleasure of the committee, or may otherwise request assistance from any persons, including representatives from any of the following:

1. A local office of the department.
2. A local campus of the University of Wisconsin System.
3. A county office of the University of Wisconsin–Extension.
4. A technical college.
5. A regional small business development center of the University of Wisconsin System.
6. A district office of the department of workforce development.
7. The office of the county treasurer.

(d) Each community response committee shall advise and assist the department in the performance of its responsibilities under this section.

(4) All records received or created for the purposes of this section shall be closed to public inspection if the department, a chief executive officer of a village, town or city or a community response committee determines that public inspection of the records could adversely affect the business, its employees or former employees.

(5) Each employee of the department, and each member of the community response committee, and each chief executive officer of a village, town or city and employees of his or her office shall keep secret all facts and information obtained in the course of performing their responsibilities under this section. This subsection does not prohibit the public inspection of records to the extent permitted under sub. (4) nor meetings in open session to the extent permitted under s. 19.85 (1) (i).

**History:** 1983 a. 84; 1983 a. 192 s. 304; 1985 a. 29; 1987 a. 27; 1989 a. 44; 1993 a. 399; 1995 a. 27 s. 9130 (4); 1997 a. 3; 2007 a. 20; 2009 a. 87.

**560.155 Business employees' skills training grant program.** (1) Subject to sub. (2), the department may award a grant to a business if all of the following apply:

(a) The business is located in this state and satisfies any of the following criteria:

1. The business has no more than 25 full-time employees.
2. The business had no more than \$2,500,000 in gross annual income in the year preceding the year in which the business receives the grant.

(b) The business has been in compliance with s. 77.58 for at least 6 months before applying for the grant.

(c) The business agrees in writing to use the grant only to provide skills training or other education related to the needs of the business to current or prospective employees of the business.

(d) The business agrees in writing to comply with sub. (2) (d).

(e) The business submits a plan to the department detailing the proposed use of the grant, and the secretary approves the plan.

(f) The business enters into a written agreement with the department that specifies the conditions for the use of the grant, including reporting and auditing requirements.

(g) The business agrees in writing to submit to the department the report required under sub. (3) by the time required under sub. (3).

(2) (a) The department may not award a business more than \$10,000 in grants under this section.

(b) In awarding grants under this section, the department shall give preference to all of the following:

1. Businesses in industries with especially severe labor shortages.

2. Businesses in industries that the department determines are especially adversely affected by any federal requirements or policies.

(c) The department may not award more than \$500,000 in grants under this section in fiscal year 2000–01.

(d) 1. A grant under this section may not be used to pay more than 80% of the cost of any skills training or other education related to the needs of the recipient business that is provided to the owner of the business, the owner's spouse or a child of the owner.

2. A grant under this section may not be used to pay wages or compensate for lost revenue, if any, in connection with providing the training or other education, or otherwise.

(3) A business that receives a grant under this section shall 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.

(5) In deciding whether to award a grant under this section, the department may not consider any factor or characteristic of the business other than the criteria established under subs. (1) and (2).

**History:** 1999 a. 177; 2007 a. 125.

**560.157 Entrepreneurial assistance grants.** (1) In this section, "new business" means a business organized in this state on a date not more than 12 months before the date on which the business applies for a grant under this section.

(2) (a) The department may award a grant of up to \$3,000 to a new business from the appropriation under s. 20.143 (1) (gv) for the business's expenses in hiring a student of a college or university in this state as a paid intern for the business to assist in conducting research, marketing, business plan development, or other functions relating to the creation of a new business. Grants under this subsection may be used only for the recipient's expenses in hiring students in the fields of business, engineering, information technology, or in a similar field, as determined by the department.

(b) The department shall enter into an agreement with a recipient of a grant under this section that requires the recipient to repay at least one-third of the amount of the grant no later than 2 years after the recipient receives the proceeds of a grant under this subsection. The department shall encourage a recipient to repay additional amounts when the business becomes profitable.

(3) If the department awards grants under sub. (2) to 3 or more businesses to fund internships for students of a single college or university in this state, the department may award a grant of up to \$25,000 to the college or university from the appropriation under s. 20.143 (1) (gv) for costs associated with hiring interns under sub. (2). If the department lacks sufficient funds to award grants to all qualified applicants, the department shall allocate available funds to applicants who have the greatest potential to create jobs in this state.

(4) The department shall actively pursue gifts and grants from private sources for funding grants under this section.

(5) (a) Not later than 4 years after July 1, 2009, the department shall submit to the legislature under s. 13.172 (2) a report evaluating the effectiveness of grants under this section.

(b) The department may not award a grant under this section after June 30, 2014.

**History:** 2009 a. 28.

**560.165 International services; fees and assessments.** (1) The division of international and export development may charge fees for services it provides to cover the costs incurred by the division in providing the services. The division shall credit all moneys collected under this subsection to the appropriation account under s. 20.143 (1) (g).

(2) The department may assess a state agency on a premium basis for the cost of services that are provided by the department's international liaison and that are requested by the state agency. Any premium charged by the department under this section must

be agreed to by the state agency paying the premium. The department shall credit all moneys received from state agencies under this section to the appropriation account under s. 20.143 (1) (k).

**History:** 1997 a. 27; 2001 a. 16.

**560.167 Wisconsin trade project program. (1)** In this section:

(a) “Eligible business” means a business operating in this state that manufactures a product or performs a service, or both, with a potential to be exported and that, together with all of its affiliates and subsidiaries, had gross annual sales of \$25,000,000 or less in the calendar year preceding the year in which it applies for a reimbursement under this section.

(b) “Matchmaker trade delegation event” means a trade event that is planned by the U.S. department of commerce and that has prearranged meetings between new-to-market or new-to-export eligible businesses and prospective foreign representatives and distributors.

(c) “Trade show” means a trade event held in a country other than the United States that brings prospective foreign buyers to a central location and that is certified or coordinated by the U.S. department of commerce or the department.

(d) “United States trade show” means a trade event held in the United States that brings prospective foreign buyers to a central location and that is certified or coordinated by the U.S. department of commerce or the department.

**(2)** Subject to subs. (2m) and (5), the department may make reimbursements totaling no more than \$100,000 in a fiscal year from the appropriations under s. 20.143 (1) (c) and (ie) to eligible businesses for any of the following:

(a) Fees for participation in a trade show, U.S. trade show, or matchmaker trade delegation event.

(b) Costs associated with shipping displays, sample products, catalogs, or advertising material to a trade show, U.S. trade show, or matchmaker trade delegation event.

(c) Costs incurred at a trade show, U.S. trade show, or matchmaker trade delegation event for utilities, booth construction, or necessary modifications or repairs.

(d) Costs associated with foreign language translation of brochures or product information or with the use of translation services at a trade show, U.S. trade show, or matchmaker trade delegation event.

**(2m)** The department may reimburse the fees and costs under sub. (2) that are related to participation in a U.S. trade show only if the eligible business seeking reimbursement for its participation has developed a high-technology product with worldwide application.

**(3)** An eligible business seeking reimbursement under this section shall submit to the department an application containing all of the following:

(a) An export development plan and a description of how the activities for which reimbursement is sought will benefit the applicant’s ability to export its product or service.

(b) An itemized budget for expenses expected to be incurred for all of the activities for which reimbursement is sought.

(c) A description of the proposed use of the reimbursement.

(d) Assurance that at least 50% of the manufactured value of the product or of the performance value of the service will be produced in this state.

**(4)** (a) The department may approve an eligible business for reimbursement after considering all of the following:

1. The extent to which the business’ export development plan demonstrates the potential of the product or service to be exported in a particular foreign market.

2. The extent to which the business’ proposed reimbursable activities relate to the potential success of the product or service to be exported.

(b) The department shall give priority for reimbursements under this section to eligible businesses participating in the department’s export mentoring program.

**(5)** The department may not do any of the following:

(a) Reimburse an eligible business more than \$5,000 in a 12-month period.

(b) Reimburse an eligible business more than \$5,000 for participation in a trade show, U.S. trade show, or matchmaker trade delegation event.

(c) Reimburse an eligible business for participating more than one time in the same trade show, U.S. trade show, or matchmaker trade delegation event held at different times or in different locations.

(d) Reimburse an eligible business more than \$15,000 over the life of the program.

**(6)** An eligible business that is approved for a reimbursement under sub. (4) shall provide to the department, within 90 days after the trade show, U.S. trade show, or matchmaker trade delegation event for which the reimbursement is sought, documentation detailing the costs for which the reimbursement is sought.

**History:** 1995 a. 27; 2001 a. 16.

**560.17 Rural economic development program. (1)** In this section:

(a) “Board” means the rural economic development board.

(am) “Brownfields” has the meaning given in s. 560.13 (1) (a).

(b) “Business” includes cooperatives organized under ch. 185 or 193.

(bm) “Job” means a position providing full-time equivalent employment. “Job” does not include initial training before an employment position begins.

(br) “Management assistance” means engineering and legal services and professional assistance in establishing or improving management systems, policies or procedures in such management concerns as financial planning, personnel, inventory control, production planning, purchasing, bookkeeping, record keeping and marketing.

(c) “Professional services” includes all of the following:

1. Preparation of preliminary feasibility studies, feasibility studies or business and financial plans.

2. Providing a financial package.

3. Engineering studies, appraisals or marketing assistance.

4. Related legal, accounting or managerial services.

(d) “Rural municipality” means any of the following:

1. A city, town or village that is located in a county with a population density of less than 150 persons per square mile.

2. A city, town or village with a population of 6,000 or less.

**(2)** (a) At the request of the board, the department shall make a grant or loan to a business to which the board has awarded a grant or loan under this section.

(b) The department shall make the grant or loan from the appropriation under s. 20.143 (1) (er) or (ir).

**(3)** Subject to sub. (4m), the board may award a grant under this subsection to a business if all of the following apply:

(a) The amount of the grant does not exceed \$15,000.

(b) The business, together with any affiliate, subsidiary or parent entity, has fewer than 50 employees.

(c) The business is located in a rural municipality.

(d) The business is starting or expanding its operations.

(e) The proceeds of the grant will be used by the business as provided in sub. (5).

(f) The board considers the factors listed in sub. (4).

**(4)** Before awarding a grant under sub. (3), the board shall consider all of the following:

(a) The extent to which the start-up or expansion of the business will create new jobs.

(b) The economic condition of the rural municipality.

(c) The number of new jobs created by the business in relation to the amount of the grant.

(cm) In relation to the amount of the grant, the number of existing jobs that will be retained by the business if the grant is awarded and that likely would not be retained if the grant is not awarded.

(d) The degree to which the new or expanded operations of the business will provide beneficial services to the rural municipality where it is located.

(e) Whether financing is available from other sources.

(f) Whether the business would be able to start or expand its operations without a grant.

**(4m)** Of the total amount awarded in grants in a fiscal biennium under sub. (3), the board shall award not less than 25% and not more than 50% for purposes related to an agricultural business. The board shall give priority under this subsection for grants that will be used for purposes related to a dairy farm, as defined in s. 97.22 (1) (a).

**(5)** A business shall use the proceeds of a grant under sub. (3) to pay for any of the following:

(a) Professional services related to starting or expanding the business.

(b) Management assistance continuing after the start-up or expansion.

**(5c)** (a) Subject to par. (b), the board may award a grant under this subsection to a person or business proposing to start up, modernize or expand in this state a dairy farm, as defined in s. 97.22 (1) (a), or other agricultural business if all of the following apply:

1. The dairy farm or other agricultural business is or will be owned by the person or business.

3. The grant proceeds will be used to pay for services related to the start-up, modernization, or expansion of the dairy farm or other agricultural business, or for management assistance continuing after the completion of the start-up, modernization, or expansion of the dairy farm or other agricultural business.

4. The grant is likely to result in the start-up, modernization or expansion of the dairy farm or other agricultural business.

(b) The total amount of grants awarded under this subsection in any fiscal year may not exceed \$500,000.

**(5m)** (a) Subject to par. (cm), the board may award a grant or loan under this subsection that does not exceed \$100,000 to a business if all of the following apply:

1. The business, together with any affiliate, subsidiary or parent entity, has fewer than 50 employees.

2. The business is located in a rural municipality.

3. The business is starting or expanding its operations.

4. The business successfully demonstrates the feasibility of the project.

5. Financing is unavailable from any other source on reasonably equivalent terms.

(b) A business shall use the proceeds of a grant or loan under this subsection for any of the following:

1. Working capital.

2. Fixed asset financing.

3. Employee relocation costs.

(bm) If a business receives a grant or loan under this subsection for the purpose specified in par. (b) 3., the department shall ensure that an employee of the business has the option of accepting or declining any relocation assistance that is available as a result of the grant or loan.

(cm) Of the total amount awarded in grants and loans in a fiscal biennium under this subsection, the board shall award not less than 25% and not more than 50% for purposes related to an agricultural business. The board shall give priority under this para-

graph for grants or loans that will be used for purposes related to a dairy farm, as defined in 97.22 (1) (a).

**(6)** Before awarding a loan under this section, the board shall do all of the following:

(a) Determine the terms for repayment of the principal amount of the loan.

(c) Establish all other terms and conditions of the loan after considering the circumstances of the particular business.

**(6m)** To receive a grant or loan under this section a person or business shall contribute cash, from a source other than the state, in an amount that equals at least 25% of the total cost of the project.

**(6r)** The board shall give priority for grants or loans under this section for projects related to brownfields redevelopment.

**(7)** (a) Except as provided in par. (am), the department shall designate staff to evaluate applications for grants or loans and assist the board under this section. The board shall act on an application for a grant or loan at its next regularly scheduled meeting after the department determines that the application is complete.

(am) The department of commerce and the department of agriculture, trade and consumer protection shall designate staff to evaluate applications for grants or loans for purposes related to agricultural businesses and to make recommendations and assist the board with respect to those applications.

(b) The board or department shall deposit all interest or principal payments received for loans made under this section in the appropriation under s. 20.143 (1) (ir).

(d) The department or board may not limit the time period during which applications for grants and loans under this section may be accepted.

(e) If the board awards, and the department makes, a grant under sub. (3) or (5c), the department may contract directly with and pay grant proceeds directly to any person providing technical or management assistance to the grant recipient.

**History:** 1989 a. 31, 359; 1993 a. 16; 1995 a. 27; 1997 a. 27, 237; 1999 a. 9; 2001 a. 16; 2001 a. 109 ss. 475, 484; 2005 a. 441; 2007 a. 20, 125.

**Cross-reference:** See also s. Comm 116.01, Wis. adm. code.

**560.19 Pollution prevention. (1)** In this section, “pollution prevention” has the meaning given in s. 299.13 (1) (dm).

**(2)** From the appropriation under s. 20.143 (1) (em), the department may contract with the board of regents of the University of Wisconsin System for educational services from the University of Wisconsin–Extension solid and hazardous waste education center. If the department enters into a contract under this subsection, the contract shall provide that the solid and hazardous waste center shall do all of the following:

(a) Expand its educational program to include business assessment activities that are specified in the contract and that have the following purposes:

1. Determining the full costs of using and producing hazardous substances, toxic pollutants and solid or hazardous waste.

2. Identifying processes that use or produce hazardous substances, toxic pollutants or solid or hazardous waste and the composition of the hazardous substances, toxic pollutants or solid or hazardous waste.

3. Identifying pollution prevention options.

(b) Consider all of the following in conducting the business assessment activities under the contract:

1. The need for a pollution prevention assessment and a program participant’s willingness to participate in an assessment.

2. The technical and financial ability of a program participant to implement pollution prevention.

3. The potential for others to use the information gained from a pollution prevention assessment.

**(3)** In coordination with the solid and hazardous waste education center under s. 36.25 (30) and the department of natural

resources, the department shall conduct an education, environmental management and technical assistance program to promote pollution prevention among businesses in the state.

**History:** 1989 a. 325; 1989 a. 359 s. 381; 1993 a. 16; 1995 a. 27, 227; 1997 a. 27; 1999 a. 9.

**560.203 Targeted microloans.** The department shall create a pilot program for making microloans from the appropriation under s. 20.143 (1) (c) at nominal interest rates for the creation of new businesses. The department shall designate 2 areas of the state, one urban and one rural, that are affected by high unemployment. Only residents of the areas designated by the department are eligible for loans under this section, and the amount of a loan under this section may not exceed \$25,000. The department shall, through a competitive process, select a Wisconsin nonprofit finance corporation to administer the pilot program. The department shall partner with federal, state, regional, and local economic development entities to provide business training for applicants and borrowers under this section. The department may not make a loan under this section after July 31, 2013.

**History:** 2009 a. 265.

**560.204 Hardware and software used to maintain medical records. (1)** The department shall implement a program to certify health care providers as eligible for the electronic medical records credit under ss. 71.07 (5i), 71.28 (5i), and 71.47 (5i).

**(2)** If the department certifies a health care provider under sub. (1), the department shall determine the amount of credits to allocate to the health care provider. The total amount of electronic medical records credits allocated to health care providers in any year may not exceed \$10,000,000.

**(3)** The department shall inform the department of revenue of every health care provider certified under sub. (1) and the amount of credits allocated to the health care provider.

**(4)** The department, in consultation with the department of revenue, shall promulgate rules to administer this section.

**History:** 2007 a. 20.

**560.205 Early stage business investment program.**

**(1) ANGEL INVESTMENT TAX CREDITS.** The department shall implement a program to certify businesses for purposes of s. 71.07 (5d). A business desiring certification shall submit an application to the department in each taxable year for which the business desires certification. The business shall specify in its application the investment amount it wishes to raise and the department may certify the business and determine the amount that qualifies for purposes of s. 71.07 (5d). Unless otherwise provided under the rules of the department, a business may be certified under this subsection, and may maintain such certification, only if the business satisfies all of the following conditions:

(a) It has its headquarters in this state.

(b) At least 51 percent of the employees employed by the business are employed in this state.

(f) It has the potential for increasing jobs in this state, increasing capital investment in this state, or both, and any of the following apply:

1. It is engaged in, or has committed to engage in, innovation in any of the following:

a. Manufacturing, biotechnology, nanotechnology, communications, agriculture, or clean energy creation or storage technology.

b. Processing or assembling products, including medical devices, pharmaceuticals, computer software, computer hardware, semiconductors, any other innovative technology products, or other products that are produced using manufacturing methods that are enabled by applying proprietary technology.

c. Services that are enabled by applying proprietary technology.

2. It is undertaking pre-commercialization activity related to proprietary technology that includes conducting research, devel-

oping a new product or business process, or developing a service that is principally reliant on applying proprietary technology.

(g) It is not primarily engaged in real estate development, insurance, banking, lending, lobbying, political consulting, professional services provided by attorneys, accountants, business consultants, physicians, or health care consultants, wholesale or retail trade, leisure, hospitality, transportation, or construction, except construction of power production plants that derive energy from a renewable resource, as defined in s. 196.378 (1) (h).

(h) It has less than 100 employees.

(j) It has been in operation in this state for not more than 10 consecutive years.

(k) For taxable years beginning before January 1, 2008, it has not received more than \$1,000,000 in investments that have qualified for tax credits under s. 71.07 (5d).

(km) It has not received aggregate private equity investment in cash of more than \$10,000,000 prior to being certified under this subsection.

(kn) For taxable years beginning after December 31, 2007 and before January 1, 2011, it has not received more than \$4,000,000 in investments that have qualified for tax credits under ss. 71.07 (5b) and (5d), 71.28 (5b), 71.47 (5b), and 76.638.

(L) For taxable years beginning after December 31, 2010, it has not received more than \$8,000,000 in investments that have qualified for tax credits under ss. 71.07 (5b) and (5d), 71.28 (5b), 71.47 (5b), and 76.638.

**(2) EARLY STAGE SEED INVESTMENT TAX CREDITS.** The department shall implement a program to certify investment fund managers for purposes of ss. 71.07 (5b), 71.28 (5b), 71.47 (5b), and 76.638. An investment fund manager desiring certification shall submit an application to the department. The investment fund manager shall specify in the application the investment amount that the manager wishes to raise and the department may certify the manager and determine the amount that qualifies for purposes of ss. 71.07 (5b), 71.28 (5b), 71.47 (5b), and 76.638. In determining whether to certify an investment fund manager, the department shall consider the investment fund manager's experience in managing venture capital funds, the past performance of investment funds managed by the applicant, the expected level of investment in the investment fund to be managed by the applicant, and any other relevant factors. The department may certify only investment fund managers that commit to consider placing investments in businesses certified under sub. (1).

**(3) ADMINISTRATION.** (a) *List of certified businesses and investment fund managers.* The department shall maintain a list of businesses certified under sub. (1) and investment fund managers certified under sub. (2) and shall permit public access to the lists through the department's Internet Web site.

(b) *Notification of department of revenue.* The department of commerce shall notify the department of revenue of every certification issued under sub. (1) and (2) and the date on which any such certification is revoked or expires.

(d) *Rules.* The department of commerce, in consultation with the department of revenue, shall promulgate rules to administer this section. The rules shall further define "bona fide angel investment" for purposes of s. 71.07 (5d) (a) 1. The rules shall limit the aggregate amount of tax credits under s. 71.07 (5d) that may be claimed for investments in businesses certified under sub. (1) at \$3,000,000 per calendar year for calendar years beginning after December 31, 2004, and before January 1, 2008, \$5,500,000 per calendar year for calendar years beginning after December 31, 2007, and before January 1, 2010, \$6,500,000 for calendar year 2010, and \$20,000,000 per calendar year for calendar years beginning after December 31, 2010, plus, for taxable years beginning after December 31, 2010, an additional \$250,000 for tax credits that may be claimed for investments in nanotechnology businesses certified under sub. (1). The rules shall also limit the aggregate amount of the tax credits under ss. 71.07 (5b), 71.28 (5b), 71.47 (5b), and 76.638 that may be claimed for investments paid

to fund managers certified under sub. (2) at \$3,500,000 per calendar year for calendar years beginning after December 31, 2004, and before January 1, 2008, \$6,000,000 per calendar year for calendar years beginning after December 31, 2007, and before January 1, 2010, \$8,000,000 for calendar year 2010, and \$20,500,000 per calendar year for calendar years beginning after December 31, 2010, plus, for taxable years beginning after December 31, 2010, an additional \$250,000 for tax credits that may be claimed for investments in nanotechnology businesses certified under sub. (1). The rules shall also provide that, for calendar years beginning after December 31, 2007, no person may receive a credit under ss. 71.07 (5b) and (5d), 71.28 (5b), 71.47 (5b), or 76.638 unless the person's investment is kept in a certified business, or with a certified fund manager, for no less than 3 years. The rules shall permit the department to reallocate credits under this section that are unused in any calendar year to a person eligible for tax benefits, as defined under s. 560.2055 (1) (d), if all of the following apply:

1. The department notifies the joint committee on finance in writing of its proposed reallocation.

2. One of the following is true:

a. The cochairpersons of the joint committee on finance fail to notify the department, within 14 working days after the date of the department's notification under subd. 1., that the committee has scheduled a meeting for the purpose of reviewing the proposed reallocation.

b. The cochairpersons of the joint committee on finance notify the department that the committee has approved the proposed reallocation.

