



2013 ASSEMBLY BILL 375

September 17, 2013 - Introduced by Representatives WEININGER, BIES, JACQUE, KLEEFISCH, KAHL, NYGREN, BORN, KLENKE, A. OTT, KNODL, GENRICH and MURSAU, cosponsored by Senators LASEE and HANSEN. Referred to Committee on Jobs, Economy and Mining.

1 **AN ACT** *to amend* 238.30 (7) (b) 2., 238.395 (3) (a) 4., 238.395 (3) (b) (intro.) and
2 238.395 (3) (b) 8.; and *to create* 109.07 (1m) (bm) and 238.395 (6) of the
3 statutes; **relating to:** development opportunity zones for areas experiencing
4 mass layoffs or business closings.

Analysis by the Legislative Reference Bureau

Current law designates certain areas in the state, usually confined to a city, as development opportunity zones. Taxpayers that conduct business or intend to conduct business in a development opportunity zone may receive certain tax credits after submitting a qualifying project plan to the Wisconsin Economic Development Corporation (WEDC).

This bill authorizes WEDC to designate as a development opportunity zone an area in a county in this state that experiences a mass layoff or business closing. Under the bill, the mass layoff or business closing must affect at least 25 percent of the employer's workforce or 100 employees, whichever is greater, at an employment site or within a county, not including new or low-hour employees. The bill also authorizes WEDC to reallocate unallocated tax credits from the existing development opportunity zones in the cities of Janesville, Kenosha, and Beloit for use in a development opportunity zone that WEDC designates in connection with a mass layoff or business closing.

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For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

1 **SECTION 1.** 109.07 (1m) (bm) of the statutes is created to read:

2 109.07 (**1m**) (bm) The department shall promptly provide a copy of the notice
3 required under par. (a) to the Wisconsin Economic Development Corporation.

4 **SECTION 2.** 238.30 (7) (b) 2. of the statutes is amended to read:

5 238.30 (**7**) (b) 2. With respect to the development opportunity zones under s.
6 238.395 (1) (g), (h), and (i) and (6), “tax benefits” means the development zone credits
7 under ss. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx), and 76.636 and the development zones
8 capital investment credit under ss. 71.07 (2dm), 71.28 (1dm), and 71.47 (1dm).

9 **SECTION 3.** 238.395 (3) (a) 4. of the statutes is amended to read:

10 238.395 (**3**) (a) 4. Any person that is conducting or that intends to conduct
11 economic activity in a development opportunity zone under sub. (1) (e), (f), (g), (h),
12 or (i) and that, in conjunction with the local governing body of the city in which the
13 development opportunity zone is located, submits a project plan as described in par.
14 (b) to the corporation, and any person to whom the corporation reallocates tax
15 benefits under sub. (6) (c) 1. for economic activity conducted in a development
16 opportunity zone designated under sub. (6) (b), shall be entitled to claim tax benefits
17 while the area is designated as a development opportunity zone.

18 **SECTION 4.** 238.395 (3) (b) (intro.) of the statutes is amended to read:

19 238.395 (**3**) (b) (intro.) A project plan under par. (a), or under sub. (6) (c) 2., shall
20 include all of the following:

21 **SECTION 5.** 238.395 (3) (b) 8. of the statutes is amended to read:

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1 238.395 (3) (b) 8. A description of the commitment of the local governing body
2 of the city in which the development opportunity zone is located, or the county board
3 of the county in which a development opportunity zone is located under sub. (6), to
4 the person's project.

5 **SECTION 6.** 238.395 (6) of the statutes is created to read:

6 238.395 (6) DEVELOPMENT OPPORTUNITY ZONE IN A COUNTY EXPERIENCING A MASS
7 LAYOFF OR BUSINESS CLOSING. (a) In this subsection:

8 1. "Business closing" means a permanent or temporary shutdown of an
9 employment site or of one or more facilities or operating units at an employment site
10 or within a single county that affects at least 25 percent of the employer's workforce
11 or 100 employees, whichever is greater, not including new or low-hour employees as
12 defined in s. 109.07 (1) (h).

13 2. "Mass layoff" means a reduction in an employer's workforce that is not the
14 result of a business closing and that affects at least 25 percent of the employer's
15 workforce or 100 employees, whichever is greater, at an employment site or within
16 a single county, not including new or low-hour employees, as defined in s. 109.07 (1)
17 (h).

18 (b) The corporation may designate as a development opportunity zone under
19 this section an area, the legal description of which is provided to the corporation by
20 the county board of the affected county, in a county in which a mass layoff or business
21 closing occurs.

22 (c) 1. The corporation may reallocate any tax benefits not allocated under sub.
23 (3) (a) 4. for economic activity in a development opportunity zone under sub. (1) (g),
24 (h), and (i) to a person that qualifies for tax benefits under subd. 2. If the corporation
25 reallocates tax benefits to a person under this subdivision, that person shall be

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1 entitled to claim tax benefits under sub. (3) (a) 4. while the area is designated as a
2 development opportunity zone.

3 2. A person qualifies for a reallocation of tax benefits under subd. 1. if the
4 person is conducting or intends to conduct economic activity in a development
5 opportunity zone designated by the corporation under par. (b) and, in conjunction
6 with the county board of the county in which the development opportunity zone is
7 located, submits a project plan as described in sub. (3) (b) to the corporation.

8 (d) The designation of an area as a development opportunity zone under this
9 subsection may not extend beyond the period of the designation of a development
10 opportunity zone under sub. (1) (g), (h), or (i), whichever is later, including any
11 extension under sub. (2) (e).

12

(END)