
Wisconsin Legislative Council

ACT MEMO



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2019 Wisconsin Act 36
[2019 Assembly Bill 38]

**University of Wisconsin
Research Contracts**

BACKGROUND

State law generally prohibits any public officer or public employee from negotiating, bidding for, or entering into a contract in which they have a private interest if they are authorized or required by law to participate in the contract in their capacity as an officer or employee. However, the statutes include an exception for commercial activity that is related to research conducted by an employee or officer of the University of Wisconsin (UW) System or to a product of such research. Prior to the enactment of Act 36, the exception applied to contracts between a research company, as defined under the statute, and the UW System or any institution or college campus within the system, provided that the following criteria applied:

- The contract was approved by a UW System employee or officer responsible for evaluating and managing potential conflicts of interest.
- The contract required less than \$250,000 in payments over a 24-month period; or after submission of the contract to the Board of Regents for review, the Board of Regents did not notify the system within 45 days that it constituted a conflict of interest.

Also, prior to the enactment of Act 36, the statutes defined a “research company” as an entity engaged in commercial activity related to research conducted by an employee or officer of the UW System or a product of such research.

2019 WISCONSIN ACT 36

The act replaces the requirements related to the statutory exception described above. Under the act, the exception applies to contracts between a research company and the UW System or any institution or college campus within the system, if the following criteria apply:

- The interest that a system employee or officer has in the research company has been evaluated and addressed in a management plan issued by the individual or body responsible for evaluating and managing potential conflicts of interest.
- The management plan complies with the applicable policy adopted by the UW Board of Regents.

In addition, the act defines a “research company” as an entity engaged in either commercial or nonprofit activity related to research conducted by an employee or officer of the UW System or a product of such research.

Effective date: November 23, 2019

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