(e) *Transfer.* A person who is eligible to claim a credit under s. 71.07 (5b), 71.28 (5b), 71.47 (5b), or 76.638 may sell or otherwise transfer the credit to another person who is subject to the taxes or fees imposed under s. 71.02, 71.23, 71.47, or subch. III of ch. 76, if the person receives prior authorization from the investment fund manager and the manager then notifies the department of commerce and the department of revenue of the transfer and submits with the notification a copy of the transfer documents. No person may sell or otherwise transfer a credit as provided in this paragraph more than once in a 12-month period. The department may charge any person selling or otherwise transferring a credit under this paragraph a fee equal to 1 percent of the credit amount sold or transferred. The department shall deposit all fees collected under this paragraph in the appropriation account under s. 20.143 (1) (gm).

**History:** 2003 a. 255; 2005 a. 49, 97; 2007 a. 20, 125; 2009 a. 2, 265, 276.

**Cross-reference:** See also ch. Comm 129, Wis. adm. code.

**560.2055 Jobs tax credit. (1) DEFINITIONS.** In this section:

(a) 1. Except as provided in subd. 2., "business" means any organization or enterprise operated for profit, including a sole proprietorship, partnership, firm, business trust, joint venture, syndicate, corporation, limited liability company, or association.

2. "Business" does not include a store or shop in which retail sales is the principal business.

(b) "Eligible employee" means a person employed in a full-time job by a person certified under sub. (2).

(c) "Full-time job" means a regular, nonseasonal full-time position in which an individual, as a condition of employment, is required to work at least 2,080 hours per year, including paid leave and holidays, and for which the individual receives pay that is equal to at least 150 percent of the federal minimum wage and benefits that are not required by federal or state law. "Full-time job" does not include initial training before an employment position begins.

(d) "Tax benefits" means the jobs tax credit under ss. 71.07 (3q), 71.28 (3q), and 71.47 (3q).

(2) **CERTIFICATION.** The department may certify a person to receive tax benefits under this section if all of the following apply:

(a) The person is operating or intends to operate a business in this state.

(b) The person applies under this section and enters into a contract with the department.

(3) **ELIGIBILITY FOR TAX BENEFITS.** A person certified under sub. (2) may receive tax benefits under this section if, in each year for which the person claims tax benefits under this section, the person increases net employment in the person's business and one of the following apply:

(a) In a tier I county or municipality, an eligible employee for whom the person claims a tax credit will earn at least \$20,000 but not more than \$100,000 in wages from the person in the year for which the credit is claimed.

(b) In a tier II county or municipality, an eligible employee for whom the person claims a tax credit will earn at least \$30,000 but not more than \$100,000 in wages from the person in the year for which the credit is claimed.

(c) In a tier I county or municipality or a tier II county or municipality, the person improves the job-related skills of any eligible employee, trains any eligible employee on the use of job-related new technologies, or provides job-related training to any eligible employee whose employment with the person represents the employee's first full-time job.

(4) **DURATION, LIMITS, AND EXPIRATION.** (a) The certification of a person under sub. (2) may remain in effect for no more than 10 cumulative years.

(b) 1. The department may award to a person certified under sub. (2) tax benefits for each eligible employee in an amount equal to up to 10 percent of the wages paid by the person to that employee if that employee earned wages in the year for which the tax benefit is claimed equal to one of the following:

a. In a tier I county or municipality, at least \$20,000 but not more than \$100,000.

b. In a tier II county or municipality, at least \$30,000 but not more than \$100,000.

2. The department may award to a person certified under sub. (2) tax benefits in an amount to be determined by the department by rule for costs incurred by the person to undertake the training activities described in sub. (3) (c).

(c) Subject to a reallocation by the department pursuant to rules promulgated under s. 560.205 (3) (d), the department may allocate up to \$5,000,000 in tax benefits under this section in any calendar year.

(5) **DUTIES OF THE DEPARTMENT.** (a) The department of commerce shall notify the department of revenue when the department of commerce certifies a person to receive tax benefits.

(b) The department of commerce shall notify the department of revenue within 30 days of revoking a certification made under sub. (2).

(c) The department may require a person to repay any tax benefits the person claims for a year in which the person failed to maintain employment required by an agreement under sub. (2) (b).

(d) The department shall determine the maximum amount of the tax credits under ss. 71.07 (3q), 71.28 (3q), and 71.47 (3q) that a certified business may claim and shall notify the department of revenue of this amount.

(e) The department shall annually verify the information submitted to the department by the person claiming tax benefits under ss. 71.07 (3q), 71.28 (3q), and 71.47 (3q).

(f) The department shall promulgate rules for the implementation and operation of this section, including rules relating to the following:

1. The definitions of a tier I county or municipality and a tier II county or municipality. The department may consider all of the following information when establishing the definitions required under this subdivision:

a. Unemployment rate.

b. Percentage of families with incomes below the poverty line established under 42 USC 9902 (2).

c. Median family income.

- d. Median per capita income.
  - e. Other significant or irregular indicators of economic distress, such as a natural disaster or mass layoff.
  - 2. A schedule of additional tax benefits for which a person who is certified under sub. (2) and who incurs costs related to job training under sub. (3) (c) may be eligible.
  - 3. Conditions for the revocation of a certification under par. (b).
  - 4. Conditions for the repayment of tax benefits under par. (c).
- History:** 2009 a. 28, 265.

**560.2056 Food processing plant and food warehouse investment credit.** (1) The department of commerce shall implement a program to certify taxpayers as eligible for the food processing plant and food warehouse investment credit under ss. 71.07 (3rn), 71.28 (3rn), and 71.47 (3rn).

**NOTE:** The cross-references to ss. 71.07 (3rn), 71.28 (3rn), and 71.47 (3rn) were changed from ss. 71.07 (3rm), 71.28 (3rm), and 71.47 (3rm) by the legislative reference bureau under s. 13.92 (1) (bm) 2. to reflect the renumbering under s. 13.92 (1) (bm) 2. of ss. 71.07 (3rm), 71.28 (3rm), and 71.47 (3rm), as created by 2009 Wis. Act 295.

(2) If the department of commerce certifies a taxpayer under sub. (1), the department of commerce shall determine the amount of credits to allocate to that taxpayer. The total amount of food processing plant and food warehouse investment credits allocated to taxpayers in fiscal year 2009–10 may not exceed \$600,000 and the total amount of food processing plant and food warehouse investment credits allocated to taxpayers in fiscal year 2010–11, and in each fiscal year thereafter, may not exceed \$700,000.

(3) The department of commerce shall inform the department of revenue of every taxpayer certified under sub. (1) and the amount of credits allocated to the taxpayer.

(4) The department of commerce, in consultation with the department of revenue, shall promulgate rules to administer this section.

**History:** 2009 a. 295; s. 13.92 (1) (bm) 2.

**560.206 Film production tax credits.** (1) The department shall implement a program to accredit productions for purposes of ss. 71.07 (5f) and (5h), 71.28 (5f) and (5h), and 71.47 (5f) and (5h). Application for accreditation shall be made to the department in each taxable year for which accreditation is desired.

(2) If the department accredits a production under sub. (1), the department shall determine the amount of the production's production expenditures, as defined in s. 71.07 (5f) (a) 3.

(3) The department shall notify the department of revenue of every production accredited under sub. (1) and the amount of the production's production expenditures.

(4) The department of commerce, in consultation with the department of revenue, shall promulgate rules to administer this section.

**History:** 2005 a. 483.

**560.207 Dairy manufacturing facility investment credit.** (1) The department of commerce shall implement a program to certify taxpayers, including taxpayers who are members of dairy cooperatives, as eligible for the dairy manufacturing facility investment credit under ss. 71.07 (3p), 71.28 (3p), and 71.47 (3p).

(2) If the department of commerce certifies a taxpayer under sub. (1), the department of commerce shall determine the amount of credits to allocate to that taxpayer. The total amount of dairy manufacturing facility investment credits allocated to taxpayers in fiscal year 2007–08 may not exceed \$600,000 and the total amount of dairy manufacturing facility investment credits allocated to taxpayers who are not members of dairy cooperatives in fiscal year 2008–09, and in each fiscal year thereafter, may not exceed \$700,000. The total amount of dairy manufacturing facility investment credits allocated to taxpayers who are members of dairy cooperatives in fiscal year 2009–10 may not exceed

\$600,000 and the total amount of dairy manufacturing facility investment credits allocated to taxpayers who are members of dairy cooperatives in fiscal year 2010–11, and in each fiscal year thereafter, may not exceed \$700,000.

(3) The department of commerce shall inform the department of revenue of every taxpayer certified under sub. (1) and the amount of credits allocated to the taxpayer.

(4) The department of commerce, in consultation with the department of revenue, shall promulgate rules to administer this section.

**History:** 2007 a. 20; 2009 a. 2.

**Cross-reference:** See also s. Comm 132, Wis. adm. code.

**560.208 Meat processing facility investment credit.**

(1) The department of commerce shall implement a program to certify taxpayers as eligible for the meat processing facility investment credit under ss. 71.07 (3r), 71.28 (3r), and 71.47 (3r).

(2) If the department of commerce certifies a taxpayer under sub. (1), the department of commerce shall determine the amount of credits to allocate to that taxpayer. The total amount of meat processing facility investment credits allocated to taxpayers in fiscal year 2009–10 may not exceed \$300,000 and the total amount of meat processing facility investment credits allocated to taxpayers in fiscal year 2010–11, and in each fiscal year thereafter, may not exceed \$700,000.

(3) The department of commerce shall inform the department of revenue of every taxpayer certified under sub. (1) and the amount of credits allocated to the taxpayer.

(4) The department of commerce, in consultation with the department of revenue, shall promulgate rules to administer this section.

**History:** 2009 a. 2.

**Cross-reference:** See also s. Comm 134, Wis. adm. code.

**560.2085 Qualified new business ventures.** (1) The department shall implement a program to certify qualified new business ventures for purposes of s. 71.05 (24). A business desiring certification shall submit an application to the department in each taxable year for which the business desires certification. Subject to sub. (2), a business may be certified under this subsection, and may maintain such certification, only if the business is engaged in one of the following:

(a) Developing a new product or business process.

(b) Manufacturing, agriculture, or processing or assembling products and conducting research and development.

(2) The department may not certify a business under sub. (1) if the business is engaged in real estate development, insurance, banking, lending, lobbying, political consultation, professional services provided by attorneys, accountants, business consultants, physicians, or health care consultants, wholesale or retail sales, leisure, hospitality, transportation, or construction.

(3) (a) The department shall maintain a list of businesses certified under sub. (1) and shall permit public access to the lists through the department's Internet Web site.

(b) The department of commerce shall notify the department of revenue of every certification issued under sub. (1) and the date on which a certification under sub. (1) is revoked or expires.

**History:** 2009 a. 28 s. 3073; 2009 a. 276 s. 83.

**560.209 Woody biomass harvesting and processing credit.**

(1) The department of commerce shall implement a program to certify taxpayers as eligible for the woody biomass harvesting and processing credit under ss. 71.07 (3rm), 71.28 (3rm), and 71.47 (3rm).

(2) If the department of commerce certifies a taxpayer under sub. (1), the department of commerce shall determine the amount of credits to allocate to that taxpayer. The total amount of woody biomass harvesting and processing credits allocated to taxpayers in any fiscal year may not exceed \$900,000. In each fiscal year, the department of commerce shall allocate \$450,000 in tax credits

to businesses that, individually, have no more than \$5,000,000 in gross receipts from doing business in this state for the taxable year in which the credit is claimed.

(3) The department of commerce shall inform the department of revenue of every taxpayer certified under sub. (1) and the amount of credits allocated to the taxpayer.

(4) The department of commerce, in consultation with the department of revenue, shall promulgate rules to administer this section.

**History:** 2009 a. 269.

**560.21 General fund deposit. (1)** In this section:

(a) “Community development finance company” has the meaning given in s. 234.94 (3).

(b) “Equity investment” means the purchase of common or preferred capital stock or the purchase of an option or other right to acquire common or preferred capital stock.

(2) The department shall deposit in the general fund all interest and principal received in repayment of loans under s. 560.20 (3), 1999 stats., any proceeds from equity investments made by the community development finance company under s. 234.965, 1991 stats., that are received by the department or the community development finance company, and any unencumbered grant funds returned to the department under 1993 Wisconsin Act 437, section 9115 (1t).

(3) The community development finance company shall transfer to the department any proceeds that the company receives from equity investments made by the community development finance company under s. 234.965, 1991 stats.

**History:** 2001 a. 109 ss. 481, 482, 498, 503, 504.

**560.25 Manufacturing extension center grants.**

**(1) DEFINITIONS.** In this section:

(a) “Biotechnology” means technology related to life sciences.

(b) “Business” means a company located in this state, a company that has made a firm commitment to locate a facility in this state or a group of companies at least 80% of which are located in this state.

(c) “Technology” includes biotechnology.

(d) “Technology-based nonprofit organization” means a nonprofit corporation, as defined in s. 181.0103 (17), or an organization described in section 501 (c) (3) of the Internal Revenue Code that is exempt from federal income tax under section 501 (a) of the Internal Revenue Code, and that has as a mission the transfer of technology to businesses in this state.

(2) GRANTS. Subject to sub. (4), the department may make a grant from the appropriation under s. 20.143 (1) (fj) to a technology-based nonprofit organization to provide support for a manufacturing extension center if all of the following apply:

(a) The technology-based nonprofit organization submits to the department a plan detailing its proposed expenditures and performance measures related to the project.

(b) The secretary approves the plan submitted under par. (a).

(4) LIMIT ON GRANTS. Beginning with fiscal year 2004–05, the department may award \$1,500,000 in grants under this section in each fiscal year.

**History:** 1999 a. 9; 2001 a. 16; 2003 a. 33, 256.

**560.255 Grants to Wisconsin Angel Network.** Annually, from the appropriation under s. 20.143 (1) (bk), the department shall make a grant to the Wisconsin Angel Network of \$60,000. The department shall enter into an agreement with the Wisconsin Angel Network that specifies the uses for the grant proceeds and reporting and auditing requirements. The department shall promulgate rules necessary to administer this section.

**History:** 2009 a. 28.

**560.27 High-technology business development corporation. (1)** (a) The department shall organize and assist in maintaining a high-technology business development corpora-

tion as a nonstock, nonprofit corporation under ch. 181 for the exclusive purpose of promoting and supporting the creation, development and retention of science-based and technology-based businesses in the state. In furtherance of its purpose, the corporation shall establish and implement programs focused on key elements necessary for the success of high-technology firms, including entrepreneurs, businesses, professional services, seed and venture capital, universities and state government.

(b) From the appropriation under s. 20.143 (1) (d), the department shall make a one-time grant of \$50,000 in fiscal year 2000–01 to the high-technology business development corporation for start-up capital and reasonable administrative expenses of the corporation.

(c) Annually, beginning in fiscal year 2010–11, the department shall award a grant of \$100,000 from the appropriation under s. 20.143 (1) (d) to the high-technology business development corporation. The department shall enter into an agreement with the high-technology business development corporation requiring the grant proceeds to be used for employing a grant writer to assist businesses to apply for federal small business innovation research grants. The department shall submit annually to the legislature under s. 13.172 (2) a report detailing the number of grant applications assisted by the grant writer, the number of applications assisted by the grant writer that won grants and the total amount of the grants, and the number of any jobs created as a result of the grant writer’s activities.

(2) (a) The high-technology business development corporation shall be governed by a board of directors, consisting of the secretary, or his or her designee, the president of the University of Wisconsin System, or his or her designee, the director of the technical college system board, or his or her designee, the president of the Wisconsin Association of Independent Colleges and Universities, or his or her designee, and at least 11 other members, one or more of whom represents each of the following categories:

1. Entrepreneurs in the state.
2. High-technology businesses in the state.
3. The state’s venture capital industry.
4. The state’s investment banking industry.
5. Local governments in the state.
6. The state’s business development community.
7. Professionals in the state who are experienced in providing services to persons specified in subs. 1. to 6.

(b) The members who are representatives of the categories under par. (a) 1. to 7. shall serve 5-year terms. Of the initial members who are representatives of the categories under par. (a) 1. to 7., one shall be appointed by the senate majority leader, one shall be appointed by the speaker of the assembly, one shall be appointed by the senate minority leader, one shall be appointed by the assembly minority leader and at least 7 shall be appointed by the governor. The high-technology business development corporation, in its bylaws, shall specify the method for electing new members who are representatives of the categories under par. (a) 1. to 7. and for filling vacancies.

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

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

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

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

4. The corporation provides to the department information requested by the department about private funding the corporation

has received or will receive for the purposes detailed in the expenditure plan under subd. 1.

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

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

(c) The department may not make grants under this subsection that exceed \$200,000 in total in fiscal year 2000–01, or that exceed \$750,000 in total in any fiscal year thereafter.

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

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

**History:** 1999 a. 106; 2009 a. 265.

**560.275 Technology commercialization grant and loan program.** (1) **DEFINITION.** In this section, “Project costs” means the total cost of a project financed, at least in part, by a grant or loan under sub. (2), calculated as provided by rule of the department.

(2) **AUTHORIZED GRANTS AND LOANS.** (a) *Early stage planning grants and loans.* The department may make a grant or loan from the appropriation under s. 20.143 (1) (c) or (ie) for the purpose of funding professional services related to completing an application to be submitted to the federal government for the purpose of obtaining early stage research and development funding or for the purpose of funding professional services that are required to accomplish specific tasks established as a condition of receiving early stage financing from 3rd parties that is necessary for business development.

(b) *Matching grants and loans.* 1. The department may make a grant or loan from the appropriation under s. 20.143 (1) (c) or (ie) for the purpose of funding professional activities related to developing a proposed technologically innovative product, process, or service, if the applicant has received a grant from the federal government for a substantially similar purpose.

2. The department may make a grant or loan from the appropriation under s. 20.143 (1) (c) or (ie) for the purpose of funding professional activities related to the accelerated commercialization of a technologically innovative product, process, or service, if the federal government has notified the applicant that the applicant will receive a grant from the federal government for a substantially similar purpose.

(c) *Bridge grants and loans.* The department may make a grant or loan from the appropriation under s. 20.143 (1) (c) or (ie) to a person who has received early stage financing from 3rd parties or a grant from the federal government to fund early stage research and development and who has sought additional early stage financing from 3rd parties or applied for an additional grant from the federal government to fund early stage research and development. A grant or loan under this paragraph shall be for the purpose of funding professional activities necessary to maintain the project research and management team and funding basic operations until the applicant’s additional 3rd–party financing request or federal grant application is approved or denied.

(d) *Venture capital grants and loans.* The department may make a grant or loan from the appropriation under s. 20.143 (1) (c)

or (ie) for the purpose of enhancing the applicant’s ability to obtain early stage financing from 3rd parties.

(e) *Entrepreneurial and technology transfer center grants.* The department may make a grant from the appropriation under s. 20.143 (1) (c) or (ie) for the purpose of supporting any entrepreneurial and technology transfer center that satisfies all of the following criteria:

1. The center serves multiple regions of this state.
2. The center provides assistance, other than financial assistance, to entrepreneurs to facilitate business development.
3. The center reviews and analyzes entrepreneurial business plans and offers advice concerning the improvement of the plans.
4. The center provides advice to entrepreneurs concerning patent, trademark, and copyright issues.
5. The center provides appropriate referral services to entrepreneurs.

(3) **GRANT AND LOAN AMOUNTS.** (a) *Early stage planning grants and loans.* In determining the amount of a grant or loan under sub. (2) (a), the department shall consider all of the following, in addition to any other information the department considers relevant:

1. The amount of economic impact the applicant, if successful, will have in this state.
2. The quality of any businesses assisting the applicant.
3. The level of need demonstrated by the applicant.
4. The applicant’s record of obtaining early stage financing in the past.

(b) *Matching grants and loans.* In determining the amount of a grant or loan under sub. (2) (b), the department shall consider all of the following criteria, in addition to any other information the department considers relevant:

1. The viability of the applicant’s business.
2. The likelihood that the applicant will successfully commercialize technology.
3. The applicant’s management plan and management team.
4. The amount of economic impact the applicant, if successful, will have in this state.
5. The applicant’s record of obtaining early stage financing in the past.

(4) **LIMITATIONS ON GRANT AND LOAN AMOUNTS.** (a) *Early stage planning grants and loans.* A grant or loan under sub. (2) (a) may not exceed \$15,000.

(b) *Matching grants and loans.* A grant or loan under sub. (2) (b) may not exceed 20 percent of the project costs or \$250,000, whichever is less.

(c) *Bridge grants and loans.* A grant or loan under sub. (2) (c) may not exceed 75 percent of the project costs or \$100,000, whichever is less.

(d) *Venture capital grants and loans.* A grant or loan under sub. (2) (d) may not exceed 50 percent of the project costs or \$250,000, whichever is less.

(e) *Entrepreneurial and technology transfer grants.* The total amount of grants under sub. (2) (e) may not exceed \$600,000 in any fiscal year.

