

2019 Assembly Bill 38 (LRB -1953)

An Act to repeal 36.11 (55), 946.13 (12) (b) 2. and 946.13 (12) (c); to renumber and amend 946.13 (12) (a); to consolidate, renumber and amend 946.13 (12) (b) (intro.) and 1.; and to create 946.13 (12) (a) 2. of the statutes; relating to: University of Wisconsin research contracts. (FE)

2019

- 02-22. A. Introduced by Representatives **Murphy, Stubbs, Ballweg, Kulp, Vruwink, Subeck, Sargent, C. Taylor, Skowronski, Zimmerman, Ramthun and Born**; cosponsored by Senators **Feyen, Risser, Cowles, Bewley, Petrowski, Olsen and Darling**. ..... 49
- 02-22. A. Read first time and referred to Committee on Constitution and Ethics ..... 49
- 03-14. A. Fiscal estimate received
- 04-30. A. Public hearing held
- 06-04. A. Executive action taken
- 06-12. A. Report passage recommended by Committee on Constitution and Ethics, Ayes 9, Noes 0 ..... 168
- 06-12. A. Referred to committee on Rules ..... 168
- 06-13. A. Placed on calendar 6-18-2019 by Committee on Rules
- 06-18. A. Read a second time ..... 182
- 06-18. A. Ordered to a third reading ..... 182
- 06-18. A. Rules suspended ..... 182
- 06-18. A. Read a third time and **passed** ..... 182
- 06-18. A. Ordered immediately messaged ..... 182
- 06-18. S. Received from Assembly ..... 262
- 06-24. S. Read first time and referred to committee on Universities, Technical Colleges, Children and Families ..... 276
- 08-27. S. Executive action taken
- 08-29. S. Report concurrence recommended by Committee on Universities, Technical Colleges, Children and Families, Ayes 6, Noes 1 ..... 351
- 08-29. S. Available for scheduling
- 10-17. S. Senate Amendment 1 offered by Senator Feyen (**LRB a0651**) ..... 444
- 11-01. S. Public hearing requirement waived by committee on Senate Organization, pursuant to Senate Rule 18 (1m), Ayes 3, Noes 2 ..... 472
- 11-01. S. Placed on calendar 11-5-2019 pursuant to Senate Rule 18(1) ..... 473
- 11-05. S. Read a second time ..... 488
- 11-05. S. Senate Amendment 1 **adopted** ..... 488
- 11-05. S. Ordered to a third reading ..... 488
- 11-05. S. Rules suspended ..... 488
- 11-05. S. Read a third time and **concurred in** as amended ..... 488
- 11-05. S. Ordered immediately messaged ..... 488
- 11-06. A. Received from Senate amended and concurred in as amended (Senate amendment 1 adopted) ..... 362
- 11-07. A. Referred to committee on Rules ..... 369
- 11-07. A. Placed on calendar 11-12-2019 by Committee on Rules
- 11-12. A. Senate Amendment 1 **concurred in**
- 11-12. A. Action ordered immediately messaged



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**ENROLLED BILL**

**Adopted Documents**

Original

Engrossed

Substitute Amdt

19-1953, 1

Amendments:  None or  Listed below.

SA 1

Corrections:  None or  Listed by date below.

Topic:  Same as relating clause or  Indicated below.

11/13/19

Date

Enrolling Drafter



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRB-1953/1  
MDK:klm

## 2019 ASSEMBLY BILL 38

February 22, 2019 - Introduced by Representatives MURPHY, STUBBS, BALLWEG, KULP, VRUWINK, SUBECK, SARGENT, C. TAYLOR, SKOWRONSKI, ZIMMERMAN, RAMTHUN and BORN, cosponsored by Senators FEYEN, RISSER, COWLES, BEWLEY, PETROWSKI, OLSEN and DARLING. Referred to Committee on Constitution and Ethics.