(5) **ELIGIBILITY.** The department may make a grant or loan under sub. (2) (a) to (d) to an applicant only if all of the following apply:

- (a) The applicant:
  1. Is a small business, or individual entrepreneur who intends to form a small business, that is completing a grant application to be submitted to the federal government for the purpose of obtaining early stage research and development funding, except that if the application is for a grant under sub. (2) (b), the requirement that the applicant be completing a federal grant application does not apply; or
  2. Is an individual who is starting or developing a business which has significant growth potential, as evidenced by the poten-

tial to attract and receive early stage financing from 3rd parties, but who needs assistance with a specific facet of starting or developing the business.

(b) If the applicant seeks a grant or loan under sub. (2) (a), the applicant has sufficient funding from sources other than the state to finance at least 25% of the project costs.

(c) The applicant has or will have a business location in this state.

(d) If the application relates to a product, the product will be manufactured substantially in this state.

(e) If the application relates to a service, the principal place of business from which the service will be sold will be located in this state.

(f) All grant moneys will be spent in this state.

**(6) GRANT AND LOAN DISTRIBUTION PLAN.** No later than December 1 of each even-numbered year, the department shall develop a biennial plan for awarding grants and loans under sub. (2) and shall submit the plan to the governor and to the chief clerk of each house of the legislature, for distribution to the appropriate standing committees under s. 13.172 (3).

**(7) ADMINISTRATION.** (a) *In-kind grants of services.* The department may contract with, and pay the proceeds of any grant under sub. (2) (a) to (d) directly to, any person who provides services which the grant is intended to fund.

(b) *Rules.* The department shall promulgate rules to administer this section. The rules shall establish application, reporting, auditing, and monitoring requirements.

**(9) DISTRESSED AREAS.** The department shall award not less than 35 percent of the total amount of grants and loans made under this section to businesses in distressed areas, as defined in s. 560.605 (7).

**History:** 2003 a. 255; 2005 a. 25, 97; 2007 a. 20, 97, 100.

### 560.276 Technology transfer grant and loan program.

**(1) DEFINITIONS.** In this section:

(a) “Business” has the meaning given in s. 560.60 (2).

(b) “Research institution” means any of the following if located in this state:

1. An accredited college or university.
2. An accredited school of medicine, dentistry, veterinary medicine, medicine and public health, public health, or health professionals.
3. An accredited center for health sciences.
4. A hospital in which research is conducted. In this subdivision, “hospital” has the meaning given in s. 50.33 (2).

**(2) GRANTS AND LOANS.** From the appropriations under s. 20.143 (1) (c), (fi), (ie), (ig), (io), and (kj), the department may award a grant or loan to a research institution to provide money for research and development activities related to the creation or retention of jobs by a business, or to improving the competitive position of a business by improving the innovativeness of the business. The department may award a grant or loan under this section if the research institution applies for a grant or loan on a form prepared by the department and all of the following are satisfied:

(a) The department determines that the research and development activities are likely to result in an economic benefit to one or more specific businesses.

(b) The department determines that the research and development activities will be conducted substantially in this state.

(c) The department considers the availability of matching funds from the research institution, the business, and other sources.

(d) The department enters into a written agreement with the research institution that specifies the conditions for use of the grant or loan proceeds, including reporting and auditing requirements.

**(3) LIMITS.** No grant or loan awarded to a research institution under this section may exceed \$100,000.

**History:** 2009 a. 265.

**560.277 Wisconsin venture fund. (1) DEFINITION.** In this section, “eligible institution” means a research institution or non-profit organization involved in economic development.

**(2) CAPITAL CONNECTIONS GRANTS.** From the appropriation under s. 20.143 (1) (bk), the department may award a grant to an eligible institution to fund a project that does any of the following:

(a) Expands access for Wisconsin business ventures and entrepreneurs to existing capital networks.

(b) Creates or runs a network to connect Wisconsin business ventures and entrepreneurs with available capital.

(c) Creates an activity, event, or strategy to connect Wisconsin business ventures and entrepreneurs with available capital.

**(3) VENTURE SEED GRANTS.** (a) From the appropriation under s. 20.143 (1) (bk), the department may award a grant to an eligible institution to match funds raised by the institution for funding a new business or determining proof of concept and feasibility of a new business idea, if the department determines the award of a grant will increase the amount of funding for new businesses or will leverage private investment and facilitate the creation of jobs in this state.

(b) The proceeds of a grant awarded under this subsection shall be used to provide funding as proposed by the institution in the institution’s application.

**(4) RULE MAKING.** The department shall promulgate rules for the administration of this section.

**(5) The department shall establish by rule a Wisconsin venture fund advisory council, which shall make recommendations to the department regarding all of the following:**

(a) A process by which the department, the department of financial institutions, and other qualified persons may review proposals.

(b) The maximum amount of a grant awarded under sub. (2) or (3).

(c) Requirements that applicants for grants under subs. (2) and (3) secure funding from sources other than the state to match a portion of the amount of a grant awarded under sub. (2) or (3).

(d) Monitoring of projects funded by grants under sub. (2) or (3), including monitoring of job creation.

**History:** 2009 a. 28.

**560.28 Manufacturing investment credit. (1) DEFINITION.** In this section, “full-time job” means a regular, nonseasonal full-time position in which an individual, as a condition of employment, is required to work at least 35 hours in a week.

**(2) CERTIFICATION.** The department shall promulgate rules for the certification of businesses as eligible to claim tax credits under s. 71.07 (3t), 71.28 (3t), or 71.47 (3t). The rules shall permit a business to obtain a certification only if the person satisfies one of the following conditions:

(a) The business has retained from December 23, 2003, 100 percent of the business’s full-time jobs in this state.

(b) The business’s average annual investment in this state since January 1, 2003, is equal to no less than 2 percent of the total book value of the business’s depreciable assets in facilities that are based in this state.

(c) The business’s average annual investment in this state since January 1, 2003, is no less than \$5,000,000.

(d) Any other criteria that is specific to an industry, as promulgated by rule by the department of commerce, in consultation with the department of revenue.

**History:** 2003 a. 99.

**Cross-reference:** See also ch. Comm 130, Wis. adm. code.

**560.285 Manufactured housing rehabilitation and recycling.** (1) **DEFINITION.** In this section, “manufactured home” has the meaning given in s. 101.91 (2).

(2) **GRANT PROGRAM.** (a) The department may make grants under this section to provide financial assistance to persons engaged in the disposal of abandoned manufactured homes and to municipalities, for the purpose of supporting environmentally sound disposal practices.

(b) The department may make grants under this section to provide financial assistance to individuals who reside in manufactured homes that are in need of critical repairs. An individual is eligible for a grant under this paragraph only if the individual is otherwise unable to finance the critical repairs.

(3) **ADMINISTRATION.** The department shall contract with one or more entities that are exempt from taxation under section 501 (a) of the Internal Revenue Code and that employ individuals with technical expertise concerning manufactured housing for the administration of the grant program under this section. The department shall promulgate rules to establish the grant program under this section. To the extent feasible, the department shall coordinate the program under this section with the state housing strategy plan under s. 560.9802.

**History:** 2005 a. 45.

**Cross-reference:** See also ch. *Comm 156*, Wis. adm. code.

**560.29 Certified capital companies.** (1) **DEFINITIONS.** In this section:

(a) “Certified capital company” means a person that has been certified by the department under s. 560.31, 2005 stats., and that has not been decertified under s. 560.37 (3) or (3m), 2005 stats.

(b) “Certified capital investment” means an investment in a certified capital company that is certified under s. 560.32 (2), 2005 stats., and that fully funds either the investor’s equity interest in a certified capital company, a qualified debt instrument that a certified capital company issues, or both.

(c) “Certified investor” means a person who makes a certified capital investment.

(d) “Investment date” means, with respect to each investment pool, the date on which the last certified capital that is part of that investment pool was invested in the certified capital company.

(e) “Investment pool” means the aggregate of all investments of certified capital in a certified capital company that are made as part of the same transaction, except that investments received more than 30 days apart may not be considered part of the same investment pool.

(f) “Qualified business” means a business which is a qualified business under s. 560.33, 2005 stats.

(g) “Qualified investment” means an investment in a qualified business by a certified capital company that meets the requirements under s. 560.34 (1), 2005 stats.

(2) **REPORTING REQUIREMENTS AND FEES.** (a) *Receipts of certified capital.* As soon as practicable after the receipt of a certified capital investment, a certified capital company shall report all of the following to the department:

1. The name of the certified investor from which the certified capital was received, including the certified investor’s tax identification number.
2. The amount of the certified capital investment.
3. The date on which the certified capital investment was received by the certified capital company.
4. The investment date for the investment pool of which the certified capital will be a part.

(b) *Violation of agreements by qualified businesses.* As soon as practicable after the receipt of information by the certified capital company that a qualified business has violated an agreement made under s. 560.34 (1) (b) to (e), 2005 stats., the certified capital company shall notify the department of the violation and the facts giving rise to the violation.

(c) *Annual reports.* On or before January 31 annually, a certified capital company shall report all of the following to the department:

1. The amount of the certified capital company’s certified capital at the end of the preceding year.

2. Whether the certified capital company has invested more than 15% of its total certified capital in any one person.

3. All qualified investments that the certified capital company has made during the previous calendar year and the investment pool from which each qualified investment was made.

(d) *Financial statements.* Within 90 days of the end of the certified capital company’s fiscal year, the certified capital company shall provide to the department a copy of its annual audited financial statements, including the opinion of an independent certified public accountant. The audit shall address the methods of operation and conduct of the business of the certified capital company to determine whether the certified capital company is complying with this section and the rules promulgated under subchapter II of ch. 560, 2005 stats., including whether certified capital has been invested in the manner required under s. 560.34, 2005 stats. The financial statements provided under this subsection shall be segregated by investment pool and shall be separately audited on that basis to allow the department to determine whether the certified capital company is in compliance with s. 560.34 (1m), 2005 stats.

(e) *Fees.* On or before January 31 annually, a certified capital company shall pay a nonrefundable certification fee of \$5,000 to the department, unless January 31 falls within 6 months of the date on which the certified capital company was certified under s. 560.31, 2005 stats.

(f) *Exemption from rights of inspection and copying.* If the department determines that a document submitted by a certified capital company under this section contains a trade secret, as defined in s. 134.90 (1) (c) or a business secret, that document is not subject to the right of inspection and copying under s. 19.35.

(3) **DEPARTMENT REPORTING REQUIREMENTS.** The department shall include in the report required under s. 560.01 (2) (am) all of the following:

(a) The total amount of certified capital investments made, by calendar year, since July 1, 1999.

(b) Statistical information on the qualified investments made by certified capital companies during the previous 2 calendar years.

(c) The department’s assessment of the number of jobs created in this state during the previous 2 calendar years as a result of qualified investments made by certified capital companies under this section.

**History:** 1997 a. 215; 2007 a. 20 ss. 3581a, 3581b, 3581d, 3581f to 3581j, 3581m, 3581r to 3581x; Stats. 2007 s. 560.29; 2007 a. 125; 2009 a. 180.

**Cross-reference:** See also s. *Comm 111.01*, Wis. adm. code.

## SUBCHAPTER II

### FORWARD INNOVATION FUND

**560.30 Definitions.** In this subchapter:

(2) “Business” means a company located in this state, a company that has made a firm commitment to locate a facility in this state, or a group of companies at least 80 percent of which are located in this state.

(3) “Cluster” means a geographic, categorical, horizontal, or vertical concentration of interconnected, interdependent, or synergistic businesses, industries, research centers, or venues for the performance, creation, or display of the arts.

(4) “Community-based organization” means an organization that is involved in economic development and helps businesses that are likely to employ persons.

(5) “Economically distressed area” means an area designated by the department using the methodology established by rule under s. 560.301 (2).

(6) “Eligible activity” means any of the following:

- (a) The start–up, expansion, or retention of minority businesses.
  - (b) The start–up, expansion, or retention of businesses in economically distressed areas.
  - (c) Innovative proposals to strengthen inner cities.
  - (d) Innovative proposals to strengthen communities in rural municipalities.
  - (e) Innovative programs to strengthen clusters.
  - (f) Innovative proposals to strengthen entrepreneurship.
- (7) “Eligible recipient” means any of the following:
- (a) A business or small business.
  - (b) The governing body of a municipality.
  - (c) A community–based organization.
  - (d) A cooperative or association incorporated under ch. 185 or organized under ch. 193.
  - (e) A local development corporation.
  - (f) A nonprofit organization whose primary purpose is to promote the economic development of or community development in a particular area or region in the state.

(8) “Governing body” means a county board, city council, village board, or town board.

(9) “Local development corporation” means any of the following:

(a) The elected governing body of a federally recognized American Indian tribe or band in this state or any business created by the elected governing body.

(b) A corporation organized under ch. 181 that is a nonprofit corporation, as defined in s. 181.0103 (17), that is at least 51 percent controlled and actively managed by minority group members, and that does all of the following:

1. Operates primarily within specific geographic boundaries.
2. Promotes economic development and employment opportunities for minority group members or minority businesses within the specific geographic area.
3. Demonstrates a commitment to or experience in promoting economic development and employment opportunities for minority group members or minority businesses.

(10) “Minority business” has the meaning given in s. 560.036 (1) (e).

(11) “Minority group member” has the meaning given in s. 560.036 (1) (f).

(12) “Municipality” means a county, city, village, or town.

(13) “Rural municipality” means any of the following:

- (a) A municipality that is located in a county with a population density of less than 150 persons per square mile.
- (b) A municipality with a population of 6,000 or less.

(14) “Small business” means a business with fewer than 100 employees, including employees of any subsidiary or affiliated organization.

History: 2009 a. 28, 265.

**560.301 Rules, policies, and standards for awarding grants and making loans.** The department shall promulgate rules that establish procedures, policies, and standards for implementing this subchapter and awarding grants and making loans under this subchapter. The rules shall include all of the following:

(1) A statement of the department’s economic development objectives for the program under this subchapter, together with the goals and accountability measures required under s. 560.01 (2) (ae).

(2) The methodology for designating an area as economically distressed. The methodology under this subsection shall require the department to consider the most current data available for the area and for the state on the following indicators:

- (a) Unemployment rate.

(b) Percentage of families with incomes below the poverty line established under 42 USC 9902 (2).

(c) Median family income.

(d) Median per capita income.

(e) Average annual wage.

(f) Real property values.

(g) Other significant or irregular indicators of economic distress, such as a natural disaster.

(3) Provisions for the development of a biennial plan for awarding grants and making loans under this subchapter, before the commencement of each odd–numbered fiscal year, and for the submission of the biennial plan to the governor and the chief clerk of each house of the legislature for distribution to the appropriate standing committees under s. 13.172 (3).

(4) Procedures related to grants and loans under s. 560.304 for all of the following:

(a) Submitting applications for grants and loans.

(b) Evaluating applications.

(c) Monitoring project performance.

(d) Auditing the grants and loans.

(5) Conditions applicable to a grant awarded or loan made under s. 560.304.

(6) Procedures for monitoring the use of grants awarded and loans made under this subchapter, including procedures for verification of economic growth, job creation, and the number and percentage of newly created jobs for which state residents are hired.

History: 2009 a. 28, 265.

**560.302 Grant and loan criteria.** Upon receipt of an application by an eligible recipient, the department may consider any of the following in determining whether to award a grant or make a loan under s. 560.304:

(1) Whether the eligible activity proposed to be conducted by the eligible recipient serves a public purpose.

(2) Whether the eligible activity proposed to be conducted by the eligible recipient will retain or increase employment in this state.

(3) Whether the eligible activity proposed to be conducted by the eligible recipient is likely to occur without the grant or loan.

(4) Whether and the extent to which the eligible activity proposed to be conducted by the eligible recipient will contribute to the economic growth of this state and the well–being of residents of this state.

(5) Whether the eligible activity proposed to be conducted by the eligible recipient will be located in an economically distressed area.

(6) The economic condition of the community in which the eligible activity proposed to be conducted by the eligible recipient is proposed to occur.

(7) The potential of the eligible activity proposed to be conducted by the eligible recipient to promote the employment of minority group members.

(8) Any other criteria established by the department by rule, including the types of projects that are eligible for funding and the types of eligible projects that will receive priority.

History: 2009 a. 28.

**560.303 Miscellaneous and administrative expenditures.** In each biennium, the department may expend or encumber up to a total of 1 percent of the moneys appropriated under s. 20.143 (1) (fi) for that biennium for any of the following:

(1) Evaluations of proposed technical research projects.

(3) Evaluation costs, collection costs, foreclosure costs, and other costs associated with administering the loan portfolio under this subchapter, excluding staff salaries.

History: 2009 a. 28.

**560.304 Forward innovation fund.** The department may award a grant or make a loan to an eligible recipient from the

appropriations under s. 20.143 (1) (fi), (gm), and (io). The department shall consult with the board prior to awarding a grant or making a loan under this section.

**History:** 2009 a. 28, 265, 276.

**560.305 Administration.** (1) The department shall encourage small businesses to apply for grants and loans under this subchapter by ensuring that there are no undue impediments to their participation and by actively encouraging small businesses to apply for grants and loans. The department shall do all of the following:

(a) Publish and disseminate information about projects that may be funded by a grant or loan under s. 560.304 and about procedures for applying for grants and loans under s. 560.304.

(b) Simplify the application and review procedures for small businesses so that they will not impose unnecessary administrative burdens on small businesses.

(c) Assist small businesses in preparing applications for grants and loans.

(2) The department may charge a grant or loan recipient an origination fee of not more than 2 percent of the grant or loan amount if the grant or loan equals or exceeds \$100,000. The department shall deposit all origination fees collected under this subsection into the appropriation account under s. 20.143 (1) (gm).

(3) The department shall develop a policy relating to obtaining reimbursement of grants and loans provided under this subchapter. The policy may provide that reimbursement shall be obtained through full repayment of the principal amount of the grant or loan plus interest, through receipt of a share of future profits from or an interest in a product or process, or through any other appropriate means.

(4) The department shall require, as a condition of a grant or loan, that a recipient contribute to a project an amount that is not less than 25 percent of the amount of the grant or loan.

**History:** 2009 a. 28, 265.

### SUBCHAPTER III

#### OFFICE OF REGULATORY ASSISTANCE

**560.41 Definitions.** In this subchapter:

(1c) “Agency” has the meaning given in s. 16.70 (1e).

(1g) “Authority” has the meaning given in s. 16.70 (2).

(1n) “Brownfields” means abandoned, idle or underused industrial or commercial facilities or sites, the expansion or redevelopment of which is adversely affected by actual or perceived environmental contamination.

(1r) “Municipality” has the meaning given in s. 16.70 (8).

(1w) “Office” means the office of regulatory assistance in the department.

(2) “Permit” means any approval of an agency required as a condition of operating a business in this state.

**History:** 1983 a. 91; 1995 a. 27; 1997 a. 27; 2009 a. 28, 265.

**560.42 Responsibilities related to permits.**

(1m) ASSISTANCE TO BUSINESSES. The office shall do all of the following:

(a) Provide assistance with obtaining and maintaining permits and any licenses and approvals necessary for a business to operate in this state. To fulfill the requirements of this paragraph, the office shall do all of the following on behalf of businesses:

1. Explain requirements for obtaining permits.
2. Track the progress of applications for permits.

3. Help businesses comply with laws and rules applicable to businesses, including providing plain-language explanations of laws and rules.

(b) Serve as a liaison between businesses and agencies, authorities, municipalities, and local economic development organizations.

(2) PERMIT INFORMATION. (a) The office shall assist any person requesting information on which permits are required for a particular business activity or on the application process, including criteria applied in making a determination on a permit application and the time period within which a determination will be made. This assistance may include any of the following:

1. Arranging a meeting between the person and the staff of the appropriate agency to enable the person to obtain information from the agency.

2. Obtaining information and permit applications from the agency and providing the information and appropriate permit applications to the person.

(b) If a person receives assistance under this subsection and applies for a permit and if the person requests, the office shall monitor the status of the permit application and periodically report the status to the person.

(2m) ADVOCACY. The office shall provide advocacy services before agencies on behalf of permit applicants. These services shall include all of the following:

(a) Monitoring the application approval process to ensure that permits are granted in the shortest amount of time possible consistent with the substantive requirements established by rule or law.

(b) Advocating legislative changes to improve and expedite the issuance of permits.

(2r) MEDIATION AND DISPUTE RESOLUTION SERVICES. The office may provide mediation or other dispute resolution services to facilitate the resolution of a dispute between an agency and a person applying for a permit. The provision of mediation or other dispute resolution services under this subsection does not affect any right that the person may have to a contested hearing under ch. 227.

(3) ASSISTANCE BY OFFICE. (a) The office may charge for services provided under this subchapter. Any amount charged for services may not exceed the actual cost of the service provided, unless a specific charge for the service, or method of calculating the charge, is provided by law. All amounts received under this paragraph shall be deposited in the appropriation account under s. 20.143 (1) (gc).

(b) The office may refer to the appropriate agency, without giving further assistance, any person seeking information or assistance on a permit under chs. 186, 215, 217, 220 to 224, 440 to 480 and 600 to 646.

(c) Advice, assistance, mediation or other dispute resolution services or information rendered by the office under this subchapter does not relieve any person from the obligation to secure a required permit or satisfy a regulatory requirement.

(d) The office shall not be liable for any consequences resulting from the failure of an agency to issue, or the failure of a person to seek, a permit.

(4) PROMOTION OF ASSISTANCE. (a) The office shall maintain and publicize the availability of a toll-free telephone line available to in-state and out-of-state callers to the office.

(b) The office shall seek to explain, promote and publicize its services to the public and shall provide information on its services for inclusion in any public informational material on permits provided by agencies.

(c) The office shall, in its efforts under pars. (a) and (b), clearly represent that its services are advisory, informational and facilitative only.

(5) STAFFING AND REPORT. The office shall be staffed by at least 2 full-time employees of the department. The office shall annually submit to the chief clerk of each house of the legislature

for distribution to the appropriate standing committees under s. 13.172 (3) a report on the work of the office.

**History:** 1983 a. 91; 1985 a. 182 s. 57; 1987 a. 186; 1991 a. 39; 1993 a. 102; 1995 a. 27; 1997 a. 27; 2001 a. 16; 2007 a. 125; 2009 a. 265.

**560.43 Responsibilities of agencies. (1) INTERAGENCY COOPERATION.** Each agency shall:

(a) Designate a staff person to coordinate agency cooperation with office staff, provide information to office staff on the permit process and direct office staff to appropriate staff within the agency.

(b) Cooperate with office staff and respond promptly to requests for assistance in expediting and requests for information on the permit process under s. 560.42.

(c) Include material provided by the office under s. 560.42 (4) in any public informational material on permits that it provides.

(d) Maintain responsibility for interpreting the requirements of and granting or denying its permits.

(e) In reviewing a submitted application for a permit, notify the applicant of all reasons the application is incomplete or incorrectly submitted at the first time the agency returns the application to the applicant.

(f) Periodically review and, if appropriate, revise its administrative rules and its permit applications to simplify and expedite the processing of permit applications.

(g) Provide to the office written notification of a change to a permit, along with a copy of the new or revised permit, before the effective date of the change.

**(2) PREAPPLICATION MEETINGS.** Each agency shall provide an opportunity for a preapplication meeting with its staff to any person interested in applying for a permit upon request by the person or the office, and shall comply with the following requirements:

(a) The agency shall conduct preapplication meetings in an informal manner.

(b) In any preapplication meeting, the agency shall identify all permits required by the agency for a business activity, describe the steps and identify the time period for each step in the permit process and identify potential problems in the process.

(d) The agency shall invite participation by office staff in preapplication meetings when appropriate.

(e) The agency shall publicize the availability of preapplication meetings to persons contacting them about permits.

**History:** 1983 a. 91; 1995 a. 27; 1997 a. 27; 2009 a. 265.

**560.44 Responsibilities related to brownfields redevelopment projects. (1) OMBUDSMAN.** The office shall act as an ombudsman for brownfields redevelopment projects. As ombudsman, the office shall do all of the following:

(a) Promote brownfields redevelopment projects and related educational efforts.

(b) Coordinate interagency activities and responsibilities related to brownfields redevelopment projects.

(c) Coordinate, with the department of workforce development, training programs or activities for unemployed persons who reside in the vicinity of a brownfields redevelopment project.

**(2) ADMINISTRATION OF BROWNFIELDS PROGRAMS.** The office shall assist in administering the grant program under s. 560.13 and in administering grants and loans under s. 560.138 that are made for brownfields remediation projects.

**History:** 1997 a. 27; 2001 a. 16; 2009 a. 265.

**560.45 Small business innovation research assistance grants. (1)** The department may award a grant from the appropriations under s. 20.143 (1) (ie), (ig), (im), and (ir) to a business for innovation and research assistance.

**(2)** The department may not award a total of more than \$250,000 in grants in a fiscal year. In each fiscal year, the department shall allocate \$100,000 for grants to businesses in the phase of development that precedes the eligibility of the businesses for

grants under the federal small business innovation research program, \$100,000 for grants to businesses in phase III of the federal small business innovation research program, and \$50,000 for grants to businesses for the costs of preparing projects for participation in the federal small business innovation research program.

**(3)** The department shall promulgate rules necessary to administer this section.

**History:** 2009 a. 28.

**Cross-reference:** See also ch. Comm 121, Wis. adm. code.

## SUBCHAPTER IV

### ENTREPRENEURIAL ASSISTANCE NETWORKS

**NOTE:** 1987 Wisconsin Act 320, which created subchapter IV, contains a prefatory note explaining the Act.

**560.51 Definitions.** As used in this subchapter:

**(1)** “Agency” has the meaning given in s. 13.62 (2).

**(2)** “Entrepreneurial assistance program” means a program that directly or indirectly assists an entrepreneur who is starting a business which has significant growth potential, as evidenced by the potential ability to attract and receive venture capital financing, by doing any of the following:

(a) Educating the entrepreneur about starting a business.

(b) Evaluating the business’ proposed product or service.

(c) Preparing a business plan acceptable to investors.

(d) Assembling a team of managers.

(e) Securing initial and subsequent financing.

(f) Providing ongoing managerial assistance and monitoring compliance with the business plan after the start-up of the business.

**(3)** “Intermediary” means either a person who provides continuing assistance or services to an entrepreneur who is starting a business with significant growth potential, as evidenced by the potential ability to attract and receive venture capital financing, or a consultant who works with such an entrepreneur on a specific task, such as market evaluation, manufacturing techniques or product design.

**(4)** “Intermediary assistance program” means a program that directly or indirectly trains or assists an intermediary in developing or using skills necessary to serve an entrepreneur.

**(5)** “Metropolitan area” means an urban area and surrounding territory in this state that includes at least one city or village with a population of 25,000 or more.

**(6)** “Network” means an organized arrangement for exchanging materials, information and services among entrepreneurs, intermediaries, institutional venture capital investors, other venture capital investors and persons who assist entrepreneurs, intermediaries or venture capital investors.

**History:** 1987 a. 320.

**560.53 Intermediary assistance programs.**

**(1) REGIONAL AND STATEWIDE PROGRAMS.** The department shall arrange intermediary assistance programs, for regional or statewide meetings of industry, trade and professional organizations, that introduce members of the organizations to the procedures by which venture capital is invested in new businesses and the opportunities for the members to become intermediaries.

**(2) METROPOLITAN PROGRAMS.** (a) In one or more metropolitan areas, the department shall identify individuals and organizations that assist intermediaries, are interested in assisting intermediaries or are interested in becoming intermediaries or developing a local network.

(b) The department shall assist the individuals and organizations identified under par. (a) in developing, to the extent feasible, self-sustaining intermediary assistance programs. An intermediary assistance program may do any of the following:

1. Provide an inventory of existing intermediaries in the metropolitan area.

2. Develop a network in the metropolitan area.
3. Develop a network between the metropolitan area and other metropolitan areas.
4. Train intermediaries on subjects identified as necessary by the intermediaries participating in the intermediary assistance programs, including the preparation of business plans and the applicability of relevant securities regulations.
5. Establish mechanisms to refer entrepreneurs to appropriate intermediaries in the metropolitan area or in other metropolitan areas.
6. Evaluate the effectiveness of the intermediary assistance program, including the collection of data necessary to conduct the evaluation.

**History:** 1987 a. 320.

**560.54 State agency coordination.** The department shall coordinate entrepreneurial assistance programs and intermediary assistance programs offered by agencies by doing any of the following:

- (1) Identifying the needs of entrepreneurs and intermediaries relating to the development in the state of new businesses with high growth potential.
- (2) Ensuring that individuals assisting entrepreneurs and intermediaries have the training necessary to provide adequate assistance.
- (3) Ensuring that existing and new entrepreneurial assistance programs and intermediary assistance programs are matched to the needs of the entrepreneurs and intermediaries.
- (4) Ensuring that agencies and other persons which provide entrepreneurial assistance programs and intermediary assistance programs understand the responsibilities of the agencies which provide entrepreneurial assistance programs and intermediary assistance programs.

**History:** 1987 a. 320.

## SUBCHAPTER V

### WISCONSIN DEVELOPMENT FUND

**560.60 Definitions.** In this subchapter:

(2) “Business” means a company located in this state, a company which has made a firm commitment to locate a facility in this state or a group of companies at least 80% of which are located in this state.

(3m) “Eligible activities” means any of the following:

- (a) Capital financing.
- (b) Worker training.
- (c) Entrepreneurial development.
- (d) Providing assistance to technology-based businesses or to businesses at a foreign trade show or event.
- (e) Promoting urban or regional economic development.
- (f) Establishing revolving loan funds.
- (g) Providing working capital.
- (h) Promoting employee ownership through all of the following:
  1. Conducting feasibility studies to investigate the reorganization or new incorporation of existing businesses as employee-owned businesses.
  2. Implementing feasibility studies under subd. 1.

(4) “Eligible recipient” means a governing body or a person who is eligible to receive a grant or loan under s. 560.61.

(6) “Governing body” means a county board, city council, village board, town board, regional planning commission or transit commission under s. 59.58 (2) or 66.1021.

(14) “Project” means a business development that increases the productivity of a business or its employees in this state, leads to significant capital investment in a business in this state, leads

to the retention of existing jobs in this state or creates new jobs in this state.

(15) “Small business” means a business with fewer than 100 employees, including employees of any subsidiary or affiliated organization.

**History:** 1987 a. 27, 399; 1989 a. 31; 1991 a. 39; 1993 a. 16, 232; 1995 a. 27, 201; 1997 a. 27, 79; 1999 a. 9; 1999 a. 150 s. 672; 2007 a. 20; 2009 a. 28, 265.

**560.602 Policies and standards for awarding grants and loans.** The department shall promulgate rules to establish policies and standards for awarding grants and loans under this subchapter. The rules shall include all of the following:

(1) A statement of the department’s economic development policy that is consistent and coordinated with economic development policies expressed in the statutes and established by other state agencies.

(5) Provisions for the development of a biennial plan for awarding grants and loans under this subchapter, before the commencement of each odd-numbered fiscal year, and for the submission of the biennial plan to the governor and the chief clerk of each house of the legislature for distribution to the appropriate standing committees under s. 13.172 (3).

**History:** 1991 a. 269; 2009 a. 265.

**560.605 Grant and loan criteria; generally.** (1) Upon receipt of an application by an eligible recipient, the department may consider any of the following in determining whether to award a grant or loan under s. 560.61:

- (a) Whether the project serves a public purpose.
- (b) Whether the project will retain or increase employment in this state.
- (c) Whether the project might not occur without the grant or loan.
- (d) Whether financing is available from another source on reasonably equivalent terms.
- (e) The extent to which the project will be financed with funds not provided by this state.
- (g) Whether funds from the grant or loan will be used to pay overhead costs or to replace funds from another source.
- (h) Whether the project will displace workers in this state.
- (j) The extent to which the project will retain or increase employment in this state.
- (k) The extent to which the project will contribute to the economic growth of this state and the well-being of the residents of this state.
- (L) Whether the project will be located in an area of high unemployment or low average income.
- (m) The financial soundness of the eligible recipient.
- (n) The intention of the eligible recipient to repay the grant or loan.
- (o) Whether the project will be located in a targeted area.
- (p) For an ethanol production facility on which construction begins after July 27, 2005, whether a competitive bidding process is used for the construction of the ethanol production facility.

(2m) When considering whether a project will be located in a targeted area, the department may consider any of the following:

- (a) Whether the area has high unemployment.
- (b) Whether the area has a low median household income.
- (f) Whether a significant number of workers in the area have been permanently laid off by their employers or whether public notice has been given by an employer of either a plant closing or a substantial reduction in work force that will result in a significant number of workers in the area being laid off permanently.
- (h) Any other factor the department considers to be an appropriate indicator of a targeted area.

(7) The department shall award not less than 35 percent of the total amount of grants and loans made under this subchapter to

businesses in distressed areas. In this paragraph, “distressed area” means an area to which any of the following apply:

- (a) The area has a high level of unemployment.
- (b) The area has a low median household income.
- (c) A significant number of workers in the area have been permanently laid off.
- (d) An employer in the area has given public notice of a plant closing or a substantial reduction in force that will result in a significant number of workers in the area being permanently laid off.
- (f) As determined by the department, the area is affected by another factor that indicates the area is a distressed area.

**History:** 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 269; 1993 a. 16, 75, 243; 1995 a. 27; 1997 a. 27, 237; 1999 a. 9; 2005 a. 25; 2007 a. 20, 100; 2009 a. 2, 265.

**560.607 Miscellaneous and administrative expenditures.** In each biennium, the department may expend or encumber up to a total of 1% of the moneys appropriated under s. 20.143 (1) (c) for that biennium for any of the following:

- (1) Evaluations of proposed technical research projects.
- (3) Evaluation costs, collection costs, foreclosure costs and other costs associated with administering the loan portfolio under this subchapter, excluding staff salaries.

**History:** 1999 a. 9 ss. 2993, 2996; 2007 a. 20, 125.

**560.61 Wisconsin development fund.** The department may make a grant or loan to an eligible recipient from the appropriations under s. 20.143 (1) (c) and (ie).

**History:** 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39; 1993 a. 16, 75; 1995 a. 27, 417; 1997 a. 27; 1999 a. 9; 2005 a. 254; 2007 a. 20; 2009 a. 265.

**560.68 Administration. (1m)** The department shall establish criteria for the award of grants and loans under s. 560.61, including the types of projects that are eligible for funding and the types of eligible projects that will receive priority.

(2) The department shall actively encourage small businesses to apply for grants and loans under this subchapter by ensuring that there are no undue impediments to their participation and by assisting small businesses in preparing grant and loan applications.

(2m) The department shall determine conditions applicable to a grant or loan under s. 560.61.

(3) The department may charge a grant or loan recipient an origination fee of not more than 2% of the grant or loan amount if the grant or loan equals or exceeds \$100,000. The department shall deposit all origination fees collected under this subsection in the appropriation account under s. 20.143 (1) (gm).

(4) The department shall develop a policy relating to obtaining reimbursement of grants and loans provided under this subchapter. The policy may provide that reimbursement shall be obtained through full repayment of the principal amount of the grant or loan plus interest, through receipt of a share of future profits from or an interest in a product or process, or through any other appropriate means.

(5) The department shall develop procedures related to grants and loans under s. 560.61 for all of the following:

- (a) Submitting applications for grants and loans.
- (b) Evaluating applications.
- (c) Monitoring project performance.
- (d) Auditing the grants and loans.

(5m) The department shall establish and implement procedures for monitoring the use of grants and loans awarded under this subchapter, including procedures for verification of economic growth, job creation and the number and percentage of newly created jobs for which state residents are hired.

(6) The department shall require, as a condition of a grant or loan, that a recipient contribute to a project an amount that is not less than 25% of the amount of the grant or loan.

(7) The department shall encourage small businesses to apply for grants and loans under this subchapter by ensuring that there

are no undue impediments to their participation and by actively encouraging small businesses to apply for grants and loans. The department shall do all of the following:

(a) Publish and disseminate information about projects that may be funded by a grant or loan under s. 560.61 and about procedures for applying for grants and loans under s. 560.61.

(b) Simplify the application and review procedures for small businesses so that they will not impose unnecessary administrative burdens on small businesses.

(c) Assist small businesses in preparing applications for grants and loans.

**History:** 1987 a. 27; 1991 a. 39, 269; 1997 a. 27; 1999 a. 9; 2007 a. 20; 2009 a. 28, 265.

## SUBCHAPTER VI

### TAX INCENTIVES FOR BUSINESS DEVELOPMENT IN WISCONSIN

**Cross-reference:** See also s. *Comm 112.01*, Wis. adm. code.

**560.70 Definitions.** In this section and ss. 560.71 to 560.795:

(1) “Business incubator” means a person who operates a facility designed to encourage the growth of new businesses, if at least 2 of the following apply:

(a) Space in the facility is rented at a rate lower than the market rate in the community.

(b) Shared business services are provided in the facility.

(c) Management and technical assistance are available at the facility.

(d) Businesses using the facility may obtain financial capital through a direct relationship with at least one financial institution.

(2) “Development zone program” means the program administered under this subchapter.

(2g) “Eligible activity” means an activity described under s. 560.702.

(2m) (a) Except as provided in par. (b), “full-time job” means a regular, nonseasonal full-time position in which an individual, as a condition of employment, is required to work at least 2,080 hours per year, including paid leave and holidays, and for which the individual receives pay that is equal to at least 150% of the federal minimum wage and benefits that are not required by federal or state law. “Full-time job” does not include initial training before an employment position begins.

(b) The department may by rule specify circumstances under which the department may grant exceptions to the requirement under par. (a) that a full-time job means a job in which an individual, as a condition of employment, is required to work at least 2,080 hours per year, but under no circumstances may a full-time job mean a job in which an individual, as a condition of employment, is required to work less than 37.5 hours per week.

(3) “Indian reservation” has the meaning given in s. 139.30 (9).

(4) “Local governing body” means the governing body of one or more cities, villages, towns or counties or the elected governing body of a federally recognized American Indian tribe or band in this state.

(4m) “Member of a targeted group” means a person who resides in an area designated by the federal government as an economic revitalization area, a person who is employed in an unsubsidized job but meets the eligibility requirements under s. 49.145 (2) and (3) for a Wisconsin Works employment position, a person who is employed in a trial job, as defined in s. 49.141 (1) (n), or in a real work, real pay project position under s. 49.147 (3m), a person who is eligible for child care assistance under s. 49.155, a person who is a vocational rehabilitation referral, an economically disadvantaged youth, an economically disadvantaged veteran, a supplemental security income recipient, a general assistance recipient, an economically disadvantaged ex-convict, a displaced worker, as defined in 29 USC 2801 (9), or a food stamp

recipient, if the person has been certified in the manner under [26 USC 51 \(d\) \(13\) \(A\)](#) by a designated local agency, as defined in [26 USC 51 \(d\) \(12\)](#).

(5) “Metropolitan statistical area” means a federal standard metropolitan statistical area but does not include areas located within Indian reservations.

(6) “Target population” means persons who are members of targeted groups for the purposes of the credit under ss. [71.07 \(2dx\)](#), [71.28 \(1dx\)](#), [71.47 \(1dx\)](#), and [76.636](#).

(7) (a) Except as provided in pars. (b), (c), and (d), “tax benefits” means the development zones credit under ss. [71.07 \(2dx\)](#), [71.28 \(1dx\)](#), [71.47 \(1dx\)](#), and [76.636](#).

(b) 1. Except as provided in subd. 2., in s. [560.795](#), “tax benefits” means the development zones investment credit under ss. [71.07 \(2di\)](#), [71.28 \(1di\)](#), and [71.47 \(1di\)](#) and the development zones credit under ss. [71.07 \(2dx\)](#), [71.28 \(1dx\)](#), [71.47 \(1dx\)](#), and [76.636](#). With respect to the development opportunity zones under s. [560.795 \(1\) \(e\)](#) and (f), “tax benefits” also means the development zones capital investment credit under ss. [71.07 \(2dm\)](#), [71.28 \(1dm\)](#), and [71.47 \(1dm\)](#).

2. With respect to the development opportunity zones under s. [560.795 \(1\) \(g\)](#) and (h), “tax benefits” means the development zone credits under ss. [71.07 \(2dx\)](#), [71.28 \(1dx\)](#), [71.47 \(1dx\)](#), and [76.636](#) and the development zones capital investment credit under ss. [71.07 \(2dm\)](#), [71.28 \(1dm\)](#), and [71.47 \(1dm\)](#).

(c) In s. [560.798](#), “tax benefits” means the development zones capital investment credit under ss. [71.07 \(2dm\)](#), [71.28 \(1dm\)](#), and [71.47 \(1dm\)](#) and the development zones credits under ss. [71.07 \(2dx\)](#), [71.28 \(1dx\)](#), [71.47 \(1dx\)](#), and [76.636](#).

(d) In ss. [560.701](#) to [560.706](#), “tax benefits” means the economic development tax credit under ss. [71.07 \(2dy\)](#), [71.28 \(1dy\)](#), [71.47 \(1dy\)](#), and [76.637](#).

**History:** 1987 a. 328, 411; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27; 1999 a. 9; 2001 a. 16; 2005 a. 259; 2009 a. 2, 28.

**560.701 Certification for tax benefits. (1) APPLICATION.** Any person may apply to the department on a form prepared by the department for certification under this section. The application shall include all of the following:

- (a) The name and address of the person.
- (b) The federal tax identification number of the person.
- (c) The names and addresses of the locations where the person conducts business and a description of the business activities conducted at those locations.
- (d) A description of each eligible activity conducted or proposed to be conducted by the person.
- (e) Other information required by the department or the department of revenue.

(2) **CERTIFICATION.** (a) The department may certify a person who submits an application under sub. (1) if, after conducting an investigation, the department determines that the person is conducting or intends to conduct at least one eligible activity.

(b) The department shall provide a person certified under this section and the department of revenue with a copy of the certification.

(3) **CONTRACT.** A person certified under this section shall enter into a written contract with the department. The contract shall include provisions that detail all of the following:

- (a) A description of each eligible activity being conducted or proposed to be conducted by the person.
- (b) Whether any of the eligible activities will occur in an economically distressed area, as designated by the department under s. [560.704 \(1\)](#).
- (c) Whether any of the eligible activities will benefit members of a targeted group, as determined by the department under s. [560.704 \(2\)](#).

(d) A compliance schedule that includes a sequence of anticipated actions to be taken or goals to be achieved by the person before the person may receive tax benefits under s. [560.703](#).

(e) The reporting requirements with which the person must comply.

(f) If feasible, a determination of the tax benefits the person will be authorized to claim under s. [560.703 \(2\)](#) if the person fulfills the terms of the contract.

**History:** 2009 a. 2.

**560.702 Eligible activities.** A person who conducts or proposes to conduct any of the following may be certified under s. [560.701 \(2\)](#):

(1) **JOB CREATION PROJECT.** A project that creates and maintains for a period of time established by the department by rule full-time jobs in addition to any existing full-time jobs provided by the person.

(2) **CAPITAL INVESTMENT PROJECT.** A project that involves a significant investment of capital, as defined by the department by rule under s. [560.706 \(2\) \(b\)](#), by the person in new equipment, machinery, real property, or depreciable personal property.

(3) **EMPLOYEE TRAINING PROJECT.** A project that involves significant investments in the training or reeducation of employees, as defined by the department by rule under s. [560.706 \(2\) \(c\)](#), by the person for the purpose of improving the productivity or competitiveness of the business of the person.

(4) **PROJECT RELATED TO PERSONS WITH CORPORATE HEADQUARTERS IN WISCONSIN.** A project that will result in the location or retention of a person’s corporate headquarters in Wisconsin or that will result in the retention of employees holding full-time jobs in Wisconsin if the person’s corporate headquarters are located in Wisconsin.

**History:** 2009 a. 2.

**560.703 Limits on tax benefits and claiming tax benefits. (1) LIMITS.** (a) Except as provided in par. (b), and subject to a reallocation by the department pursuant to rules promulgated under s. [560.205 \(3\) \(d\)](#), the total tax benefits available to be allocated by the department under ss. [560.701](#) to [560.706](#) may not exceed the sum of the tax benefits remaining to be allocated under ss. [560.71](#) to [560.785](#), [560.797](#), [560.798](#), [560.7995](#), and [560.96](#) on March 6, 2009.