1 **AN ACT to repeal** 36.11 (55), 946.13 (12) (b) 2. and 946.13 (12) (c); **to renumber**  
2 **and amend** 946.13 (12) (a); **to consolidate, renumber and amend** 946.13  
3 (12) (b) (intro.) and 1.; and **to create** 946.13 (12) (a) 2. of the statutes; **relating**  
4 **to:** University of Wisconsin research contracts.

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### *Analysis by the Legislative Reference Bureau*

This bill changes the requirements that apply to research contracts involving the University of Wisconsin System (system) or a two-year or four-year UW school. Current law generally prohibits a public officer or employee from participating in a contract in which he or she has a private pecuniary interest if the contract involves the officer's or employee's exercise of discretion as an officer or employee. Current law exempts from that prohibition contracts between the system or a UW school and a "research company," which is defined as an entity engaged in commercial activity that is related either to research conducted by a system employee or officer or to the product of such research. The exemption applies if the system employee or officer responsible for evaluating and managing potential conflicts of interest approves the contract. In addition, if the contract and all other contracts between the parties requires \$250,000 or more in payments over a 24-month period, the exemption applies only if the system submits the contract to the Board of Regents of the system and, within 45 days, the Board of Regents does not notify the system that entering into the contract would violate the prohibition.

This bill eliminates the exemption described above and creates a different exemption. The bill changes the definition of "research company" to include entities

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engaged in nonprofit activity in addition to those engaged in commercial activity. Under the bill, the prohibition does not apply if any interest that a system employee or officer has in a research company has been evaluated and addressed in a management plan. In addition, the management plan must be issued by the individual or body responsible for evaluating and managing potential conflicts of interest. The bill's exemption applies to research contracts entered into, or extended, modified, or renewed, on the bill's effective date.

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

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

1           **SECTION 1.** 36.11 (55) of the statutes is repealed.

2           **SECTION 2.** 946.13 (12) (a) of the statutes is renumbered 946.13 (12) (a) (intro.)  
3 and amended to read:

4           946.13 (12) (a) (intro.) In this subsection, "~~research;~~

5           1. "Research company" means an entity engaged in commercial or nonprofit  
6 activity that is related to research conducted by an employee or officer of the  
7 ~~University of Wisconsin System~~ system or to a product of such research.

8           **SECTION 3.** 946.13 (12) (a) 2. of the statutes is created to read:

9           946.13 (12) (a) 2. "System" means the University of Wisconsin System.

10          **SECTION 4.** 946.13 (12) (b) (intro.) and 1. of the statutes are consolidated,  
11 renumbered 946.13 (12) (b) and amended to read:

12          946.13 (12) (b) Subsection (1) does not apply to a contract between a research  
13 company and the ~~University of Wisconsin System~~ system or any institution or college  
14 campus within the system for purchase of goods or services, including research, if the  
15 following apply: 1. ~~The contract is approved by a University of Wisconsin System~~  
16 interest that a system employee or officer has in the research company has been

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1 evaluated and addressed in a management plan issued by the individual or body  
2 responsible for evaluating and managing potential conflicts of interest.

3 **SECTION 5.** 946.13 (12) (b) 2. of the statutes is repealed.

4 **SECTION 6.** 946.13 (12) (c) of the statutes is repealed.

5 **SECTION 7. Initial applicability.**

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6 (1) This act first applies to contracts entered into, or extended, modified, or  
7 renewed, on the effective date of this subsection.

8 (END)

and the management plan  
complies with the policy  
adopted under par. (d)



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRBa0651/1  
MDK:skw

**SENATE AMENDMENT 1,  
TO ASSEMBLY BILL 38**

October 17, 2019 - Offered by Senator FEYEN.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 3, line 2: after "conflicts of interest" insert "and the management plan  
3 complies with the policy adopted under par. (d)".

4 **2.** Page 3, line 4: after that line insert:

5 "**SECTION 6m.** 946.13 (12) (d) of the statutes is created to read:

6 946.13 (12) (d) The board shall adopt a policy specifying the contents required  
7 for a management plan under par. (b)".

8 (END)

(W)  
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