(b) The department may submit to the joint committee on finance a request in writing to exceed the total tax benefits specified in par. (a). The department shall submit with its request a justification for seeking an increase under this paragraph. The joint committee on finance, following its review, may approve or disapprove an increase in the total tax benefits available to be allocated under ss. [560.701](#) to [560.706](#).

(2) **AUTHORITY TO CLAIM TAX BENEFITS.** The department may authorize a person certified under s. [560.701 \(2\)](#) to claim tax benefits only after the person has submitted a report to the department that documents to the satisfaction of the department that the person has complied with the terms of the contract under s. [560.701 \(3\)](#) and the requirements of any applicable rules promulgated under s. [560.706 \(2\)](#).

(3) **NOTICE OF ELIGIBILITY.** The department shall provide to the person and to the department of revenue a notice of eligibility to receive tax benefits that reports the amount of tax benefits for which the person is eligible.

**History:** 2009 a. 2, 265.

**560.704 Eligible activities in economically distressed areas and benefiting members of targeted groups.** The department may authorize a person certified under s. [560.701 \(2\)](#) to claim additional tax benefits under s. [560.703](#) if, after conducting an investigation, the department determines any of the following:

(1) The person conducts at least one eligible activity in an area designated by the department as economically distressed. In designating an area as economically distressed under this subsection, the department shall follow the methodology established by rule under s. 560.706 (2) (e).

(2) The person conducts at least one eligible activity that benefits, creates, retains, or significantly upgrades full-time jobs for, that trains, or that reeducates, members of a targeted group.

History: 2009 a. 2.

**560.705 Revocation of certification.** The department shall revoke the certification of a person who does any of the following:

(1) Supplies false or misleading information to obtain certification under s. 560.701 (2).

(2) Supplies false or misleading information to obtain tax benefits under s. 560.703.

(3) Leaves the state to conduct substantially the same business outside of the state.

(4) Ceases operations in the state and does not renew operation of the business or a similar business within 12 months.

History: 2009 a. 2.

**560.706 Responsibilities of the department.** The department shall do all of the following:

(1) ACCOUNTABILITY. (a) Annually verify information submitted to the department of revenue under ss. 71.07 (2dy), 71.28 (1dy), 71.47 (1dy), and 76.637 by persons certified under s. 560.701 (2) and eligible to receive tax benefits under s. 560.703.

(b) Notify and obtain written approval from the secretary for any certification under sub. (2) (j).

(2) RULES. Establish by rule all of the following:

(a) A schedule of hourly wage ranges to be paid, and health insurance benefits to be provided, to an employee by a person certified under s. 560.701 (2) and the corresponding per employee tax benefit for which a person certified under s. 560.701 (2) may be eligible.

(b) A definition of “significant investment of capital” for purposes of s. 560.702 (2), together with a corresponding schedule of tax benefits for which a person who is certified under s. 560.701 (2) and who conducts a project described in s. 560.702 (2) may be eligible. The department shall include in the definition required under this paragraph a schedule of investments that takes into consideration the size or nature of the business.

(c) A definition of “significant investments in the training or reeducation of employees” for purposes of s. 560.702 (3), together with a corresponding schedule of tax benefits for which a person who is certified under s. 560.701 (2) and who conducts a project under s. 560.702 (3) may be eligible.

(d) A schedule of tax benefits for which a person who is certified under s. 560.701 (2) and who conducts a project that will result in the location or retention of a person’s corporate headquarters in Wisconsin may be eligible.

(e) The methodology for designating an area as economically distressed under s. 560.704 (1). The methodology under this paragraph shall require the department to consider the most current data available for the area and for the state on the following indicators:

1. Unemployment rate.
2. Percentage of families with incomes below the poverty line established under 42 USC 9902 (2).
3. Median family income.
4. Median per capita income.
5. Average annual wage.
6. Real property values.
7. Other significant or irregular indicators of economic distress, such as a natural disaster.

(f) A schedule of additional tax benefits for which a person who is certified under s. 560.701 (2) and who conducts an eligible activity described under s. 560.704 may be eligible.

(g) Reporting requirements, minimum benchmarks, and outcomes expected of a person certified under s. 560.701 (2) before that person may receive tax benefits under s. 560.703.

(h) Policies, criteria, and methodology for allocating a portion of the tax benefits available under s. 560.703 to rural areas.

(i) Policies, criteria, and methodology for allocating a portion of the tax benefits available under s. 560.703 to small businesses.

(j) Policies and criteria for certifying a person who may be eligible for tax benefits greater than or equal to \$3,000,000.

(k) Procedures for implementing ss. 560.701 to 560.706.

Cross-reference: See also ch. Comm 100, Wis. adm. code.

(3) REPORTING. Annually, 6 months after the report has been submitted under s. 560.01 (2) (am), submit to the joint legislative audit committee and to the appropriate standing committees of the legislature under s. 13.172 (3) a comprehensive report assessing the program under ss. 560.701 to 560.706. The report under this subsection shall update the applicable information provided in the report under s. 560.01 (2) (am).

History: 2009 a. 2.

**560.71 Designation of development zone.** (1) The department may designate an area as a development zone if all of the following apply:

(ac) The department has invited a local governing body to nominate the area under s. 560.715.

(am) A local governing body nominates the area as described in s. 560.72.

(b) The department has evaluated the local governing body’s application as described in s. 560.725.

(d) The area meets the applicable requirements under s. 560.735 or 560.737.

(e) The department determines all of the following:

1. That designation of the area as a development zone will serve a public purpose.

2. That designation of the area as a development zone will likely retain or increase employment in the area.

3. That economic development in the area is not likely to occur or continue without the department’s designation of the area as a development zone.

4. That the area meets at least 3 of the following criteria:

a. The unemployment rate in the area is higher than the state average for the 18 months immediately preceding the date on which the application under s. 560.72 (2) or (3) was submitted to the department.

b. The percentage of persons residing in the area who are members of households with household income levels at or below 80% of the statewide median household income is higher than the state average.

c. The percentage of households in the area receiving unemployment insurance under ch. 108, relief funded by a relief block grant under ch. 49 or aid to families with dependent children under s. 49.19 is higher than the state average.

d. In the 36 months immediately preceding the date on which the application under s. 560.72 (2) or (3) was submitted to the department, a number of workers in the area were permanently laid off by their employer or became unemployed as a result of a business action subject to s. 109.07 (1m).

e. An employer in the vicinity of the area has given public notice under s. 109.07 (1m) (a) of either a business closing or a mass layoff of at least 25 employees, or 25% of the employees, of a business, whichever is greater, that will result in a number of workers in the area being laid off permanently.

f. Property values in the area have been declining.

g. There has been a decline in the population in the area.

**(1m)** In making a determination under sub. (1) (e), the department shall consider all of the following:

(a) The extent of poverty, unemployment or other factors contributing to general economic hardship in the area.

(b) The prospects for new investment and economic development in the area.

(c) The amount of investment that is likely to result from the designation of the area as a development zone.

(d) The number of full-time jobs that are likely to be created or retained in the area as a result of its designation as a development zone.

(e) The number of full-time jobs that are likely to be available to the target population as a result of the designation of the area as a development zone.

(f) The competitive effect of designating the area as a development zone on other businesses in the vicinity of the area.

(g) The needs of other areas of the state.

(h) Any other factors that the department considers relevant.

**(2)** In determining whether an area meets the requirements under sub. (1) (e) or s. 560.735, the department may rely on any data provided by the local governing body which the department determines is relevant.

**(3)** The department shall do all of the following:

(a) Determine the number of development zones designated under sub. (1) but may not designate more than 22 development zones over the life of the program.

(b) Divide the number of development zones as evenly as possible between metropolitan statistical areas and areas that are not metropolitan statistical areas.

(c) 1. Designate at least one development zone that is entirely within a 1st class city.

2. Designate at least 2 development zones that are each at least partially within an Indian reservation.

3. Of the development zones that are designated after April 25, 1996, designate one that is in an urban area.

**(4)** No development zone may be designated under this section after March 6, 2009.

**History:** 1987 a. 328; 1989 a. 31, 336; 1993 a. 16; 1995 a. 209; 1997 a. 27, 39, 103; 2009 a. 2, 87.

**560.715 Invitation to nominate area.** If the department determines that an area has experienced or is about to experience economic distress, the department may invite local governing bodies in the area to nominate the area as a development zone.

**History:** 1997 a. 103.

**560.72 Application by local governing bodies. (1)** A local governing body may nominate an area as a development zone, if the department has invited the governing body to nominate the area under s. 560.715 and if the governing body does all of the following:

(a) Holds at least one public hearing on the issue of designating the area as a development zone.

(b) Adopts a resolution or ordinance authorizing it to nominate the area under this section.

**(2)** A local governing body may nominate the area as a development zone by submitting an application to the department in a form prescribed by the department. The application shall include all of the following:

(a) A copy of the ordinance or resolution authorizing the local governing body to nominate the area as a development zone.

(b) Transcripts of the public hearing under sub. (1) (a).

(c) Evidence that the area meets at least 3 of the criteria under s. 560.71 (1) (e) 4.

(d) Evidence that the area meets the applicable requirements of s. 560.735.

(e) A description of the land use patterns in the area including:

1. A detailed map of the area.

2. Information about vacant buildings or land available for development.

(f) A description of past and present economic development activities in the area under local, state or federal programs.

(g) A description of the local governing body's goals for the economic development of the area.

(h) An assessment of the effect of making the area a development zone on full-time jobs available to the targeted population.

(i) Any other information required by the department.

(j) Any other information the local governing body considers relevant.

**(3)** Two or more local governing bodies may submit a joint application nominating an area as a development zone, subject to s. 560.735 (2), if each local governing body complies with subs. (1) and (2).

**(5)** The department may permit a local governing body to revise an application that the department determines is inadequate or incomplete.

**History:** 1987 a. 328; 1995 a. 209; 1997 a. 27, 103.

**560.725 Evaluation by department. (1)** The department shall evaluate applications received under s. 560.72 (2) and (3).

**(2)** Subject to s. 560.735 (5), the department may reduce the size of an area nominated as a development zone, if the department determines the boundaries as proposed by the local governing body in an application under s. 560.72 (2) or (3) are inconsistent with the purpose of the development zone program. Any nominated area which is reduced under this subsection need not comply with s. 560.735 (1) and (4).

**(3)** After evaluating an application submitted under s. 560.72 (2) or (3), the department may approve the application, subject to any reduction in the size of the nominated area under sub. (2). If the department approves the application, the department shall designate the area as a development zone, subject to s. 560.71, and notify the local governing body.

**History:** 1987 a. 328; 1995 a. 209; 1997 a. 103.

**560.735 Boundaries and size of development zones.**

**(1)** An area that is located within a metropolitan statistical area may not be nominated or designated as a development zone unless all of the following apply:

(a) The area contains less than 10% of the valuation of the property of the city, village or town, as determined under s. 70.57, in which the area is located.

(b) If the area is located within a 1st class city, the population of the area as estimated under s. 16.96 is not less than 4,000 and not more than 10% of the city's population, as estimated under s. 16.96.

(c) If the area is located within a village, town or city other than a 1st class city, the population of the area is not less than 1,000 nor more than 10,000, as estimated under s. 16.96.

**(2)** If an area is located within the boundaries of 2 or more cities, villages or towns, the property value of the cities, villages or towns under sub. (1) (a) shall be combined for the purposes of sub. (1).

**(4)** An area that is located within the boundaries of an Indian reservation may not be nominated or designated as a development zone unless the population of the area, as estimated under s. 16.96, is less than or equals 5,000.

**(5)** Except as provided in sub. (6), an area may not be nominated or designated a development zone unless all of the following apply:

(a) The area has a continuous border following natural or man-made boundaries such as streets, highways, rivers, municipal limits or limits of a reservation.

(b) The area consists of contiguous blocks, census blocks or similar units.

(6) (a) Except as provided in pars. (b) and (c), 2 separate areas may be nominated or designated as one development zone, if all of the following apply:

1. Each of the areas has a continuous border following natural or man-made boundaries and consists of contiguous blocks, census blocks or similar units.

2. Each area meets at least 3 of the criteria listed in s. 560.71 (1) (e) 4.

3. Considered together, the areas meet the requirements of sub. (1).

(b) Except as provided in par. (c), in a 1st class city, up to 8 separate areas may be nominated or designated as one development zone, if par. (a) 1. to 3. applies.

(c) If an application is submitted by the governing body of a county under s. 560.72 (2) or (3), up to 4 separate areas may be nominated or designated as one development zone, if par. (a) 1. to 3. applies.

(6m) An area that is comprised of entire counties may be nominated or designated as one development zone only if the population of the entire area does not exceed 75,000.

(6r) Subject to the population limit under sub. (6m), if an area that is nominated or designated as a development zone is comprised of one or more entire counties and a city, village or town is partially located in the area and partially located outside of the area, the entire city, village or town shall be part of the nominated or designated area.

(7) The department may waive the requirements of this section in a particular case, if the department determines that application of the requirement is impractical with respect to a particular development zone.

**History:** 1987 a. 328; 1989 a. 56; 1995 a. 209; 1997 a. 27.

**560.737 Business incubators.** Notwithstanding s. 560.735 (5) and (6), the department may designate the premises of a business incubator located near a development zone as part of the development zone, if all of the following apply:

(1) At least 50% of the small businesses housed in the small business incubator have received or participated in any of the following:

(a) Federal targeted jobs tax credits under section 51 of the internal revenue code.

(b) A workforce investment activity under 29 USC 2801 to 2945.

(c) Any other program, similar to the program described in sub. (2), established to increase the employment opportunities of disadvantaged individuals.

(2) The business incubator has housed businesses described in sub. (1) for at least 6 months before the designation of the development zone under s. 560.71.

(3) The business incubator's facility is located within 5 miles of the boundary of the development zone or proposed development zone.

(4) No premises of a business incubator may be designated as part of a development zone under this section after March 6, 2009.

**History:** 1989 a. 31; 1999 a. 9; 2009 a. 2.

**560.74 Change in boundary and size of development zones.** (1) Except as provided under sub. (6), at any time after a development zone is designated by the department, a local governing body may submit an application to change the boundaries of the development zone. If the boundary change reduces the size of a development zone, the local governing body shall explain why the area excluded should no longer be in a development zone. The department may require the local governing body to submit additional information.

(2) The department may approve an application for a boundary change if the development zone, as affected by the boundary changes, meets the applicable requirements of s. 560.735 and 3 of the criteria under s. 560.71 (1) (e) 4.

(3) If the department approves an application for a boundary change under sub. (2), it shall do all of the following:

(a) Redetermine the limit on the tax benefits for the development zone established under s. 560.745 (2) (a).

(b) Notify the local governing body which submitted the application of the change in the boundary or tax benefits limit of the development zone.

(4) The change in the boundaries or tax benefits limit of a development zone shall be effective on the day the department notifies the local governing body under sub. (3) (b).

(5) No change in the boundaries of a development zone may affect the duration of an area as a development zone under s. 560.745 (1) (a). The department may consider a change in the boundary of a development zone when evaluating an application for an extension of the designation of an area as a development zone under s. 560.745 (1) (b).

(6) The department may not accept any applications under sub. (1) to change the boundaries of a development zone designated under s. 560.71 on or after March 6, 2009.

**History:** 1987 a. 328; 1995 a. 209; 1997 a. 103; 2009 a. 2.

**560.745 Duration, renewal and expiration.** (1) (a) The designation of an area as a development zone shall be effective for 240 months, beginning on the day the department notifies the local governing body under s. 560.725 (3) of the designation.

(b) The local governing body may apply to the department for one 60-month extension of the designation. The department shall promulgate rules establishing criteria for approving an extension of a designation of an area as a development zone under this subsection. No applications may be accepted by the department under this paragraph on or after March 6, 2009.

(c) Paragraphs (a) and (b) apply to designations of areas as development zones that are in effect on June 2, 2000, or that are made on or after June 2, 2000.

(2) (a) When the department designates a development zone under s. 560.71, it shall establish a limit for tax benefits for the development zone determined by allocating to the development zone a portion of \$38,155,000.

(am) Notwithstanding par. (a), the department may increase the established limit for tax benefits for a development zone. The department may not increase the limit for tax benefits established for any development zone designated under s. 560.71 on or after March 6, 2009.

(b) Annually the department shall estimate the amount of forgone state revenue because of tax benefits claimed by persons in each development zone.

(c) Notwithstanding sub. (1), the designation of an area as a development zone shall expire on the earlier of the following:

1. Ninety days after the day on which the department determines that the forgone tax revenues under par. (b) will equal or exceed the limit for the development zone established under par. (a) or (am).

2. The day that the department withdraws its designation of an area as a development zone under sub. (3).

(d) The department shall immediately notify the local governing body of a change in the expiration date of the development zone under par. (c).

(3) The department may withdraw the designation of an area as a development zone if any of the following apply:

(a) No person is certified as eligible to receive tax benefits under s. 560.765 (3) during the 12-month period beginning on the day the area is designated as a development zone and the department determines that the local governing body that nominated the zone is not in compliance with s. 560.763.

(b) No person is certified as eligible to receive tax benefits under s. 560.765 (3) during the 24-month period beginning on the day the area is designated a development zone.

**History:** 1987 a. 328; 1989 a. 31, 336; 1993 a. 16; 1995 a. 209; 1997 a. 27, 103; 1999 a. 9, 32, 193; 2009 a. 2.

**560.75 Additional duties of the department.** The department shall do all of the following:

- (1) Monitor and evaluate the implementation of the development zone program.
- (2) Apply to the federal government for assistance for the development zone program.
- (4) Help eligible persons apply for and obtain tax benefits.
- (5) Help local governing bodies prepare applications for development zones.
- (6) Notify University of Wisconsin small business development centers, the Wisconsin housing and development centers, the central administration of all University of Wisconsin campuses and regional planning commissions about the development zone program and encourage those entities to provide advice to the department or local governing bodies on ways to improve the development zone program.
- (7) Prepare forms for the certification described under s. 560.765 (5).
- (8) Annually verify information submitted to the department under s. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx), or 76.636.
- (10) Enter into an agreement with the local governing body of a 1st class city where a development zone is designated under s. 560.71 (3) (c) 1. to provide efficient administration of the development zone program within the development zone.

**History:** 1987 a. 328; 1989 a. 31; 1989 a. 56 s. 259; 1991 a. 39; 1993 a. 16; 1995 a. 27 ss. 6936, 9130 (4); 1995 a. 209; 1997 a. 3, 27, 103; 1999 a. 9; 2005 a. 259.

**560.763 Duties of local governing bodies.** (1) If an area nominated by a local governing body is designated as a development zone under s. 560.71, the local governing body shall do all of the following:

- (b) Promote economic development within the development zone.
- (c) Assist the department in the administration of the development zone program.
- (4) The local governing body of a 1st class city where a development zone is designated under s. 560.71 (3) (c) 1. shall enter into an agreement with the department to provide efficient administration of the development zone program within the development zone.

**History:** 1987 a. 328; 1995 a. 209.

**560.765 Certification for tax benefits.** The department shall do all of the following:

- (1) Evaluate the likelihood that a person applying for tax benefits engages or will engage in economic activity consistent with the development zone application.
- (2) Determine whether a person applying for tax benefits engages or will engage in economic activity which violates s. 560.78 (1).
- (3) Subject to s. 560.78, certify persons who are eligible to claim tax benefits while an area is designated as a development zone, according to the following criteria:
  - (a) The likelihood that the person will continue to conduct economic activity in the area following expiration of the designation of the area as a development zone.
  - (b) The person's commitment not to engage in economic activity that violates s. 560.78 (1).
  - (bm) The person's commitment to use techniques or processes that reduce or eliminate the use of ozone-depleting substances that are listed as class I substances under 42 USC 7671a.
  - (c) The number of full-time jobs that will be created, retained or substantially upgraded as a result of the person's economic activity in relation to the amount of tax benefits estimated for the person under sub. (4).
  - (d) The person's plans to make reasonable attempts to hire employees from the targeted population.

(e) The amount the person proposes to invest in a business, or spend on the construction, rehabilitation, repair or remodeling of a building, located within the development zone.

(f) The likelihood that the person's economic activity will attract other forms of economic activity to the development zone.

(g) Whether the person's proposed economic activity is consistent with the development zone application.

(h) The effects of the person's proposed investment on the economic and social well-being of the targeted population.

(j) Any other criteria established under rules promulgated by the department.

(4) Within 3 months after a person is certified under sub. (3), estimate the amount of tax benefits that the person will claim while an area is designated as a development zone.

(5) Provide a person certified under sub. (3) and the department of revenue with a copy of the certification. The certification shall include all of the following:

- (a) The name and address of the person's business.
- (b) The appropriate Wisconsin tax identification number of the person.
- (c) The names and addresses of other locations outside of the development zone where the person conducts business and a description of the business activities conducted at those locations.
- (d) The estimated total investment of the person in the development zone.
- (e) The estimated number of full-time jobs that will be created, retained or significantly upgraded in the development zone because of the person's business.
- (f) An estimate of the number or percentage of full-time jobs described in par. (e) that are or will likely be held by members of the targeted population.
- (g) The limit under s. 560.768 on tax benefits the person may claim while an area is designated as a development zone.
- (h) Other information required by the department or the department of revenue.

**History:** 1987 a. 328; 1989 a. 31; 1993 a. 243; 1997 a. 27, 103.

**560.768 Limits on tax benefit to certified person.** (1)

(a) The department shall establish a limit on the maximum amount of tax benefits a person certified under s. 560.765 (3) may claim while an area is designated as a development zone.

(b) When establishing a limit on tax benefits under par. (a), the department shall do all of the following:

1. Consider all of the criteria described in s. 560.765 (3) (a) to (e).
2. Establish a limit which does not greatly exceed a recommended limit, established under rules promulgated by the department based on the cost, number and types of full-time jobs that will be created, retained or upgraded, including full-time jobs available to members of the targeted population, as a result of the economic activity of the person certified under s. 560.765 (3).

(2) The department may, upon request, increase a limit on tax benefits established under sub. (1) if the department does all of the following:

- (a) Complies with sub. (1) (b) with respect to the proposed increase.
- (b) Revises the certification required under s. 560.765 (5) and provides a copy of the revised form to the department of revenue and the person whose limit is increased under this subsection.

(3) (a) The department may reduce a limit established under sub. (1) or (2) if the department determines that any of the following applies:

1. The limit is not consistent with the criteria listed under s. 560.765 (3) (a) to (e).
2. The information on which the limit is based was inaccurate or significantly misestimated.

(b) The department shall notify the department of revenue and the person whose limit on tax benefits is reduced under par. (a) and provide a written explanation to the person of the reasons for reducing the limit.

**History:** 1987 a. 328; 1989 a. 31, 56; 1997 a. 27; 2005 a. 253.

**560.77 Revocation of certification. (1)** The department shall revoke the certification of a person certified under s. 560.765 (3) if the person does any of the following:

(a) Supplies false or misleading information to obtain certification.

(b) Becomes subject to revocation under s. 560.78 (1).

(c) Leaves the development zone to conduct substantially the same business outside of the development zone.

(d) Ceases operations in the development zone and does not renew operation of the trade or business or a similar trade or business in the development zone within 12 months.

**(2)** The department shall notify the department of revenue within 30 days of revoking a certification under sub. (1).

**History:** 1987 a. 328.

**560.78 Certification prohibited in certain cases. (1)**

Except as provided in subs. (2) and (3), no person may be certified under s. 560.765 (3), or a person's certification may be revoked under s. 560.77, if the proposed new business, expansion of an existing business or other proposed economic activity in a development zone would do or does any of the following:

(a) Result in the direct loss of full-time jobs at another of the person's business locations in this state outside of the development zone.

(b) Likely result in the direct transfer of employees from a business location in this state to a business location in the development zone.

**(1m)** No person may be certified under s. 560.765 (3) on or after March 6, 2009.

**(2)** Subsection (1) does not apply if, after a hearing, the department, or the local governing body under sub. (3) (a), determines that any of the following applies:

(a) The total number of full-time jobs provided by the person in this state would be reduced if the person were not certified under s. 560.765 (3) or if the person's certification were revoked.

(b) The situation is extraordinary.

**(3)** (a) Except as provided in pars. (b) and (c), if the economic activity for which a person is seeking certification under s. 560.765 (3) is the relocation of a business into a development zone from a location that is outside the development zone but within the limits of a city, village, town or federally recognized American Indian reservation in which that development zone is located, the local governing body that nominated that area as a development zone under s. 560.72 shall determine whether sub. (2) (a) or (b) applies.

(b) Only the department may determine whether sub. (2) (a) or (b) applies to a business relocation described in par. (a) if the business relocation would likely result in the loss of full-time jobs at or transfer of employees from a business location that is in this state but outside the limits of any city, village, town or federally recognized American Indian reservation in which the development zone is located.

(c) No local governing body may make any determination under this subsection on or after March 6, 2009.

**History:** 1987 a. 328; 1993 a. 275; 1997 a. 27; 2005 a. 253; 2009 a. 2.

**560.785 Rules on eligibility for tax benefits. (1)** For the development zone program under ss. 560.70 and 560.71 to 560.78, the development opportunity zone program under s. 560.795 and the enterprise development zone program under s. 560.797, the department shall promulgate rules that further define a person's eligibility for tax benefits. The rules shall do at least all of the following:

(a) Limit a person's eligibility to claim tax benefits for retaining full-time jobs to those jobs that likely would not have been retained but for the tax benefits.

(b) Allow a person to claim up to \$8,000 in tax benefits during the time that an area is designated as a development zone, as a development opportunity zone or as an enterprise development zone for creating a full-time job that is filled by a member of the target population.

(bm) Allow a person to claim up to \$8,000 in tax benefits during the time that an area is designated as an enterprise development zone for retaining a full-time job if the department determines that the person made a significant capital investment to retain the full-time job.

(c) Allow a person to claim up to \$6,000 in tax benefits during the time that an area is designated as a development zone, as a development opportunity zone or as an enterprise development zone for any of the following:

1. Creating a full-time job that is filled by an individual who is a Wisconsin resident and who is not a member of the target population.

2. Retaining a full-time job that is filled by an individual who is a Wisconsin resident and who is not a member of the target population.

(d) Except for a person claiming tax benefits only for environmental remediation under s. 71.07 (2dx) (b) 1., 71.28 (1dx) (b) 1., 71.47 (1dx) (b) 1., or 76.636, require at least 25% of the tax benefits claimed by a person to be based on creating or retaining full-time jobs.

(e) Require at least one-third of the tax benefits claimed by a person that are based on creating full-time jobs to be based on creating full-time jobs that are filled by members of the target population.

(f) Specify how long a full-time job that is created or retained by a person must be maintained in order for the person to claim tax benefits for the full-time job.

(g) Generally provide incentives for the retention of employees filling full-time jobs upon which tax benefits are based.

(h) Provide that a person's eligibility to claim tax benefits for environmental remediation under s. 71.07 (2dx) (b) 1., 71.28 (1dx) (b) 1., 71.47 (1dx) (b) 1., or 76.636 is not based on creating or retaining jobs.

**(2)** The department may by rule specify circumstances under which the department may grant exceptions to any of the following:

(a) The requirements specified under sub. (1) (d) and (e).

(b) The requirement under ss. 560.70 (2m) and 560.797 (1) (am) that an individual's pay must equal at least 150% of the federal minimum wage.

(c) The requirement under ss. 560.70 (2m) and 560.797 (1) (am) that an individual's position must be regular, nonseasonal and full-time and that the individual must be required to work at least 2,080 hours per year, including paid leave and holidays.

**History:** 1997 a. 27, 41; 1999 a. 9; 2005 a. 259; 2009 a. 2.

**560.795 Development opportunity zones. (1)** DESIGNATION OF DEVELOPMENT OPPORTUNITY ZONES. The following areas are designated as development opportunity zones:

(a) An area in the city of Beloit, the legal description of which is provided to the department by the local governing body of the city of Beloit.

(b) An area in the city of West Allis, the legal description of which is provided to the department by the local governing body of the city of West Allis.

(c) An area in the city of Eau Claire, the legal description of which is provided to the department by the local governing body of the city of Eau Claire.

(d) An area in the city of Kenosha, the legal description of which is provided to the department by the local governing body of the city of Kenosha.

(e) An area in the city of Milwaukee, the legal description of which is provided to the department by the local governing body of the city of Milwaukee.

(f) For the Gateway Project, an area in the city of Beloit, the legal description of which is provided to the department by the local governing body of the city of Beloit.

(g) An area in the city of Janesville, the legal description of which is provided to the department by the local governing body of the city of Janesville.

(h) An area in the city of Kenosha, the legal description of which is provided to the department by the local governing body of the city of Kenosha.

**(2) DURATION, LIMITS AND EXPIRATION.** (a) Except as provided in par. (d), the designation of each area under sub. (1) (a), (b), and (c) as a development opportunity zone shall be effective for 36 months, with the designation of the areas under sub. (1) (a) and (b) beginning on April 23, 1994, and the designation of the area under sub. (1) (c) beginning on April 28, 1995. Except as provided in par. (d), the designation of each area under sub. (1) (d) and (e) as a development opportunity zone shall be effective for 84 months, with the designation of the area under sub. (1) (d) beginning on January 1, 2000, and the designation of the area under sub. (1) (e) beginning on September 1, 2001. Except as provided in par. (d), the designation of the area under sub. (1) (f) as a development opportunity zone shall be effective for 108 months, beginning on September 1, 2001. Except as provided in pars. (d) and (e), the designation of each area under sub. (1) (g) and (h) as a development opportunity zone shall be effective for 60 months, beginning on the date on which the area is designated under sub. (1).

(b) 1. The limit for tax benefits for the development opportunity zone under sub. (1) (a) is \$7,000,000.

2. The limit for tax benefits for the development opportunity zone under sub. (1) (b) is \$3,000,000.

3. The limit for tax benefits for the development opportunity zone under sub. (1) (c) is \$3,000,000.

4. The limit for tax benefits for the development opportunity zone under sub. (1) (d) is \$7,000,000.

5. The limit for tax benefits for the development opportunity zone under sub. (1) (e) is \$4,700,000.

6. The limit for tax benefits for the development opportunity zone under sub. (1) (f) is \$6,700,000.

7. Except as provided in par. (e) 1., the limit for tax benefits for the development opportunity zone under sub. (1) (g) is \$5,000,000.

8. Except as provided in par. (e) 2., the limit for tax benefits for the development opportunity zone under sub. (1) (h) is \$5,000,000.

(c) Annually, the department shall estimate the amount of forgone state revenue because of tax benefits claimed by corporations or persons in each development opportunity zone.

(d) 1. Notwithstanding pars. (a) and (e), the designation of an area as a development opportunity zone shall expire 90 days after the day on which the department determines that the forgone tax revenues under par. (c) will equal or exceed the limit for the development opportunity zone.

2. The department shall immediately notify the local governing body of the city in which the development opportunity zone is located of a change in the expiration date of the development opportunity zone under this paragraph.

(e) 1. The department may extend the designation of an area under sub. (1) (g) as a development opportunity zone for an additional 60 months if the department determines that an extension under this subdivision would support economic development within the city. If the department extends the designation of the

area as a development opportunity zone, the limit for tax benefits for the development opportunity zone under sub. (1) (g) is increased by \$5,000,000.

2. The department may extend the designation of an area under sub. (1) (h) as a development opportunity zone for an additional 60 months if the department determines that an extension under this subdivision would support economic development within the city. If the department extends the designation of the area as a development opportunity zone, the limit for tax benefits for the development opportunity zone under sub. (1) (h) is increased by \$5,000,000.

**(3) APPLICATION AND ENTITLEMENT TO TAX BENEFITS.** (a) 1. Any corporation that is conducting or that intends to conduct economic activity in a development opportunity zone under sub. (1) (a) or (b) and that, in conjunction with the local governing body of the city in which the development opportunity zone is located, submits a project plan as described in par. (b) to the department no later than 6 months after April 23, 1994, shall be entitled to claim tax benefits while the area is designated as a development opportunity zone.

2. Any corporation that is conducting or that intends to conduct economic activity in a development opportunity zone under sub. (1) (c) and that, in conjunction with the local governing body of the city in which the development opportunity zone is located, submits a project plan as described in par. (b) to the department no later than 6 months after April 28, 1995, shall be entitled to claim tax benefits while the area is designated as a development opportunity zone.

3. Any corporation that is conducting or that intends to conduct economic activity in a development opportunity zone under sub. (1) (d) and that, in conjunction with the local governing body of the city in which the development opportunity zone is located, submits a project plan as described in par. (b) to the department no later than July 1, 2000, shall be entitled to claim tax benefits while the area is designated as a development opportunity zone.

4. Any person that is conducting or that intends to conduct economic activity in a development opportunity zone under sub. (1) (e), (f), (g), or (h) and that, in conjunction with the local governing body of the city in which the development opportunity zone is located, submits a project plan as described in par. (b) to the department shall be entitled to claim tax benefits while the area is designated as a development opportunity zone.

(b) A project plan under par. (a) shall include all of the following:

1. The name and address of the corporation's or person's business for which tax benefits will be claimed.

2. The appropriate federal tax identification number of the corporation or person.

3. The names and addresses of other locations outside of the development opportunity zone where the corporation or person conducts business and a description of the business activities conducted at those locations.

4. The amount that the corporation or person proposes to invest in a business, or spend on the construction, rehabilitation, repair, or remodeling of a building, located within the development opportunity zone.

5. The estimated total investment of the corporation or person in the development opportunity zone.

6. The number of full-time jobs that will be created, retained, or substantially upgraded as a result of the corporation's or person's economic activity in relation to the amount of tax benefits estimated for the corporation or person.

7. The corporation's or person's plans to make reasonable attempts to hire employees from the targeted population.

8. A description of the commitment of the local governing body of the city in which the development opportunity zone is located to the corporation's or person's project.

9. Other information required by the department or the department of revenue.

(c) The department shall notify the department of revenue of all corporations or persons entitled to claim tax benefits under this subsection.

(d) The department annually shall verify information submitted to the department under s. 71.07 (2di), (2dm), or (2dx), 71.28 (1di), (1dm), or (1dx), 71.47 (1di), (1dm), or (1dx), or 76.636.

**(4) REVOCATION OF ENTITLEMENT.** (a) The department shall revoke the entitlement of a corporation or person to claim tax benefits under sub. (3) if the corporation or person does any of the following:

1. Supplies false or misleading information to obtain the tax benefits.

2. Leaves the development opportunity zone to conduct substantially the same business outside of the development opportunity zone.

3. Ceases operations in the development opportunity zone and does not renew operation of the trade or business or a similar trade or business in the development opportunity zone within 12 months.

(b) The department shall notify the department of revenue within 30 days after revoking an entitlement under par. (a).

**(5) CERTIFICATION BASED ON THE ACTIVITY OF ANOTHER.** (a) The department may certify for tax benefits a person that is conducting economic activity in the development opportunity zone under sub. (1) (e) or (f) and that is not otherwise entitled to claim tax benefits if all of the following apply:

1. The person's economic activity is instrumental in enabling another person to conduct economic activity in the development opportunity zone under sub. (1) (e) or (f).

2. The department determines that the economic activity of the other person under subd. 1. would not have occurred but for the involvement of the person to be certified for tax benefits under this subsection.

3. The person to be certified for tax benefits under this subsection will pass the benefits through to the other person conducting the economic activity under subd. 1., as determined by the department.

4. The other person conducting the economic activity under subd. 1. does not claim tax benefits under sub. (3).

(b) A person intending to claim tax benefits under this subsection shall submit to the department an application, in the form required by the department, containing information required by the department and by the department of revenue.

(c) The department shall notify the department of revenue of all persons certified to claim tax benefits under this subsection.

(d) The department annually shall verify information submitted to the department under s. 71.07 (2dm) or (2dx), 71.28 (1dm) or (1dx), 71.47 (1dm) or (1dx), or 76.636.

(e) The department shall revoke the entitlement of a person to claim tax benefits under this subsection if the person does any of the following:

1. Supplies false or misleading information to obtain the tax benefits.

2. Ceases operations in the development opportunity zone under sub. (1) (e) or (f).

3. Does not pass the benefits through to the other person conducting the economic activity under par. (a) 1., as determined by the department.

(f) The department shall notify the department of revenue within 30 days after revoking an entitlement under par. (e).

**History:** 1993 a. 232; 1995 a. 2; 1995 a. 27 ss. 6936p, 6936r, 9130 (4); 1997 a. 3, 27; 1999 a. 9, 32; 2001 a. 16, 104; 2003 a. 33; 2005 a. 259; 2007 a. 20; 2009 a. 28.

## 560.797 Enterprise development zone program.

**(1) DEFINITIONS.** In this section:

(a) "Environmental pollution" has the meaning given in s. 299.01 (4).

(aj) "Environmental remediation" has the meaning given in s. 71.07 (2dx) (a) 3.

(am) "Full-time job" has the meaning given in s. 560.70 (2m).

(b) "Project" means economic activity in the state.

(c) "Target population" has the meaning given in s. 560.70 (6).

(d) "Tax benefits" has the meaning given in s. 560.70 (7).

**(2) CRITERIA FOR DESIGNATION AS AN ENTERPRISE DEVELOPMENT ZONE.** (a) Subject to pars. (c), (d), and (e), the department may designate an area as an enterprise development zone for a project if the department determines all of the following:

1. That the project serves a public purpose.

2. That the project will likely retain or increase employment in the state.

3. That the project is not likely to occur or continue without the department's designation of the area as an enterprise development zone.

4. That the project will likely positively affect an area that meets at least 3 of the following criteria:

a. The unemployment rate in the area is higher than the state average for the 18 months immediately preceding the date on which the application under sub. (3) was submitted to the department.

b. The percentage of persons residing in the area who are members of households with household income levels at or below 80% of the statewide median household income is higher than the state average.

c. The percentage of households in the area receiving unemployment insurance under ch. 108, relief funded by a relief block grant under ch. 49 or aid to families with dependent children under s. 49.19 is higher than the state average.

d. In the 36 months immediately preceding the date on which the application under sub. (3) was submitted to the department, a number of workers in the area were permanently laid off by their employer or became unemployed as a result of a business action subject to s. 109.07 (1m).

e. An employer in the vicinity of the area has given public notice under s. 109.07 (1m) (a) of either a business closing or a mass layoff of at least 25 employees, or 25% of the employees, of a business, whichever is greater, that will result in a number of workers in the area being laid off permanently.

f. Property values in the area have been declining.

g. There has been a decline in the population in the area.

(b) In making a determination under par. (a), the department shall consider all of the following:

1. The extent of poverty, unemployment or other factors contributing to general economic hardship in the area.

2. The prospects for new investment and economic development in the area.

3. The amount of investment that is likely to result from the project.

4. The number of full-time jobs that are likely to be created as a result of the project.

5. The number of full-time jobs that are likely to be available to the target population as a result of the project.

6. The competitive effect of designating the area as an enterprise development zone on other businesses in the area.

7. The needs of other areas of the state.

8. Any other factors that the department considers relevant.

(bg) Notwithstanding par. (a) and subject to pars. (c), (d), and (e), the department may designate an area as an enterprise devel-

opment zone for a project if the department determines all of the following:

1. That the project serves a public purpose.
2. That the project is not likely to occur or continue without the department's designation of the area as an enterprise development zone.
3. That the project will likely provide for significant environmental remediation.

(br) In making a determination under par. (bg), the department shall consider all of the following:

1. The factors specified in par. (b) 1. to 8.
2. The environmental remediation that is likely to result from the project.

(c) The department may not designate as an enterprise development zone, or as any part of an enterprise development zone, an area that is located within the boundaries of an area that is designated as a development opportunity zone under s. 560.795, the designation of which is in effect.

(d) The department may not designate more than 98 enterprise development zones unless the department obtains the approval of the joint committee on finance to do so. Of the enterprise development zones that the department designates, at least 10 shall be designated under par. (bg).

(e) The department may not designate any area as an enterprise development zone on or after March 6, 2009.

**(3) APPLICATION AND PROJECT PLAN.** (a) A person that conducts or that intends to conduct a project and that desires to have the area in which the project is or is to be conducted designated as an enterprise development zone for the purpose of claiming tax benefits may submit to the department an application and a project plan.

(b) A project plan under par. (a) shall include all of the following:

1. The name and address of the person's business for which tax benefits will be claimed.
2. The appropriate Wisconsin tax identification number of the person.
3. The names and addresses of other locations outside of the area proposed to be designated as an enterprise development zone where the person conducts business and a description of the business activities conducted at those locations.
4. The amount that the person proposes to invest in a business; to spend on the construction, rehabilitation, repair or remodeling of a building; or to spend on the removal or containment of, or the restoration of soil or groundwater affected by, environmental pollution; in the area proposed to be designated as an enterprise development zone.
5. The estimated total investment of the person in the enterprise development zone.
6. The estimated number of full-time jobs that will be created, retained or substantially upgraded as a result of the person's project in relation to the amount of tax benefits estimated for the person.
7. The person's plans to make reasonable attempts to hire employees from the target population.
8. The estimated number of full-time jobs that will be filled by members of the target population.
10. The boundaries or legal description of the area proposed to be designated as an enterprise development zone.
11. Any other information required by the department or the department of revenue.

(c) The department may not accept or approve any applications or project plans submitted under par. (a) on or after March 6, 2009.

**(4) DESIGNATION, CERTIFICATION AND ADDITIONAL DUTIES.** (a) Except as provided in par. (h), if the department approves a project plan under sub. (3) and designates the area in which the person submitting the project plan conducts or intends to conduct the

project as an enterprise development zone under the criteria under sub. (2), the department shall certify the person as eligible for tax benefits.

(c) When the department designates an area as an enterprise development zone for a project, the department shall notify the governing body of any city, village, town or federally recognized American Indian tribe or band in which the area is located of the area's designation.

(d) The department shall notify the department of revenue of all persons entitled to claim tax benefits under this section, except that the department shall notify the office of the commissioner of insurance of all persons entitled to claim the credit under s. 76.636.

(f) The tax benefits for which a person is certified as eligible under this subsection are not transferable to another person, business or location, except to the extent permitted under section 383 of the internal revenue code.

(g) The department annually shall verify information submitted to the department under s. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx), or 76.636.

(h) No person may be certified under this subsection on or after March 6, 2009.

**(5) DURATION AND LIMITS.** (a) When the department designates an area as an enterprise development zone under this section, the department shall specify the length of time, not to exceed 84 months, that the designation is effective, subject to par. (d) and sub. (6).

(b) When the department designates an area as an enterprise development zone under this section, the department shall establish a limit, not to exceed \$3,000,000, for tax benefits for the enterprise development zone.

(c) Annually, the department shall estimate the amount of forgone state revenue because of tax benefits claimed by persons in each enterprise development zone.

(d) 1. Notwithstanding the length of time specified by the department under par. (a), the designation of an area as an enterprise development zone shall expire 90 days after the day on which the department determines that the forgone tax revenues under par. (c) will equal or exceed the limit established for the enterprise development zone.

2. The department shall immediately notify the department of revenue and the governing body of any city, village, town or federally recognized American Indian tribe or band in which the enterprise development zone is located of a change in the expiration date of the enterprise development zone under this paragraph.

**(6) REVOCATION OF ENTITLEMENT.** (a) The department shall revoke the entitlement of a person to claim tax benefits under this section, and the designation of the area as an enterprise development zone shall expire, if the person does any of the following:

1. Supplies false or misleading information to obtain the tax benefits.
2. Leaves the enterprise development zone to conduct substantially the same business outside of the enterprise development zone.
3. Ceases operations in the enterprise development zone and does not renew operation of the trade or business or a similar trade or business in the enterprise development zone within 12 months.

(b) The department shall notify the department of revenue within 30 days after revoking an entitlement under par. (a).

**History:** 1995 a. 27 ss. 6936s to 6936v, 9130 (4); 1995 a. 209, 227, 417; 1997 a. 3, 27, 39; 1999 a. 9, 32; 2005 a. 25, 259; 2009 a. 2, 87.

**560.798 Agricultural development zone. (1)** In this section, "rural municipality" means any of the following:

(a) A city, town, or village that is located in a county with a population density of less than 150 persons per square mile.

(b) A city, town, or village with a population of 6,000 or less.

**(2)** (a) Except as provided under par. (c), the department may designate one area in the state as an agricultural development

zone. The area must be located in a rural municipality. An agricultural business that is located in an agricultural development zone and that is certified by the department under sub. (3) is eligible for tax benefits as provided in sub. (3).

(b) The designation of an area as an agricultural development zone shall be in effect for 10 years from the time that the department first designates the area. Not more than \$5,000,000 in tax benefits may be claimed in an agricultural development zone, except that the department may allocate the amount of unallocated airport development zone tax credits, as provided under s. 560.7995 (3) (b), to agricultural development zones for which the \$5,000,000 maximum allocation is insufficient. The department may change the boundaries of an agricultural development zone during the time that its designation is in effect. A change in the boundaries of an agricultural development zone does not affect the duration of the designation of the area or the maximum tax benefit amount that may be claimed in the agricultural development zone.

(c) No area may be designated as an agricultural development zone on or after March 6, 2009.

(3) (a) Except as provided under par. (c), the department may certify for tax benefits in an agricultural development zone a new or expanding agricultural business that is located in the agricultural development zone. In determining whether to certify a business under this subsection, the department shall consider, among other things, the number of jobs that will be created or retained by the business.

(b) When the department certifies an agricultural business under this subsection, the department shall establish a limit on the amount of tax benefits that the business may claim. The department shall enter into an agreement with the business that specifies the limit on the amount of tax benefits that the business may claim and reporting requirements with which the business must comply.

(c) No business may be certified under this subsection on or after March 6, 2009.

(4) (a) The department of commerce shall notify the department of revenue of all the following:

1. An agricultural development zone's designation.
2. A business's certification and the limit on the amount of tax benefits that the business may claim.
3. The revocation of a business's certification.

(b) The department shall annually verify information submitted to the department under s. 71.07 (2dm) or (2dx), 71.28 (1dm) or (1dx), 71.47 (1dm) or (1dx), or 76.636.

(5) The department shall promulgate rules for the operation of this section, including rules related to all the following:

- (a) Criteria for designating an area as an agricultural development zone.
- (b) Criteria for certifying a business for tax benefits.
- (c) Standards for establishing the limit on the amount of tax benefits that a business may claim.
- (d) Reporting requirements for certified businesses.
- (e) The exchange of information between the department of commerce and the department of revenue.
- (f) Reasons for revoking a business's certification.
- (g) Standards for changing the boundaries of an agricultural development zone.

**History:** 2001 a. 16, 104; 2005 a. 259; 2007 a. 183; 2009 a. 2.

**Cross-reference:** See also ch. Comm 118, Wis. adm. code.

**560.799 Enterprise zone. (1) DEFINITIONS.** In this section:

(am) 1. Except as provided in subd. 2., "full-time employee" means an individual who is employed in a regular, nonseasonal job and who, as a condition of employment, is required to work at least 2,080 hours per year, including paid leave and holidays.

2. The department may by rule specify circumstances under which the department may grant exceptions to the requirement under subd. 1. that a full-time employee means an individual who,

as a condition of employment, is required to work at least 2,080 hours per year, but under no circumstances may a full-time employee mean an individual who, as a condition of employment, is required to work less than 37.5 hours per week.

(bm) "Personnel" means all of the following:

1. A business' employees in an enterprise zone.
2. Individuals who provide services to a business as independent contractors in this state.

(c) "Tax benefits" means the income and franchise tax credits under ss. 71.07 (3w), 71.28 (3w), and 71.47 (3w).

(3) DESIGNATION OF ENTERPRISE ZONES; CRITERIA. (a) The department may designate not more than 12 enterprise zones.

(b) In determining whether to designate an area under par. (a), the department shall consider all of the following:

1. Indicators of the area's economic need, which may include data regarding household income, average wages, the condition of property, housing values, population decline, job losses, infrastructure and energy support, the rate of business development, and the existing resources available to the area.

2. The effect of designation on other initiatives and programs to promote economic and community development in the area, including job retention, job creation, job training, and creating high-paying jobs.

(bm) The department shall specify whether an enterprise zone designated under par. (a) is located in a tier I county or municipality or a tier II county or municipality.

(c) The department shall, to the extent possible, give preference to the greatest economic need.

(4) TIME LIMITS; REPORTING. A designation under sub. (3) may remain in effect for no more than 12 years.

(5) CERTIFICATION. The department may certify for tax benefits any of the following:

- (a) A business that begins operations in an enterprise zone.
- (b) A business that relocates to an enterprise zone from outside this state, if the business offers compensation and benefits to its employees working in the zone for the same type of work that are at least as favorable as those offered to its employees working outside the zone, as determined by the department.

(c) A business that expands operations in an enterprise zone, but only if any of the following apply:

1. The business will increase its personnel by at least 10 percent and all of the following apply:

a. The business enters into an agreement with the department to claim tax benefits only for years during which the business maintains the increased level of personnel.

b. The business offers compensation and benefits for the same type of work to its employees working in the enterprise zone that are at least as favorable as those offered to its employees working in this state but outside the zone, as determined by the department.

2. The business makes a capital investment in property located in the enterprise zone and all of the following apply:

a. The value of the capital investment is equal to at least 10 percent of the business' gross revenues in the preceding tax year attributable to business activities in this state.

b. The business enters into an agreement with the department to claim tax benefits only for years during which the business maintains the capital investment.

c. The business offers compensation and benefits for the same type of work to its employees working in the zone that are at least as favorable as those offered to its employees working in this state but outside the zone, as determined by the department.

(d) A business that retains jobs in an enterprise zone, but only if the business makes a significant capital investment in property located in the enterprise zone and at least one of the following applies:

1. The business is an original equipment manufacturer with a significant supply chain in the state, as determined by the department by rule.

2. More than 500 full-time employees are employed by the business in the enterprise zone.

(e) A business located in an enterprise zone if the business purchases tangible personal property, items, property, or goods under s. 77.52 (1) (b), (c), or (d), or services from Wisconsin vendors, as determined by the department.

**(5m) ADDITIONAL TAX BENEFITS FOR SIGNIFICANT CAPITAL EXPENDITURES.** If the department determines that a business certified under sub. (5) makes a significant capital expenditure in the enterprise zone, the department may certify the business to receive additional tax benefits in an amount to be determined by the department, but not exceeding 10 percent of the business' capital expenditures. The department shall, in a manner determined by the department, allocate the tax benefits a business is certified to receive under this subsection over the remainder of the time limit of the enterprise zone under sub. (4).

**(6) OTHER DUTIES.** (a) The department of commerce shall notify the department of revenue when the department of commerce certifies a business to receive tax benefits.

(b) The department shall revoke a certification under sub. (5) if the business does any of the following:

1. Supplies false or misleading information to obtain tax benefits.

2. Leaves the enterprise zone to conduct substantially the same business outside of the enterprise zone.

3. Ceases operations in the enterprise zone and does not renew operation of the business or a similar business in the enterprise zone within 12 months.

(c) The department of commerce shall notify the department of revenue within 30 days of a revocation under par. (b).

(d) The department may require a business to repay any tax benefits the business claims for a year in which the business failed to maintain employment or capital investment levels required by an agreement under sub. (5) (c).

(e) The department shall determine the maximum amount of the tax credits under ss. 71.07 (3w), 71.28 (3w), and 71.47 (3w) that a certified business may claim and shall notify the department of revenue of this amount.

(f) The department shall annually verify the information submitted to the department under ss. 71.07 (3w), 71.28 (3w), or 71.47 (3w).

(g) The department shall promulgate the following by rule:

1. The definitions of a tier I county or municipality and a tier II county or municipality. The department may consider all of the following information when establishing the definitions required under this subdivision:

a. Unemployment rate.

b. Percentage of families with incomes below the poverty line established under 42 USC 9902 (2).

c. Median family income.

d. Median per capita income.

e. Other significant or irregular indicators of economic distress, such as a natural disaster or mass layoff.

2. The definition of an original equipment manufacturer with a significant supply chain in the state.

3. The definition of "significant capital expenditure" for purposes of sub. (5m).

**History:** 2005 a. 361; 2007 a. 20, 97, 100; 2009 a. 11, 28, 266, 267.

**560.7995 Airport development zones. (1) DEFINITIONS.** In this section:

(a) "Airport development project" means a business that locates or expands in an area designated as an airport development zone in this state.

(b) "Full-time job" has the meaning given in s. 560.70 (2m).

(c) "Target population" has the meaning given in s. 560.70 (6).

(d) "Tax benefits" means the development zones capital investment credit under ss. 71.07 (2dm), 71.28 (1dm), and 71.47 (1dm) and the development zones credit under ss. 71.07 (2dx), 71.28 (1dx), and 71.47 (1dx).

**(2) DESIGNATION OF AN AIRPORT DEVELOPMENT ZONE.** (a) Subject to pars. (c) and (e), the department may designate an area as an airport development zone if the department determines all of the following:

1. That an airport development project is desired for the area, as evidenced by a resolution of the governing body of each county, city, village, and town in which territory of the airport development zone will be located.

2. That the airport development project serves a public purpose.

3. That the airport development project will likely retain or increase employment in the state.

4. That the airport development project is not likely to occur or continue without the department's designation of the area as an airport development zone.

5. That the airport development project will likely positively affect the area.

6. That an airport is located in the area designated as an airport development zone, that the airport has at least 2 runways at the time of the designation, and that the airport's primary runway is at least 5,000 feet in length and its secondary runway is at least 3,000 feet in length.

(b) In making a determination under par. (a), the department shall consider all of the following:

1. The extent of poverty, unemployment, or other factors contributing to general economic hardship in the area.

2. The prospects for new investment and economic development in the area.

3. The amount of investment that is likely to result from the airport development project.

4. The number of full-time jobs that are likely to be created as a result of the airport development project.

5. The number of full-time jobs that are likely to be available to the target population as a result of the project.

6. The competitive effect of designating the area as an airport development zone on other businesses in the area.

7. The needs of other areas of the state.

8. Any other factors that the department considers relevant.

(c) 1. The department may not designate as an airport development zone, or as any part of an airport development zone, an area that is located within the boundaries of an area that is designated as a development zone under s. 560.71, as a development opportunity zone under s. 560.795, or as an enterprise development zone under s. 560.797.

2. The department shall give the department of transportation the opportunity to review and comment on any proposed designation under this subsection and the department of transportation may deny any such designation if the department of transportation determines that the designation would compromise the airport's safety or utility. The department of transportation may also review and comment on any land use or compatibility issues related to any proposed designation under this subsection.

3. A proposed designation under this subsection shall comply with all relevant local ordinances.

(d) Notwithstanding pars. (a) to (c), and except as provided in par. (e), the department shall designate as an airport development zone the area within the boundaries of Adams, Fond du Lac, Green Lake, Juneau, Langlade, Lincoln, Marathon, Marquette, Menominee, Oneida, Portage, Price, Shawano, Taylor, Waupaca, Wausara, Winnebago, Wood, and Vilas counties.

(e) No area may be designated as an airport development zone under this subsection on or after March 6, 2009.

**(3) DURATION OF DESIGNATION; LIMITS ON TAX BENEFITS.** (a) When the department designates an area as an airport development zone, the department shall specify the length of time, not to exceed 84 months, that the designation is effective, subject to par. (d). The department shall notify each person certified for tax benefits in an airport development zone, the department of revenue, the department of transportation, the Wisconsin Housing and Economic Development Authority, and the governing body of each county, city, village, town, and federally recognized American Indian tribe or band in which territory of the airport development zone is located of the designation of and expiration date of the airport development zone.

(b) When the department designates an area as an airport development zone, the department shall establish a limit, not to exceed \$3,000,000, for tax benefits applicable to the airport development zone, except that the department shall limit the amount of tax benefits applicable to the airport development zone designated under sub. (2) (d) to \$750,000. The total tax benefits applicable to all airport development zones may not exceed \$9,000,000, less any amount allocated to technology zones under s. 560.96 (2) (b) and to agricultural development zones under s. 560.798 (2) (b), and except that the total amount allocated to all technology zones under s. 560.96 (2) (b) and to all agricultural development zones under s. 560.798 (2) (b), may not exceed \$6,000,000. The department may not reallocate amounts as provided under this paragraph on or after January 1, 2010, except that the department may, after 48 months from the month of any designation under this section, evaluate the area designated as an airport development zone and reallocate the amount of available tax benefits.

(c) Annually, the department shall estimate the amount of forgone state revenue because of tax benefits claimed by persons in each airport development zone.

(d) 1. Notwithstanding the length of time specified by the department under par. (a), the designation of an area as an airport development zone shall expire 90 days after the day on which the department determines that the forgone tax revenues estimated under par. (c) will equal or exceed the limit established for the airport development zone.

2. The department shall immediately notify each person certified for tax benefits in an airport development zone, the department of revenue, the department of transportation, the Wisconsin Housing and Economic Development Authority, and the governing body of each county, city, village, town, and federally recognized American Indian tribe or band in which territory of the airport development zone is located of a change in the expiration date of the airport development zone under this paragraph.

**(4) CERTIFICATION FOR TAX BENEFITS.** (a) A person that intends to operate a place of business in an airport development zone may submit to the department an application and a business plan. The business plan shall include all of the following:

1. The name and address of the person's business for which tax benefits will be claimed.
2. The appropriate Wisconsin tax identification number of the person.
3. The names and addresses of other locations outside of the airport development zone where the person conducts business and a description of the business activities conducted at those locations.
4. The amount that the person proposes to invest in the place of business or to spend on the construction, rehabilitation, repair, or remodeling of a building in the airport development zone.
5. The estimated total investment of the person in the airport development zone.
6. The estimated number of full-time jobs that will be created, retained, or substantially upgraded as a result of the person's place of business in the airport development zone in relation to the amount of tax benefits estimated for the person.

7. The person's plans to make reasonable attempts to hire employees from the target population.

8. The estimated number of full-time jobs that will be filled by members of the target population.

10. Any other information required by the department or the department of revenue.

(am) A person that intends to operate a business in the airport development zone designated under sub. (2) (d) may submit to the department an application and a business plan that includes all of the information required under par. (a). In approving business plans submitted under this paragraph, the department shall give higher priority to airport development projects located or proposed to be located in a distressed area, as defined in s. 560.605 (7) (b).

(ar) The department may not accept or approve any applications or business plans submitted under par. (a) on or after March 6, 2009.

(b) 1. Except as provided in subd. 2., if the department approves a business plan under par. (a) or (am), the department shall certify the person as eligible for tax benefits. The department shall notify the department of revenue within 30 days of certifying a person under this paragraph.

2. No person may be certified under this paragraph on or after March 6, 2009.

(c) The department shall revoke a person's certification under par. (b) when the designation of the applicable airport development zone expires or if the person does any of the following:

1. Supplies false or misleading information to obtain the tax benefits.
2. Leaves the airport development zone to conduct substantially the same business outside of the airport development zone.
3. Ceases operations in the airport development zone and does not renew operation of the business or a similar business in the airport development zone within 12 months.

(d) The department shall notify the department of revenue within 30 days after revoking a certification under par. (c).

(e) The tax benefits for which a person is certified as eligible under par. (b) are not transferable to another person, business, or location, except to the extent permitted under section 383 of the Internal Revenue Code.

**(5) VERIFICATION OF INFORMATION.** The department annually shall verify information submitted to the department under ss. 71.07 (2dm) and (2dx), 71.28 (1dm) and (1dx), and 71.47 (1dm) and (1dx) as it relates to airport development zones.

**History:** 2005 a. 487; 2007 a. 96 s. 131; 2007 a. 183; 2009 a. 2.

## SUBCHAPTER VIII

### AMERICAN INDIAN ECONOMIC DEVELOPMENT

**560.86 Definitions.** In this subchapter:

- (1)** "American Indian" means a person who is recognized by a tribal governing body as a member of an Indian tribe.
- (4)** "Indian business" means a sole proprietorship, partnership, limited liability company, joint venture or corporation that satisfies all of the following requirements:
  - (a) Is at least 51% owned, controlled and actively managed by American Indians.
  - (b) Is currently performing a useful business function.
- (5)** "Indian reservation" means a reservation as defined in s. 139.30 (9).
- (6)** "Indian tribe" means a federally recognized American Indian tribe or band in this state.
- (7)** "Targeted program" means a program or form of assistance available to an American Indian, an Indian business or an Indian tribe that is administered by a state agency and that relates to any of the following:

- (a) Economic development.
- (b) Community development.
- (c) Increasing employment among American Indians.
- (d) Minority business certification under s. 560.036.
- (e) Any other program or form of state assistance which the department considers relevant to American Indians, Indian businesses or Indian tribes.

**(8)** “Tribal enterprise” means a business that is all of the following:

- (a) At least 51% owned and controlled by the governing body of one or more Indian tribes.
- (b) Actively managed by the governing body, or the designee of the governing body, of one or more Indian tribes.
- (c) Currently performing a useful business function.

**(9)** “Tribal governing body” means the elected governing body of an Indian tribe.

**History:** 1991 a. 39 ss. 3434g, 3463m; 1993 a. 112.

**560.87 Economic liaison program.** The department shall do all of the following:

**(1)** Provide to tribal governing bodies a directory or other list identifying state employees or officers who administer targeted programs.

**(2)** Provide information about economic development and targeted programs to American Indians, Indian businesses or tribal governing bodies by using brochures, conferences, counseling or other means determined by the department.

**(3)** Perform demographic and economic analyses of the American Indian population in this state to provide data for use in economic development and business recruitment on Indian reservations.

**(4)** Provide, upon request, assistance to American Indians, Indian businesses and tribal governing bodies to promote economic development through the use of targeted programs.

**(5)** Designate in the department a liaison between the state agencies that administer targeted programs and American Indians, Indian businesses and Indian tribes interested in targeted programs.

**(6)** From the appropriation under s. 20.143 (1) (kh), make an annual grant to the Great Lakes inter-tribal council in an amount equal to the amount appropriated under s. 20.143 (1) (kh), to partially fund in the Great Lakes inter-tribal council a liaison between American Indians, Indian businesses and Indian tribes interested in targeted programs and the state agencies that administer targeted programs.

**History:** 1991 a. 39 ss. 3434e, 3434k; 1999 a. 9.

**560.875 Technical assistance.** **(1)** Annually, the department shall grant to the Great Lakes inter-tribal council the amount appropriated under s. 20.143 (1) (kf) to partially fund a program to provide technical assistance for economic development on Indian reservations if the conditions under subs. (2) and (3) are satisfied.

**(2)** (a) As a condition of receiving a grant under sub. (1), the Great Lakes inter-tribal council shall establish a technical assistance program.

(b) The program shall provide technical assistance to all of the following businesses:

- 1. A tribal enterprise.
- 2. An Indian business that is located on an Indian reservation.
- 3. An Indian business that is not located on an Indian reservation but that directly benefits the economy of an Indian reservation.

(c) The program shall provide the following types of technical assistance:

- 1. Management assistance to existing businesses.

2. Start-up assistance to new businesses, including the development of business and marketing plans and assistance in securing development financing.

3. Technical assistance to new and existing businesses in gaining access to tribal, state and federal business assistance and financing programs.

(d) The program may not provide technical assistance for a commercial gaming and gambling activity.

**(3)** As a condition of receiving a grant under sub. (1), the Great Lakes inter-tribal council annually shall prepare a report on the technical assistance program under sub. (2) and submit the report to the department.

**History:** 1991 a. 39, 261; 1995 a. 27; 1999 a. 9.

## SUBCHAPTER IX

### TECHNOLOGY-BASED ECONOMIC DEVELOPMENT

**560.90 Definitions.** In this subchapter, “technically oriented business” means any of the following:

**(1)** A business in a new or emerging industry.

**(2)** A business that provides technically sophisticated products or services.

**(3)** A business that is based on a technically sophisticated production system.

**History:** 1989 a. 31.

**560.905 Administration.** **(1)** The department may contract with specialists outside the classified service, including teachers, professors and professionals on sabbatical leaves, to conduct or coordinate specific projects and programs under this subchapter.

**(2)** The standing committees of the senate and assembly with jurisdiction over science and technology shall advise the department concerning the administration of this subchapter. The department shall consider the advice of the committees in carrying out the functions under this subchapter.

**History:** 1989 a. 31; 2007 a. 125.

**560.92 Promotion.** **(1)** The department shall promote this state’s science and technology assets in cooperation with Forward Wisconsin, Inc., and the department of agriculture, trade and consumer protection.

**(2)** The department shall establish a program to recognize all of the following:

(a) Entrepreneurs in this state who have established successful technically oriented businesses.

(b) Outstanding researchers in basic and applied sciences in this state.

**History:** 1989 a. 31; 2001 a. 103.

**560.93 Statewide advanced technology.** **(1)** The department shall monitor potential opportunities for federal and private sector funding of significant technology development and transfer programs. The department may create an advisory committee of persons likely to be aware of these funding opportunities to assist in the monitoring of such opportunities.

**(2)** Upon identifying a potential funding opportunity under sub. (1), the department may create a team composed of appropriate government, educational and private sector representatives to review and pursue the funding opportunity. A team may do any of the following:

(a) Conduct an evaluation of whether one or more organizations located in this state should compete for the funds.

(b) Help one or more organizations located in this state in developing a specific application for the funds and any subsequent proposal or documentation.

(c) Present to persons providing funding, or coordinate the presentation of, an application for funds; and show to persons provid-

ing funding the facility or site where the technology development or transfer program is proposed to be conducted.

**History:** 1989 a. 31.

**560.96 Technology zones. (1)** In this section, “tax credit” means a credit under s. 71.07 (2di), (2dm), (2dx), or (3g), 71.28 (1di), (1dm), (1dx), or (3g), or 71.47 (1di), (1dm), (1dx), or (3g).

**(2)** (a) Except as provided in par. (c), the department may designate up to 8 areas in the state as technology zones. A business that is located in a technology zone and that is certified by the department under sub. (3) is eligible for a tax credit as provided in sub. (3).

(b) The designation of an area as a technology zone shall be in effect for 10 years from the time that the department first designates the area. Not more than \$5,000,000 in tax credits may be claimed in a technology zone, except that the department may allocate the amount of unallocated airport development zone tax credits, as provided under s. 560.7995 (3) (b), to technology zones for which the \$5,000,000 maximum allocation is insufficient. The department may change the boundaries of a technology zone during the time that its designation is in effect. A change in the boundaries of a technology zone does not affect the duration of the designation of the area or the maximum tax credit amount that may be claimed in the technology zone.

(c) No area may be designated as a technology zone under this subsection on or after March 6, 2009.

**(3)** (a) Except as provided in par. (e), the department may certify for tax credits in a technology zone a business that satisfies all of the following requirements:

1. The business is located in the technology zone.
2. The business is a new or expanding business.
3. The business is a high–technology business.

(b) In determining whether to certify a business under this subsection, the department shall consider all of the following:

1. How many new jobs the business is likely to create.
2. The extent and nature of the high technology used by the business.
3. The likelihood that the business will attract related enterprises.
4. The amount of capital investment that the business is likely to make in the state.
5. The economic viability of the business.

(c) When the department certifies a business under this subsection, the department shall establish a limit on the amount of tax credits that the business may claim. Unless its certification is revoked, and subject to the limit on the tax credit amount established by the department under this paragraph, a business that is certified may claim a tax credit for 3 years, except that a business that experiences growth, as determined for that business by the department under par. (d) and sub. (5) (e), may claim a tax credit for up to 5 years.

(d) The department shall enter into an agreement with a business that is certified under this subsection. The agreement shall specify the limit on the amount of tax credits that the business may claim, the extent and type of growth, which shall be specific to the business, that the business must experience to extend its eligibility for a tax credit, the business’ baseline against which that growth will be measured, any other conditions that the business must satisfy to extend its eligibility for a tax credit, and reporting requirements with which the business must comply.

(e) No business may be certified under this subsection on or after March 6, 2009.

**(4)** (a) The department of commerce shall notify the department of revenue of all the following:

1. A technology zone’s designation.
2. A business’s certification and the limit on the amount of tax credits that the business may claim.
3. The extension or revocation of a business’s certification.

(b) The department shall annually verify information submitted to the department under ss. 71.07 (2di), (2dm), (2dx), and (3g), 71.28 (1di), (1dm), (1dx), and (3g), and 71.47 (1di), (1dm), (1dx), and (3g).

**(5)** The department shall promulgate rules for the operation of this section, including rules related to all the following:

- (a) Criteria for designating an area as a technology zone.
- (b) A business’s eligibility for certification, including definitions for all of the following:
  1. New or expanding business.
  2. High–technology business.
- (c) Certifying a business, including use of the factors under sub. (3) (b).
- (d) Standards for establishing the limit on the amount of tax credits that a business may claim.
- (e) Standards for extending a business’s certification, including what measures, in addition to job creation, the department will use to determine the growth of a specific business and how the department will establish baselines against which to measure growth.
- (f) Reporting requirements for certified businesses.
- (g) The exchange of information between the department of commerce and the department of revenue.
- (h) Reasons for revoking a business’s certification.
- (i) Standards for changing the boundaries of a technology zone.

**History:** 2001 a. 16, 104; 2007 a. 183; 2009 a. 2.

## SUBCHAPTER X

### HOUSING ASSISTANCE

**560.9801 Definitions.** In this subchapter:

**(1)** “Community–based organization” means an organization operating in a specific geographic area that is organized primarily to provide housing opportunities for persons or families of low or moderate income, and that is one of the following:

- (a) A nonstock corporation organized under ch. 181 that is a nonprofit corporation, as defined in s. 181.0103 (17).
- (b) A nonprofit cooperative organized under ch. 185 or 193.
- (c) A federally recognized American Indian tribe or band in this state or an entity established by a federally recognized American Indian tribe or band.

**(2)** “Housing authority” means any of the following:

- (a) A housing authority organized under s. 59.53 (22), 61.73, 66.1201 or 66.1213 or ch. 234.
- (b) A redevelopment authority or housing and community development authority exercising the powers of a housing authority under s. 66.1333 (3) or 66.1335 (4).
- (c) A housing authority organized by the elected governing body of a federally recognized American Indian tribe or band in this state.

**(3)** “Housing costs” means whichever of the following applies:

- (a) For housing occupied by the owner, any of the following:
  1. The principal and interest on a mortgage loan that finances the purchase of the housing.
  2. Closing costs and other costs associated with a mortgage loan.
  3. Mortgage insurance.
  4. Property insurance.
  5. Utility–related costs.
  6. Property taxes.
  7. If the housing is owned and occupied by members of a cooperative or an unincorporated cooperative association, fees paid to a person for managing the housing.

(b) For rented housing, any of the following:

1. Rent.
3. Utility–related costs, if not included in the rent.

(6) “Utility–related costs” means costs related to power, heat, gas, light, water and sewerage.

**History:** 1989 a. 31; 1991 a. 39; 1995 a. 201; 1997 a. 79; 1999 a. 150 s. 672; 2003 a. 33 s. 151; Stats. 2003 s. 560.9801; 2005 a. 441.

**Cross–reference:** See also ch. [Comm 153](#), Wis. adm. code.

**560.9802 State housing strategy plan.** (1) (a) The department shall prepare a comprehensive 5–year state housing strategy plan. The department shall submit the plan to the federal department of housing and urban development.

(b) In preparing the plan, the department may obtain input from housing authorities, community–based organizations, the private housing industry and others interested in housing assistance and development.

(2) The state housing strategy plan shall include all of the following:

- (a) A statement of housing policies and recommendations.
  - (b) An evaluation and summary of housing conditions and trends in this state, including housing stock and housing cost analyses, general population and household composition demographic analyses and housing and demographic forecasts.
  - (c) An evaluation of housing assistance needs, based in part on the evaluation under par. (b).
  - (d) A discussion of major housing issues, including housing production, housing and neighborhood conservation, housing for persons with special needs, fair housing and accessibility and housing affordability.
  - (e) Housing policies that set the general framework for this state’s housing efforts.
  - (f) Strategies for utilizing federal funding and for coordinating federal and state housing efforts.
  - (g) Specific recommendations for public and private action that contribute to the attainment of housing policies under the plan.
  - (h) Strategies and specific recommendations for public and private action that will facilitate the inclusion of bicycle–oriented and pedestrian–oriented design in residential developments and mixed–use developments that include residential elements.
- (3) The department shall annually update the state housing strategy plan.
- (4) Before October 1 of each year, the department shall submit the state housing strategy plan to the governor and to the chief clerk of each house of the legislature for distribution to the legislature under s. [13.172 \(2\)](#).

**History:** 1991 a. 39; 1997 a. 27; 2003 a. 33 s. 152; Stats. 2003 s. 560.9802; 2009 a. 351.

**560.9803 Housing cost grants and loans.** (1) The department shall do all of the following:

- (a) Subject to sub. (2), make grants or loans, directly or through agents designated under s. [560.9804](#), from the appropriation under s. [20.143 \(2\) \(b\)](#) to persons or families of low or moderate income to defray housing costs of the person or family.
- (b) Determine the rate of interest, repayment terms or any other term of a loan made under this section.
- (c) Set minimum standards for housing that is occupied by a person or family of low or moderate income who receives a grant or loan under this section.

(2) In connection with grants and loans under sub. (1), the department shall do all of the following:

- (a) Base the amount of the grant or loan on the ratio between the recipient’s housing costs and income.
- (c) Ensure that the funds for the grants and loans are reasonably balanced among geographic areas of this state.

(d) Ensure that the funds for the grants and loans are reasonably balanced among the varying housing needs of persons or families of low or moderate income.

(e) Give priority for grants and loans to all of the following:

1. Homeless individuals and families.
2. Elderly persons.
3. Physically disabled persons.
5. Families in which at least one minor child but only one parent live together.
6. Families with 4 or more minor children living together.
7. Other persons or families that the department determines have particularly severe housing problems.

(3) (a) The department may make grants or loans under sub. (1) (a) directly or through agents designated under s. [560.9804](#).

(b) The department may administer and disburse funds from a grant or loan under sub. (1) (a) on behalf of the recipient of the grant or loan.

**History:** 1989 a. 31; 1991 a. 39; 2001 a. 109; 2003 a. 33 s. 153; Stats. 2003 s. 560.9803.

**Cross–reference:** See also ch. [Comm 153](#), Wis. adm. code.

**560.9804 Designated agents.** (1) The department may enter into an agreement with an agent designated under sub. (2) to allow the designated agent to do any of the following:

(a) Award grants and loans under s. [560.9803 \(1\)](#) and (2) subject to the approval of the department.

(b) Disburse the funds for grants and loans to persons or families of low or moderate income on terms approved by the department.

(c) On terms approved by the department, administer and disburse funds from a grant or loan under s. [560.9803](#) on behalf of the recipient of the grant or loan.

(2) The department may designate any of the following as agents:

- (a) The governing body of a county, city, village or town.
- (b) The elected governing body of a federally recognized American Indian tribe or band in this state.
- (c) A housing authority.
- (d) A nonstock corporation organized under ch. [181](#) that is a nonprofit corporation, as defined in s. [181.0103 \(17\)](#).
- (e) A cooperative organized under ch. [185](#) or [193](#), if the articles of incorporation, articles of organization, or bylaws of the cooperative limit the rate of dividend that may be paid on all classes of stock.
- (f) A religious society organized under ch. [187](#).
- (g) An organization operated for profit.

**History:** 1989 a. 31; 1991 a. 39 ss. [120](#), [121](#); Stats. 1991 s. 16.334; 1997 a. 27; 2003 a. 33 s. 154; Stats. 2003 s. 560.9804; 2005 a. 441.

**Cross–reference:** See also ch. [Comm 153](#), Wis. adm. code.

**560.9805 Grants to local housing organizations.**

(1) The department may make grants to a community–based organization, organization operated for profit or housing authority to improve the ability of the community–based organization, organization operated for profit or housing authority to provide housing opportunities, including housing–related counseling services, for persons or families of low or moderate income. The grants may be used to partially defray any of the following:

(a) Salaries, fringe benefits and other expenses associated with personnel of the housing authority, organization operated for profit or community–based organization.

(b) Administrative or operating costs, not described in par. (a).

(2) The department may not make a grant under sub. (1) unless all of the following apply:

(a) The housing authority, organization operated for profit or community–based organization submitted an application for a grant.

(b) The housing authority, organization operated for profit or community-based organization equally matches the grant, by cash or by other assets in kind.

(c) The department determines that the grant to the particular community-based organization, organization operated for profit or housing authority is appropriate because of any of the following:

1. The quality of the management of the community-based organization, organization operated for profit or housing authority.

2. The amount of other resources for providing housing opportunities that are available to the community-based organization, organization operated for profit or housing authority.

3. The potential impact of the planned activities of the community-based organization, organization operated for profit or housing authority on housing opportunities for persons of low and moderate income in the area.

4. The financial need of the community-based organization, organization operated for profit or housing authority.

**(3)** A community-based organization, organization operated for profit or housing authority may receive grants under both sub. **(1) (a)** and **(b)**.

**(4)** To ensure the development of housing opportunities, the department shall coordinate the use of grants provided under this section with projects undertaken by housing authorities, organizations operated for profit and community-based organizations.

**History:** 1989 a. 31; 1991 a. 39 s. 124; Stats. 1991 s. 16.336; 1997 a. 27; 2003 a. 33 s. 155; Stats. 2003 s. 560.9805.

**Cross-reference:** See also ch. **Comm 152**, Wis. adm. code.

**560.9806 Transitional housing grants. (1) DEFINITIONS.** In this section:

(a) “Eligible applicant” means any of the following:

1. A county or municipal governing body.
2. A county or municipal governmental agency.
3. A community action agency under s. **49.265**.
4. A private, nonprofit organization.
5. An organization operated for profit.

(b) “Transitional housing” means housing and supportive services for homeless persons that is designed to facilitate the movement of homeless persons to independent living.

**(2) GRANTS.** (a) From the appropriation under s. **20.143 (2) (fm)**, the department may award a grant to an eligible applicant for the purpose of providing transitional housing and associated supportive services to homeless individuals and families if the conditions under par. **(b)** are satisfied. The department shall ensure that the funds for the grants are reasonably balanced among geographic areas of the state, consistent with the quality of applications submitted.

(b) A recipient of a grant under par. **(a)** shall agree to use the grant to support a transitional housing program that does all of the following:

1. Utilizes only existing buildings.
2. Utilizes buildings at scattered sites.
3. Facilitates the utilization, by residents, of appropriate social services available in the community.
4. Provides, or facilitates the provision of, training in self-sufficiency to residents.
5. Requires that at least 25% of the income of residents be spent for rent.
6. Permits persons to reside in transitional housing facilities for a period not to exceed 24 months.

**(3) REPORTING.** Each recipient of a grant under this section shall annually provide all of the following information to the department:

(a) The total number of persons served.

(b) The length of stay in transitional housing of each person served.

(c) The housing and employment status of each person served, at the time that the person leaves the transitional housing program.

(d) Any other information that the department determines to be necessary to evaluate the effectiveness of the transitional housing program operated by the recipient.

**(4) STUDY.** Before July 1, 1993, the department shall submit a report to the chief clerk of each house of the legislature for distribution to the legislature under s. **13.172 (2)**. The report shall evaluate the effectiveness of the transitional housing programs that are funded by grants under this section in facilitating the movement of homeless persons to independent living and shall include a recommendation on the continuation of funding to those programs.

**History:** 1991 a. 39, 269; 1997 a. 27; 1999 a. 9; 2001 a. 16; 2003 a. 33 s. 156; Stats. 2003 s. 560.9806; 2007 a. 20.

**Cross-reference:** See also ch. **Comm 151**, Wis. adm. code.

**560.9807 Grants to alleviate homelessness.**

**(1) GRANTS.** From moneys available under s. **20.143 (2) (h)**, the department shall make grants to organizations, including organizations operated for profit, that provide shelter or services to homeless individuals or families.

**(2) SUPPLEMENTAL FUNDS.** The department shall ensure that grants awarded under sub. **(1)** are not used to supplant other state funds available for homelessness prevention or services to homeless individuals or families.

**(2m) REPORT.** Annually, the department shall submit a report to the speaker of the assembly, the president of the senate and to the appropriate standing committees under s. **13.172 (3)** that summarizes how much money was received in the previous year and how that money was distributed.

**(3) RULES.** The department shall promulgate rules establishing procedures and eligibility criteria for grants under this section.

**History:** 1993 a. 33; 1997 a. 27; 2003 a. 33 s. 158; Stats. 2003 s. 560.9807.

**Cross-reference:** See also ch. **Comm 151**, Wis. adm. code.

**560.9808 Grants for the provision of shelter for homeless individuals and families. (1) DEFINITIONS.** In this section:

(a) “Current operating budget” means the budget for the calendar or fiscal year during which an application is submitted, including all sources and amounts of revenue and all actual and planned expenditures.

(b) “Eligible applicant” means any of the following:

1. A county or municipal governing body.
2. A county or municipal governmental agency.
3. A community action agency.
4. A private nonprofit organization, as defined under s. **108.02 (19)**, or a nonstock corporation that is organized under ch. **181** and that is a nonprofit corporation, as defined in s. **181.0103 (17)**.
5. A federally recognized American Indian tribe or band.
6. A housing and community development authority.
7. An organization operated for profit.

(c) “Proposed operating budget” means the budget proposed for the calendar or fiscal year following the year in which an application is submitted, including all anticipated revenue other than the amount sought in the grant application and all planned expenditures.

(d) “Shelter facility” means a temporary place of lodging for homeless individuals or families.

**(2) PURPOSE; ALLOCATION.** (a) From the appropriations under s. **20.143 (2) (fm)** and **(h)**, the department shall award grants to eligible applicants for the purpose of supplementing the operating budgets of agencies and shelter facilities that have or anticipate a need for additional funding because of the renovation or expansion of an existing shelter facility, the development of an existing

building into a shelter facility, the expansion of shelter services for homeless persons, or an inability to obtain adequate funding to continue the provision of an existing level of services.

(b) The department shall allocate funds from the appropriations under s. 20.143 (2) (fm) and (h) for temporary shelter for homeless individuals and families as follows:

1. At least \$400,000 in each year to eligible applicants located in Milwaukee County.
2. At least \$66,500 in each year to eligible applicants located in Dane County.
3. At least \$100,000 in each year to eligible applicants not located in Milwaukee County or Dane County.
4. In addition to the amounts under subs. 1. to 3., no more than \$183,500 in each year to eligible applicants without restriction as to the location of the applicants.

(3) APPLICATION. (a) An eligible applicant which is not located in Dane County or Milwaukee County may submit an application for one of the following:

1. A grant of not more than 50% of the current or proposed operating budget of a shelter facility operated by the applicant.
  2. A grant of not more than 50% of the portion of the applicant's current or proposed operating budget allocated for providing homeless individuals with vouchers that may be exchanged for temporary shelter.
- (am) An eligible applicant located in Dane County or Milwaukee County may submit an application for one of the following:
3. A grant of not more than 50% of the total current or proposed operating budgets of one or more shelter facilities from which the applicant purchases shelter for homeless persons and to which the applicant will distribute the money it receives under conditions described in the application.
  4. A grant of not more than 50% of the total current or proposed operating budgets of 2 or more shelter facilities which the applicant represents and to which the applicant will distribute the money received under conditions described in the application.

(b) Applications shall be submitted in the form required by the department and shall be accompanied by the current or proposed operating budget or both, as required by the department, of each shelter facility or agency which will, directly or indirectly, receive any of the grant money, and an explanation of why the shelter facility or agency has or anticipates a need for additional funding.

(3m) GRANT ELIGIBILITY. In awarding grants under this section, the department shall consider whether the community in which an eligible applicant provides services has a coordinated system of services for homeless individuals and families.

(4) RULE MAKING REQUIRED. The department shall promulgate by rule both of the following:

- (a) Criteria for awarding grants.
- (b) Criteria for determining whether an agency that operates a shelter facility or program is eligible for a grant.

(5) PROHIBITED USES. The department may not provide a grant for any of the following purposes:

- (a) The construction of a new shelter facility.
- (b) The operation of a shelter care facility licensed under ch. 48.
- (c) The operation of a facility or private home providing shelter for victims of domestic abuse.
- (d) The operation of an agency that provides only information, referral or relocation services.

**History:** 1985 a. 29, 276; 1987 a. 27, 399; 1989 a. 31; 1991 a. 39 s. 1378; Stats. 1991 s. 16.352; 1993 a. 16, 374; 1995 a. 27; 1997 a. 27, 79; 2001 a. 16; 2003 a. 33 s. 159; Stats. 2003 s. 560.9808.

**Cross-reference:** See also ch. Comm 150, Wis. adm. code.

**560.9809 Community development block grant housing programs.** (1) The department may administer housing

programs, including the housing improvement grant program and the initial rehabilitation grant program, that are funded by a community development block grant, 42 USC 5301 to 5320.

(2) The department may promulgate rules to administer this section.

(3) Notwithstanding sub. (2), the department shall promulgate rules that specify that an applicant for funds under a program under this section shall be eligible to receive funds under the program in the year following the year for which the applicant submits an application, without having to submit another application for that following year, if all of the following apply:

(a) The applicant is an eligible applicant under the terms of the program.

(b) The applicant did not receive funds under the program in the year for which the application was submitted.

**History:** 1991 a. 39; 1995 a. 27 s. 9116 (5); 1997 a. 27; 2003 a. 33 s. 160; Stats. 2003 s. 560.9809.

**Cross-reference:** See also ch. Comm 154, Wis. adm. code.

**560.9810 Use of surplus state-owned real property.**

(1) DEFINITIONS. In this section "state agency" means an office, commission, department, or independent agency in the executive branch of state government.

(2) TRANSFER OF REAL PROPERTY TO THE DEPARTMENT. (a) The department shall petition the head of any state agency having jurisdiction over real property that the department determines to be suitable for surplus.

(b) The head of the state agency having jurisdiction over the real property shall notify the department in writing whether or not the state agency considers the real property to be surplus.

(c) If the state agency considers the real property to be surplus, if the department determines that the real property is suitable by, the state agency shall transfer the real property, without payment, to the department for purposes of transfer to an applicant under sub. (3).

(3) TRANSFER OF REAL PROPERTY. The department may transfer real property obtained under sub. (2) to an applicant under a written agreement that includes a provision that the applicant agrees to pay the department an amount to utilize the real property in conformance with the agreement.

(4) RECORDING. The department shall record the agreement under sub. (3) in the office of the register of deeds for the county in which the real property subject to the agreement is located.

(5) NONAPPLICATION. This section does not apply to property that is authorized to be sold under s. 16.848.

**History:** 1991 a. 39; 2001 a. 103; 2003 a. 33 s. 161; Stats. 2003 s. 560.9810; 2005 a. 25.

**560.9811 Mental health services.** (1) In this section, "serious and persistent mental illness" has the meaning given in s. 51.01 (14t).

(2) From the appropriation under s. 20.143 (2) (fr), the department may not award more than \$45,000 in each fiscal year to applying public or nonprofit private entities for the costs of providing certain mental health services to homeless individuals with serious and persistent mental illness. Entities that receive funds awarded by the department under this subsection shall provide the mental health services required under 42 USC 290cc–24. The amount that the department awards to an applying entity may not exceed 50% of the amount of matching funds required under 42 USC 290cc–23.

**History:** 2005 a. 25 s. 908; 2005 a. 264; 2007 a. 45.

**560.9815 Federal housing assistance programs.** Notwithstanding s. 16.54 (2) (a), the department shall administer federal funds made available to this state under the Stewart B. McKinney homeless assistance act housing assistance programs, 42 USC 11361 to 11402.

**History:** 1991 a. 39; 2003 a. 33 s. 157; Stats. 2003 s. 560.9815.